GREATER ALBUQUERQUE CHAMBER OF COMMERCE

Legislative RoundUp

2025 Regular Session | Friday, January 17, 2025

57th Legislature | Warm-up Edition

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

January 17, 2025
Warm-Up Edition

Coming to your Inbox Soon!

Starting Monday, Jan. 20, GACC's Legislative Roundup will kick off the first session of the 57th Legislature, which gets underway at noon on Tuesday, Jan. 21, 2025, and wraps up on March 22, 2025. This is a 60-day general session - that means legislation can be introduced on any subject up until Feb. 20. Currently, over 165 bills have been "prefiled," and that's only the beginning! In 2023, the last 60-day session, 1,089 bills found their way into the legislative hopper. Only 211, about 20%, were actually signed into law.



Lots of New Members

Of the 42 seats in the Senate, 16 will be filled by freshmen. Six of the 16 have prior

legislative experience, mostly having served in the House prior to their election to the Senate. In the 70-member House, there will be a total of 15 new members once two vacancies are filled.

One vacancy is in District 6 (Cibola and McKinley) following the passing of Democratic Rep. Eliseo Alcon. The governor is considering appointment of former Democratic Rep. Harry Garcia but is awaiting legal advice concerning whether Garcia's residence is in the district. The second vacancy is in District 59 (Chaves), which occurred as the result of Republican Rep. Jared Hembree's resignation due to health concerns. Chaves County commissioners will name his successor.

Looking ahead

In Monday's edition, we'll give you a 30,000-foot view of the key issues that we foresee affecting business and our state. On Tuesday, we'll cover convening of the session and the governor's state of the state message. This will be the governor's last 60-day session. Democratic leadership in both houses has said they want to get a fast start to the session by quickly passing public safety-oriented legislation, clearing the way for prompt consideration of other legislation.



Signing Off from Albuquerque

We're not quite set up in Santa Fe yet, but we will be by Monday. Led by our legislative team including Chamber President and CEO Terri Cole, Chamber Chairman of the Board Del Esparza and Sherman McCorkle, chair of State Legislative Affairs, the team will cover all the important action, presenting testimony before committees, explaining our positions to legislators and reporting daily to our members. We expect to present our complete legislative agenda next Friday so you can see the roadmap our Board of Directors has established to guide our lobbying activities. Until Monday, have a wonderful weekend.

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

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GREATER ALBUQUERQUE CHAMBER OF COMMERCE

Legislative RoundUp

2025 Regular Session | Monday, January 20, 2025

57th Legislature | Day Minus One

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

Legislative Roundup
January 20, 2025
Day Before Opening Gavel



Tomorrow, at noon, Jan. 21, the first session of the 57th Legislature will convene a 60-day general session that ends on March 22, 2025. In a general session, there is no restriction on the subjects that can be considered. We expect that over 1,000 bills will be introduced. The Chamber's legislative team will sift through the mass of legislation, focusing attention on those measures that will advance or hamper New Mexico's economic competitiveness.



New Mexico is not an island fortress immune from global and national economic forces. Our

state has many unique qualities that make it an attractive place to live or visit: diverse culture, natural beauty and lots of space. However, we must deal with several undesirable factors that hurt our economic competitiveness compared to surrounding states and other regions of the country.

What holds us back? Why do New Mexicans have lower incomes? Here are some key reasons:

- Our public school system is the worst in the nation despite substantially increased funding.
- Our communities are not safe, and we've earned a reputation as a crime-ridden state.
- Drug abuse, especially fentanyl, boosts crime and threatens the lives of our children.
- Too many of our best and brightest young people leave our state, finding better jobs elsewhere.
- Our healthcare system faces critical shortages of physicians, nurses, mental health professionals and technicians.

These are some of the key areas that need to be tackled if our economic competitiveness is to improve and New Mexicans are to have higher incomes, safer communities and a robust healthcare system much less dependent on what amounts to government subsidies via Medicaid that, at best, barely cover the cost of care.



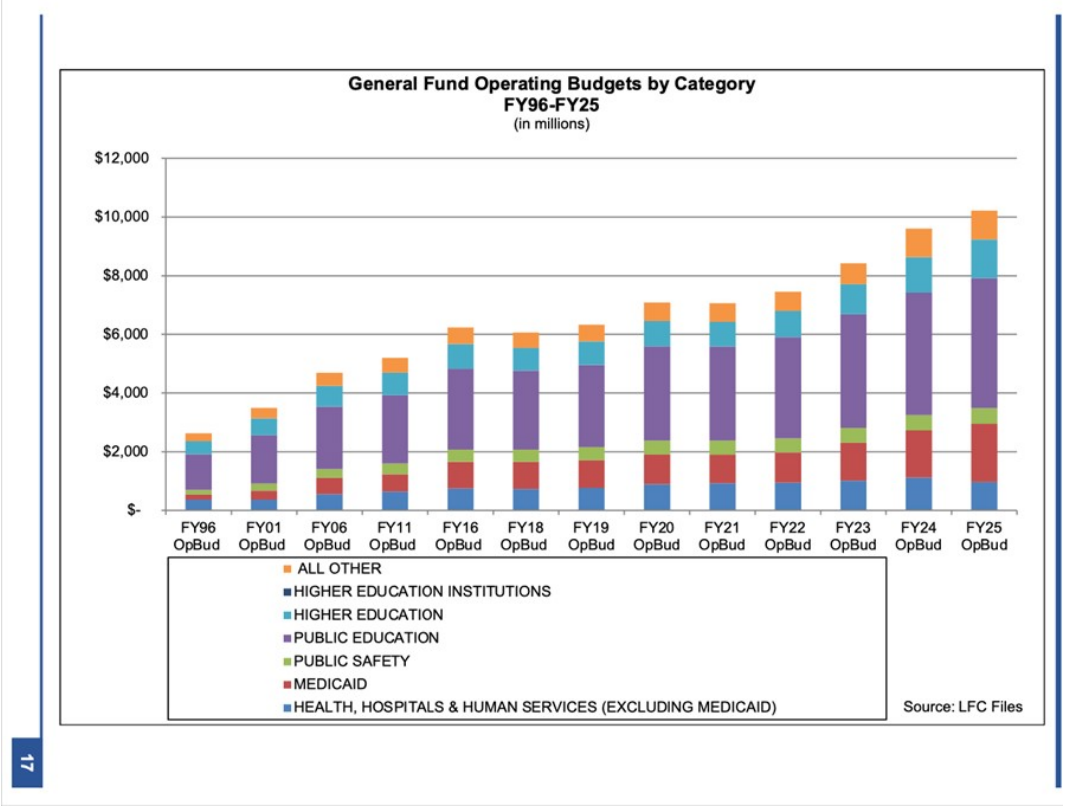
On Friday, the Chamber will roll out its legislative agenda developed in cooperation with our many business partners in both the public and private sectors and approved by our Board of Directors. At that time, we can share with you all the detailed actions we believe are necessary to move the ball down the field. First and foremost, we need for decision makers to come together around the goal of vastly improving New Mexico's economic competitiveness. Then we need consensus on specific steps to be taken:

- **Make New Mexico a Safer Place:** Drug addiction and other behavioral health disorders are a key driver of the state's crime problem - increased investment in addiction services and treatment are needed. At the same time, laws need to be strengthened to make it harder to be a criminal in our state. Stiffer penalties for serious and violent crimes, ending the revolving door to keep bad guys off the streets, increasing the ranks of law enforcement and equipping them with the most modern crime-fighting technology are all key steps.
- **Reduce the Tax Burden:** on businesses and families. Despite hundreds of millions of dollars of "new money," neither the executive or legislative budgets contain any form of tax relief or reform. The high gross-receipts tax and tax "pyramiding" are major burdens on New Mexico's small businesses. Ninety percent of New Mexico businesses have 20 or fewer employees.
- **Ensure High-Performing Schools Are Run by Great Leaders:** There is a direct correlation between school performance and great leaders who, in turn, attract great teachers, who, in turn, produce excellent student outcomes. Leadership development, expansion of high-quality charter schools and early literacy development are all key ingredients to making this goal a reality. Businesses won't come to New Mexico, nor will they expand, unless there is a qualified workforce.
- **Make New Mexico an Attractive Place to Practice Medicine:** It's not really healthcare if it's hard to find a doctor and medical appointments take months to schedule. Lowering GRT taxes on medical providers and patients, raising Medicaid reimbursement rates and overhauling the medical malpractice system are among necessary steps.



Follow the Money

Where taxpayers' money is spent clearly says what the priorities are. So, what's the starting point for the state budget? Both the executive and legislative total budgets are very close: $10.9 billion versus $10.8 billion - around a 6% increase, which budget writers believe is a sustainable level of spending on a go-forward basis. Under Gov. Michelle Lujan Grisham, the budget has increased 45% since she took office in 2019, as summarized in this table from the LFC:



Public Education and Medicaid are the areas with the largest percentage growth. State Medicaid dollars are used to leverage significant federal government contributions to the program. According to Senate Finance Committee Chair George Muñoz (D-Cibola, McKinley and San Juan), the difference in the two budgets is about 1%, with the governor including $200 million for the strategic water plan and different funding levels for reserves, behavioral health and roads. Nevertheless, Muñoz observed this is the closest the two budgets have ever been at time of introduction. However, we noted that neither budget proposal includes any money for tax relief or restructuring, which we will work hard to have addressed during the session.

Here are some top budget highlights from the legislative proposal (budget considerations originate in the House):

- $3 billion in nonrecurring appropriations including $350 million for transportation projects, $855 million for special projects and $1.7 billion in transfers to endowments and other funds.
- $263 million increase to public schools.

- An almost $3 billion increase in the Health Care Authority budget, to $15 billion from $12.2 billion largely due to imposition of a hospital surcharge. Seventy-nine million dollars will be added for the Medicaid program. Since 2019, the Medicaid budget has doubled.
- 4% salary increase for state employees, including educators and administrators.
- $706 thousand increase for the Economic Development Department.
- $1.304 billion for roads with an additional $350 million from the general fund.
- $350 million for the Government Results and Opportunity (GRO) Fund to support pilot programs and innovate reforms, closely monitored to determine results before funding on a permanent basis.
- $222 million for water projects.
- $1.7 billion of capital outlay requests despite the fact that outstanding capital balances (money not spent) sit at $5.8 billion spread over 5,000 projects. The capital outlay system is still in need of significant reform.



Signing Off from Albuquerque

Tomorrow, the Roundhouse will be crackling with energy as legislators settle into their offices, old friends are greeted and new friends are made. Especially for new legislators, families will proudly watch them be sworn into office. The governor will make her way down to the House chamber where a joint session of the Senate and House will receive her State of the State message. Then after the pageantry, the long grind toward the final gavel of the session begins. We'll be there every step of the way to bring you all the news and views. Until then, have a wonderful evening.

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GREATER ALBUQUERQUE CHAMBER OF COMMERCE

Legislative RoundUp

2025 Regular Session | Tuesday, January 21, 2025

57th Legislature | Day Zero

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



1st Session of 57th Legislature Underway - Governor delivers State of the State Message

The roll was called, the members sworn into office and Rep. Javier Martinez (D-Bernalillo) was elected Speaker by a vote of 43-26 - you guessed it - an exact partisan split with Ds voting for Martinez and Rs voting for minority leader Gail Armstrong (R-Catron, Sierra, Soccoro & Valencia). Nominations by the majority and the minority are customary and don't signal the onset of partisan warfare. As we mentioned before, there are lots of new members - 16 in the Senate and 13 in the House with one vacancy pending. We'll begin introducing these new members to you beginning with tomorrow's edition.

Speaker Martinez introduced both Democratic and Republican leaders in the House. For the blue team, Rep. Reena Szczepanski (D-Santa Fe) will serve as majority floor leader, Rep. Dayan Hochman-Vigil (D-Bernalillo) as majority whip and Rep. Raymundo Lara (D-Doña Ana) as caucus chair. For the red team, Rep. Armstrong is joined by Rep. Alan Martinez (R-Sandoval) serving as minority whip and Rep. Rebecca Dow (R-Doña Ana, Sierra & Socorro) as caucus chair.

Over on the Senate side, much the same procedure. Sen. Mimi Stewart (D-Bernalillo) was selected as the President Pro Tempore, Sen. Peter Wirth (D-Santa Fe) as the majority floor leader, Sen. Michael Padilla (D-Bernalillo) as majority whip and Sen. Leo Jaramillo (D-Los Alamos, Rio Arriba, Sandoval & Santa Fe) as caucus chair. On the Republican side, Sen. William Sharer (R-San Juan) will serve as the minority floor leader while Sen. Pat Woods (R-Curry, Harding, Quay & Union) will handle the whip duties and Sen. David Gallegos (R-Eddy and Lea) will serve as caucus chair.

Senate Majority Floor Leader Peter Wirth welcomed senators to the session, remembering that four years ago there were fences and security checkpoints surrounding the Capitol, everyone wore face masks and visitors were not allowed. Today, most senators had friends and family in tow and took the time to introduce them.



The Speaker made relatively brief opening remarks, pausing to honor the memory of Rep. Eliseo Lee Alcon who passed away last week. An appointment to fill his seat is still pending. Martinez, himself very even-handed, stressed to the members to feel free to disagree but not to be disagreeable. He said when he feels his temper rising, he remembers why he serves - to solve problems and to deliver resources. He finds comfort in his family, which he drives home every night to be with. He recounted moving from Mexico to New Mexico as a child because his parents wanted a better life for him. Consequently, he views the world through the lens of working people striving to succeed. He stressed the need for children to have access to high-quality education and for our communities to be safe.

The membership of both House and Senate Committees were announced today. Click **here** to go to the legislative website listing all the standing and interim committees of the Legislature. The standing committees are the ones that meet during the session. Click on any committee, and you will see the meeting time and place. Scroll down, and the members of the committee are listed.



Today's State of the State message by Gov. Michelle Lujan Grisham will be her last to a 60-day session, which is the best opportunity to address more far-reaching and complicated legislation as compared to a 30-day session. The governor wasted no time, diving right into an ambitious agenda. Here are the highlights (click **here** to view the entire speech):

Public safety:

- Updates to criminal competency laws to ensure individuals repeatedly cycling through New Mexico's courts receive treatment instead of being released.
- Stronger penalties for convicted felons in possession of a firearm in the commission of a crime.

Housing and homelessness:

- Establishing a state Office of Housing supported with funding and expertise.
- $50 million in development subsidies to build houses for people who are priced out—making home buying more affordable in New Mexico.
- $50 million to fight homelessness with dedicated services that lift individuals up and help them become stable, productive members of society.

Climate and energy:

- Updates to the Oil and Gas Act.
- Establishing a state-sponsored fire insurance program outside the private market to protect families and their homes – and to help make people whole when tragedy strikes.
- A strategic water supply for clean energy projects, advanced manufacturing and even putting out wildfires.

Economic development:

- Providing $20 million to assist in expanding or relocating qualified business entities that are stimulating economic development and producing public benefit.

Health care, behavioral health & child well-being:

- Establishing an independent Child Protection Authority, jointly appointed by the Legislature and the executive, that ensures CYFD adequately resolves all complaints from families and foster parents.
- Moving the responsibility for CARA - the Comprehensive Addiction and Recovery Act that helps pregnant mothers and newborns affected by substance abuse - to the Department of Health.
- Investing an additional $50 million in the Rural Health Care Delivery Fund and $100 million in behavioral health expansion.
- Establishing a state-sponsored medical malpractice program.

Education:

- Making the new Office of Special Education permanent in law - establishing consistent statewide standards for all K-12 special education students.
- Establishing a $50 million annual investment in the Indian Education Fund.
- Creating a comprehensive math and STEM program to match our strides in literacy.

The governor emphasized public safety - both discussing it during her speech and then returning to the subject in her closing. The following is an excerpt of her remarks:

"Everyone in this room knows that crime is out of control in New Mexico. Even our public safety professionals agree, we're in a state of crisis. Too many of us simply don't feel safe in our communities, and that is, frankly, unacceptable. ***Right now, more than one third of New Mexicans say that they or their loved ones have been the victim of a serious crime. The violent crime rate in New Mexico is twice the national average. Addiction is rampant. And we're clearly struggling to protect New Mexicans from this madness. ..***

"So I am calling on this Legislature to take action now: ***to toughen penalties for felons who illegally possess firearms that often end up in the hands of kids and teens. To tighten sentencing for criminals who traffic deadly drugs like fentanyl. To compel humane civil commitment for those who need treatment the most. And to reform criminal competency laws that let too many dangerous people remain on our streets****. These are common-sense solutions that will keep families safer and reduce violent crime, as they have in the many states that have already adopted them.*

"I know, too, that ***businesses are bearing the brunt of these flawed policies as burglaries, shoplifting and property damage force businesses of all sizes to hire private security firms****. It's crushing their bottom lines, and it's constricting economic growth in our communities as pharmacies, restaurants and mom-and-pop stores struggle to keep their doors open and their customers and workers safe.*

"So I'm ***proposing a new tax rebate to help businesses foot the cost of security personnel and equipment until we can get our crime epidemic under control.*** *Business owners investing in their properties to repel burglars and keep their employees safe should know we all have their backs.*

"Why do so many members of our communities feel as if they're under siege? It's in part because more than 3,500 dangerous, repeat offenders with rap sheets totaling nearly

6,000 felonies have been released back into our communities. *It's also because we're not compelling those in the clutches of addiction, with the most serious behavioral health issues, to get the help they need. Saving lives and supporting families is clearly warranted in these extreme circumstances where the least restrictive interventions simply don't work."*

From our perspective, we think the governor is spot on. It's an "all of the above" approach - toughening penalties and slamming the revolving door on the worst criminals, while also humanely seeking to provide behavioral health and addiction services that underlie a good deal of criminal behavior. We also applaud her strong emphasis on needed healthcare reforms such as driving down the cost of medical malpractice insurance premiums, which are raging at twice the national average, and for putting emphasis on attracting medical professionals to our state.



Moolah is on the move

Just before recessing today, the House passed HB 1, commonly referred to as the "feed bill," on a vote of 65-1. Rep. Alan Martinez (R-Sandoval) cast the lone dissenting vote. In total the bill would appropriate $68.5 million for the year-round operations of the Legislature. For example, this includes funding for large staffs such as the Legislative Finance Committee and the Legislative Council Services as well as funding for interim committee hearings, travel expenses, etc. The current session will cost about $11.5 million. We expect the Senate will pass the bill tomorrow, placing it on the governor's desk.



Signing Off from Santa Fe

Opening day is done, and the wheels will now slowly start turning. A few organizational committee meetings will be held tomorrow and Thursday. Likely, no legislation will be considered yet. The Senate has already announced it won't meet on Friday, and we'll have to wait on an

announcement from the House. A session, like a great freight train, always grinds slowly at first and then picks up momentum, careering to the final days and then screeching to a dead stop at noon on the final day. Thanks for joining us today, and we'll see you tomorrow with all the news and views of the day. Have a wonderful evening.

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GREATER ALBUQUERQUE CHAMBER OF COMMERCE

Legislative RoundUp

2025 Regular Session | Wednesday, January 22, 2025

57th Legislature | Day One

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



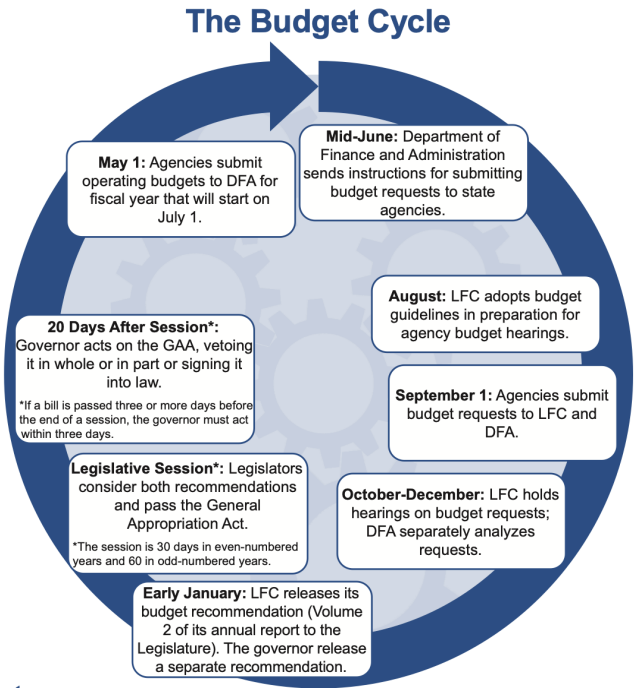
BUDGET BASICS

So, your state government is about to spend nearly $11 billion of taxpayer money just in the general fund. Who comes up with this budget anyway? Is it a bunch of people with green eye shades in the back rooms cranking out numbers on a well-worn calculator? Maybe in days gone by, but the truth about New Mexico's budget process is that it is amazingly sophisticated and transparent - transparent if you want to attend committee meetings and plow through a mountain of data. That's what your elected representatives do on your behalf - listening to state agencies, utilizing program evaluations performed by the Legislative Finance Committee (LFC) and gathering input from interested parties including private entities, citizens, local governments, tribal representatives, teachers and school officials - basically anyone that has a dog in this fight.

New Mexico is one of only five states where both the governor (executive branch) and the Legislature develop independent budgets and where the Legislature has an independent staff for program evaluation and analysis. It's a terrific check-and-balance system. Often, the two budgets are pretty close - in other times they may be far apart. It depends on philosophy and priorities.

WHEN'S THIS FISCAL RODEO GET STARTED?

The process of budget development and evaluation is ongoing. In terms of actually developing the next fiscal year budget, the graphic below (extracted from an excellent LFC document) depicts the budget cycle. The state's fiscal year begins July 1 and ends on June 30. The current budget year is FY 25. The Legislature and governor are now working to build the FY 26 budget.



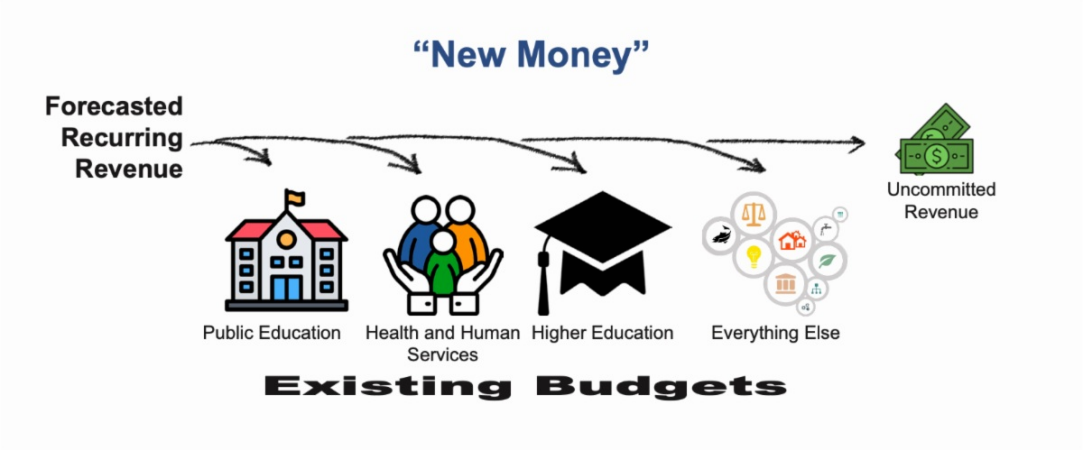
Of course, we're at the step where the Legislature is in session and is working to construct the General Appropriations Act, referred to as HB 2. Right now, HB 2 is kind of a placeholder. When the committee finishes its work, it will develop what's known as a committee substitute (really just a set of amendments) that will propose to the full House a spending plan. The House can accept, amend or reject the bill. Most often the bill is accepted, maybe with a floor amendment or two. HB 2 then goes to the Senate Finance Committee, where members will amend the bill reflecting Senate priorities. It's then returned to the House. If the House agrees (concurs) with the Senate amendments, the bill goes to the governor. If it doesn't, then a committee (known as a conference committee) is appointed to work out a compromise. Once both chambers agree on the compromise (a set of amendments known as a conference report), then the bill is off to the governor. The governor can sign, veto or veto parts of the bill (known as line-item veto). The latter is what usually happens.

HOW DO WE KNOW HOW MUCH MONEY THERE IS TO SPEND?

New Mexico has come up with a very smart answer to this question. It's called a consensus revenue estimate. There's a group of high-powered economists from both the legislative and executive branches. They work together to prepare an economic forecast from which they derive how much revenue will be available to the state. They're professional, nonpartisan and are insulated from outside influence to keep the politics out of the process. They are known as the Consensus Revenue Estimating Group (CREG). CREG issues a preliminary estimate in August, updates it in December and updates it once more about the middle of the session. The process brilliantly avoids a pea and shell game with different sides arguing different numbers. Whatever CREG says, goes, period.

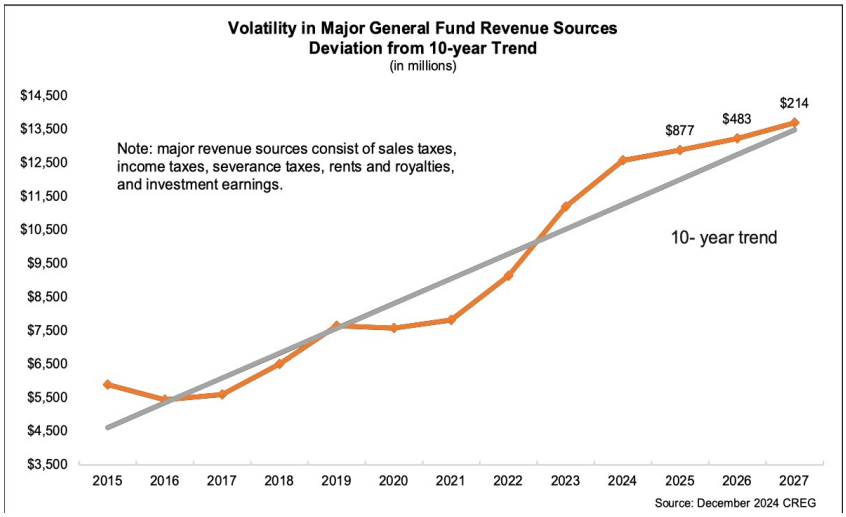
WHAT'S ALL THIS ABOUT FINDING "NEW MONEY?"

New money is simply the difference between the ongoing cost of running the government and the amount of revenue available. If the revenue available exceeds the ongoing costs, then there is "new money," or uncommitted funds, that can be spent. Here's a chart from the LFC that illustrates the point.



In the last several years, thanks to high oil and gas production, the state has been awash in cash. Quite strategically, significant amounts of the new money have been squirreled away in permanent funds that are invested and then generate more income. Earnings from these funds can then be used to support programs like early childhood education, lowering the amount of tax money needed. In the event of an economic downturn, the funds can be used to backfill lost revenue, ensuring program continuity.

While we've grown accustomed to lots of cash, that has not always been the case, and at some future point, oil and gas revenues could decline. During Gov. Susana Martinez's administration, for example, a weak economy forced some very serious budget cuts. There is volatility in the economy and, therefore, there is volatility in state revenues. Note in the LFC chart below that the future revenue forecast shows a flattening of revenue growth. Accordingly, the LFC has established a budget growth rate of no more than 6% to avoid or mitigate future budget cuts.



If you're curious to know more detail, the LFC has produced an excellent document entitled the "Citizens' Guide to the New Mexico State Budget" - click here to view.

HOUSE AND SENATE ACTION

As we noted yesterday, the legislative wheels grind slowly at the beginning. In the House, a short morning session was devoted entirely to bill introduction. Some committees are meeting for organizational purposes today and more tomorrow. No word yet on whether the House will be in session on Friday.

In the Senate, as with the House, today was relatively quiet. The Senate Finance Committee met and quickly considered the so-called “Feed Bill”, or HB1. The Feed Bill funds the legislative session and is customarily the first bill heard and passed in both chambers. The biggest item of discussion centered around the new Legislative district offices and the aides that lawmakers are hiring across the state to help them serve their constituents.

DISTRICT AIDES

So let's talk about this new effort to modernize our state Legislature and perhaps provide better services to the people each of these legislators represent. Last summer lawmakers OK'd a proposal to hire one staff member for each representative and senator. The concept is that having an assistant or professional staff member will help legislators provide better services back home.

Up until now, legislators have had very little support when the Legislature is not in session. While most legislators are very responsive to people in their district, there is a certain limitation to how much a single legislator can do.

Duties are very loosely defined, and each district aide works at the direction of the legislator who hired them. Presumably, each aide will help by answering phone calls and letters, researching policy issues, coordinating town halls and meetings, etc.

Hiring more than 100 new legislative aides doesn't come cheap, of course. HB 1 includes $14 million for the effort, which includes salaries and benefits and ancillary costs like computers and furniture.

If you want to find your legislator's new staff member, look here for the Senate and here for the House.

HB 1 passed the Senate unanimously and is on its way to the governor for signature.

NEW LEGISLATORS

There are 16 new members of the Senate this session and 13 new members of the House with one vacancy pending. Today, we'll begin to give you a brief introduction to these new members.

HOUSE

District 59: Mark Murphy, R-Chaves



Republican Mark Murphy, an oil and gas executive, was appointed by Chaves County commissioners on Jan. 16 to fill the vacancy left by Jared Hembree, who resigned in early January due to health concerns. Murphy will serve the full two-year term and then will have to stand for election in 2026 if he wishes to continue to represent District 59, which includes most of Chaves County.

- Murphy, like Hembree, is a past president of the Independent Producers Association of New Mexico (IPANM). He has presented IPANM positions to the Legislature and has formed many relationships with legislators on both sides of the aisle.
- He is the president of Strata Petroleum, an oil and gas exploration company.
- He is native of Roswell, having received his education in public schools and a degree in

general studies from New Mexico Institute of Mining and Technology.
- Obtaining aid for rebuilding housing in Roswell due to the flooding is a top priority for him.

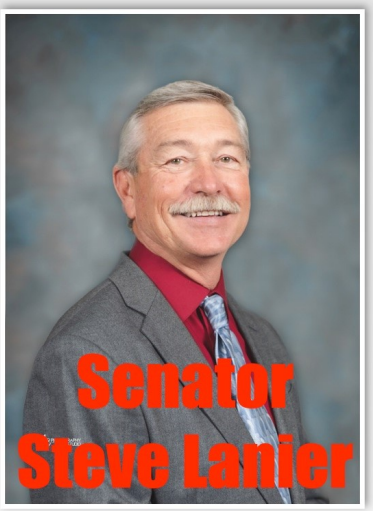
District 4: Joseph Hernandez, D-San Juan



Rep. Joseph Hernandez will represent District 4, which covers Shiprock and significant territory in San Juan County west of Farmington. He won his primary, and in the general election he secured the seat previously held by Rep. Anthony Allison, who retired from the Legislature.

- Hernandez is a community organizer who has served on various local committees and organizations.
- He serves as Diné Energy Organizer for the NAVA Education Project and N.M. Native Vote, focused on renewable energy.
- Hernandez was born and raised in Shiprock and graduated from Shiprock High School in 2006.
- He is a member of the Navajo Nation and says he was inspired to service by his parents, who were community advocates.

SENATE



District 2: Steve Lanier, R-San Juan

Republican Steve Lanier, a teacher and former San Juan County Commissioner, will represent District 2, which now covers eastern San Juan County including Bloomfield, Aztec and the Navajo Dam areas. He won the general election and replaces longtime Republican state Sen. Steven Neville, who announced his retirement during the 2024 Legislative session and had served the area since 2005.

- The district was redrawn to include more of the Navajo Nation.

- Lanier's wife, who ran unopposed, will take his county commission seat.
- He is a teacher from Aztec with more than 20 years' experience in the field.

District 9: Cindy Nava, D-Bernalillo and Sandoval



Democrat Cindy Nava, executive director of Transform Education New Mexico, will represent District 9, which now covers parts of Bernalillo and Sandoval counties including Corrales, Bernalillo, Placitas and Algodones. She won the general election and replaced Democratic Sen. Brenda G. McKenna, who did not seek re-election.

- Nava is the first in her family to graduate college.
- She is the first Dreamer (DACA recipient) in the country to be appointed by the White House, where she served as senior policy advisor at the U.S. Department of Housing and Urban Development.
- She expanded HUD resources to support affordable housing across the department's 64 field offices, the implementation of innovative methods to address homelessness, and ongoing tribal engagement in partnership with the Office of Native American Programs and the first-ever HUD Tribal Intergovernmental Advisory Committee.
- She is not related to former Sen. Cynthia Nava.

SIGNING OFF FROM SANTA FE



Looking down the road, we expect that tomorrow will be about as placid as today. On Friday, we'll be releasing the Chamber's complete Legislative Agenda for the 2025 session following final approval by the Board of Directors. The agenda will have all the specific issues of concern

identified and the Chamber's approach to addressing these issues. Thanks for being with us today, and until tomorrow, have a very pleasant evening.

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Legislative RoundUp

2025 Regular Session | Thursday, January 23, 2025

57th Legislature | Day Two

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

STATE OF THE JUDICIARY - MORE MONEY NEEDED FOR COURT MODERNIZATION, SECURITY



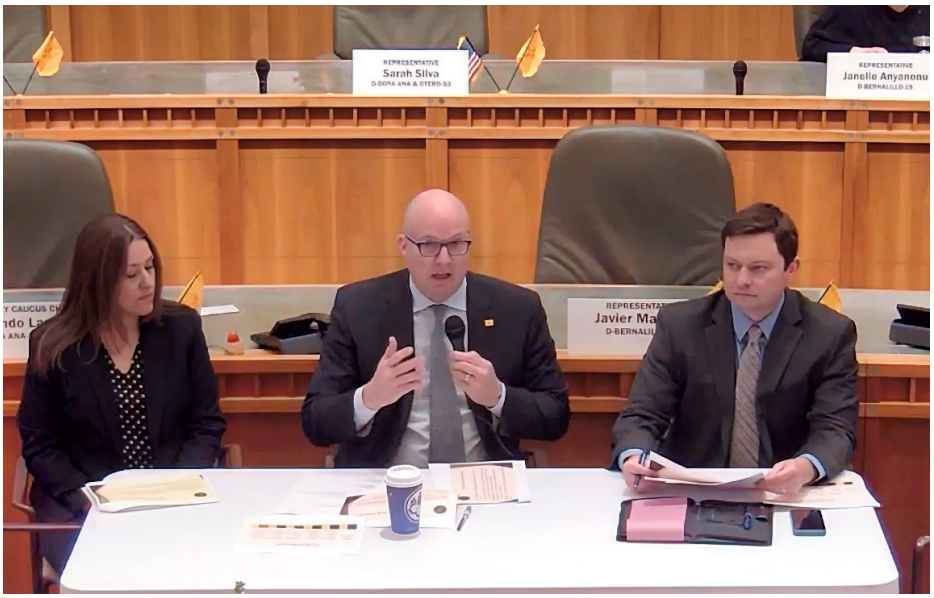
Chief Justice David Thomson discussed the courts' needs with lawmakers Thursday.

Chief Justice David Thomson delivered the State of the Judiciary message to a joint session of the House and Senate today. The session was held in the House chambers, as are all joint sessions. The purpose of the message is for the chief justice, on behalf of all the courts in New Mexico, to inform legislators of the needs of the court system, principally financial. Here are highlights from Thomson's presentation:

- Salary increases approved by the Legislature are working to attract more qualified candidates to apply for judicial positions.
- However, the lowest-paid employees are working for much less than members of the executive branch, often falling below a living wage and qualifying for public assistance. The court needs $14 million to address the wages of 1,400 employees (this doesn't include judges or those making over $100K).

- There is an urgent need for $2.2 million in recurring appropriations to ensure jurors can be paid for their service.
- $25 million in one-time funding is needed to enhance courthouse security. Thomson relayed a very touching story from Gallup wherein well-trained court security personnel saved a young girl from a kidnapping.
- $3 million in funding is needed to help modernize courtroom technology to facilitate case management, data compilation and cybersecurity.
- The chief justice described pretrial detention of offenders as a balancing act between protecting constitutional rights and the need to protect the public. He reported an increase in pretrial detentions statewide, resulting from changes the Supreme Court made to pretrial detention standards.
- Behavioral health is a key concern of both the Legislature and the courts. A $3 million pilot program has been put into place to model assisted outpatient treatment. It's too early to know results in total, but there have been some anecdotal success.
- Chief Justice Thomson concluded his remarks emphasizing the need to fund not only the courts but all the criminal justice partners including law enforcement, public defenders, jails and prosecutors.

House Judiciary Probes AOT and Civil Commitment



Chief Justice David Thomson, center, and his staff briefed the House Judiciary Committee on the state's newly minted Assisted Outpatient Treatment (AOT) programs.

Many legislators are of the mind that channeling persons with mental health or substance abuse challenges into behavioral health treatment programs is preferable to involving such individuals in the criminal justice system. Often, however, there is difficulty in convincing the people affected to engage treatment. It's widely acknowledged that increasing behavioral health resources is crucial, and we will likely see substantial appropriations made to begin addressing this issue. Yet, the problem of channeling folks in the right direction is also key.

The House Judiciary Committee received detailed briefings today by Chief Justice Thomson and his staff on the newly minted Assisted Outpatient Treatment (AOT) programs as well as a detailed briefing by Megan Dorsey, staff attorney from the Speaker's Office, on the law governing AOT. Brandon Cummings provided a detailed briefing on the law governing civil commitment, i.e. involuntary commitment.

A request to have a person ordered by the court to participate in assisted outpatient treatment can be initiated by a wide range of people, including family, doctors, mental health professionals, children, siblings and an adult familiar with the person. "Clear and convincing" evidence must be presented to the court, an evaluation by a mental health professional must be made, and the judge must then decide whether mandatory participation in a treatment program is warranted. The affected person, or patient, has a right to counsel and to an appeal. AOT programs are very much in the nascent stages, just getting off the ground in many places, and so there isn't yet reliable evidence of how effective this kind of program can be. Thomson emphasized these programs will touch only a small slice of the population needing behavioral health treatment.

Cummings gave a rundown on involuntary commitment, which results in incarceration. While the process is similar to AOT, the standard is higher - clear and convincing evidence must be presented that the person is an immediate danger to themselves or others. Anyone can petition the court for a civil commitment, but it is often initiated by a police officer. A person may be committed for 72 hours for an evaluation and to see if their situation can be stabilized. If not, a commitment of 30 days is possible and, if needed, another six months and up to a year. Keep in mind this is a civil commitment, not a criminal commitment. The committee will get information on that at a later time.

Clearly, people want to see the safety of their communities improved while supporting the idea of getting help that may turn a person's life around. Whether the laws governing AOT or civil commitment need changing to facilitate this goal is yet to be determined. It no doubt will be the topic of much consideration in the coming days.

INTRODUCING NEW LEGISLATORS

HOUSE

District 3: William Hall, R-San Juan



Rep. William Hall will continue to represent District 3, which covers eastern San Juan County. He was appointed April 3, 2024, to fill the seat left vacant by Rep. Ryan Lane's resignation. He faced no opposition in the 2024 primary or general elections.

- Hall was sworn in during the 2024 special session.
- He served for 24 years as an FBI special agent and previously served as an officer in the San Juan County Sheriff's Department.
- Hall is a political newcomer and describes himself as "pretty conservative."
- He is a graduate of Farmington High School and New Mexico State University.

District 18: Marianna Anaya, D-Bernalillo



Rep. Marianna Anaya will represent District 18, which covers the Nob Hill area in Albuquerque. Anaya won her primary, was unopposed in the general election and replaced Majority Leader Gail Chasey, who served nearly 30 years before retiring from the Legislature after the 2024 session.

- Anaya is a community organizer and policy advocate.
- She is the owner of Anaya consulting and previously was the deputy director of Progress Now New Mexico and a field representative for then-U.S. Rep. Michelle Lujan Grisham.
- She received her B.A. in Mexican American Studies from U.T. Austin and did graduate work at UCLA in Race and Ethnic Studies.
- Anaya is a native of the Albuquerque area, having graduated from Valley High School.

SENATE

District 12: Jay Block, R-Bernalillo and Sandoval



Jay Block, a former Sandoval County Commissioner, will represent District 12, which under redistricting was heavily redrawn from being primarily south of Interstate 40 to now include parts of Paradise Hills and Rio Rancho. He won the general election and replaced longtime Democratic Sen. Gerald Ortiz y Pino, who retired after the 2024 session.

- Block served more than 20 years in the U.S. Air Force as a nuclear weapons officer, where he had the honor of being trusted with the country's nuclear codes. He volunteered for a combat tour in Afghanistan, commanded twice on foreign soil representing our country and retired from military service in 2016 as a lieutenant colonel.
- He has a master's degree in international relations and is now a nuclear consultant and business developer.
- He was the first Republican to win his district's seat on the Sandoval County Commission in history and was reelected in 2020.

District 13: Debbie O'Malley, D-Bernalillo



Democrat Debbie O'Malley, a former Albuquerque City Councilor and Bernalillo County Commissioner, will represent District 13, which now covers Bernalillo County's North Valley area from south of Barelas up to El Pueblo. She defeated incumbent Democratic Sen. Bill O'Neill in the primary and had no GOP opposition in the general election.

- Her family has deep roots in the community - in 1850, her great-great-grandfather established a mercantile shop in Old Town and later became the area's postmaster.
- In 1998 she founded the Sawmill Community Land Trust, a not-for-profit community development corporation whose innovative redevelopment project has received national acclaim. She was the trust's executive director from 1998 to 2003.
- In addition to City Council (2003-2010) and County Commission (2014-2022), O'Malley has served on the Albuquerque Bernalillo County Water Utility Authority, the Metropolitan Transportation Board and the Mid-Region Council of Governments.

AROUND THE ROUNDHOUSE



LANDING IN ROSWELL

On the Senate floor today, Sen. Jim Townsend (R-Eddy & Otero)and Sen. Candy Spence Ezzell (R-Chaves & Eddy) introduced several guests from Roswell, each of whom were instrumental in successfully attracting a huge air show and race to the Roswell Air Center. Townsend and Ezzell are both freshman senators but veteran House members.

The National Championship Air Races and Air Show (NCAR) is coming to the Roswell Air Center this September. The show has been held in Reno, Nev., for the last 60 years, and Roswell competed with three other cities for the honor of hosting the show moving forward.

And the Air Show isn't just a lot of hot air: It will attract as many as 80,000 tourists to southeastern New Mexico, and the dollars that come with them. The show will be the largest tourist event the region has ever hosted and will bring excitement and revenue to restaurants, hotels and other businesses in the area. The show runs Sept. 10-14: **Get your tickets here.**

Last year the Chamber's goodwill ambassadors, the Roadrunners, visited with Roswell chamber and city leaders, and the air show was high on their to-do list as a means of injecting visitor dollars into the economy. Kevin Eades, the Chamber's Roadrunner chair, said, "the air show will show what southeastern New Mexico has to offer, and we congratulate the Roswell community and chamber for this amazing coup."

SIGNING OFF FROM SANTA FE



The first week of the session is concluded, as neither chamber will be in session tomorrow. Most legislators will likely head home for the weekend. As for us, tomorrow is an important day. The board of directors will approve the 2025 Legislative Agenda. We'll be sending that out tomorrow afternoon so that everyone can see the detailed positions we've taken on issues of vital concern to the business community. Thanks for joining us today, and have a wonderful evening.

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

GREATER ALBUQUERQUE CHAMBER OF COMMERCE

Working to make our city and state a great place to start and grow a business and a safe, exciting place to work and raise a family.

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GREATER ALBUQUERQUE CHAMBER OF COMMERCE

Legislative RoundUp

2025 Regular Session | Friday, January 24, 2025

57th Legislature | Day Three

GACC'S LEGISLATIVE AGENDA IS HERE

Today, the Greater Albuquerque Chamber of Commerce's Board of Directors approved the Chamber's legislative agenda for the 2025 session of the Legislature. The Chamber's theme is "New Mexico Competes." This theme drives a set of goals that, when realized, will better position New Mexico to compete for new businesses, workers, residents and visitors. Despite the many attractive attributes of our state, we are lagging behind surrounding states and other regions of the country in competing in today's global marketplace, and consequently, our children are leaving for better-paying jobs elsewhere, and our paychecks aren't as big as they should be.

For New Mexico to compete, we must achieve four important goals:

- We must make New Mexico safer - our reputation as a crime-ridden haven of repeat offenders must end to make our communities safer and more attractive as a place to do business.
- We must reduce the tax burden on families and businesses. Our gross receipts tax system is a real roadblock to business location and expansion.
- We must have high-performing schools. Our children deserve no less - being the worst in the nation is intolerable.
- We must make major reforms to medical malpractice insurance and take other bold steps to attract and retain medical professionals. Health care really isn't health care if you can't get an appointment with a doctor or access to a specialist.

In the following pages, you will see specific actions that need to be taken in order to achieve these critical goals. We urge you to read through all the information, which has been carefully researched and thought through. Thank you for your interest and support in the GACC's mission and work to represent what's important to business. We wish you a very wonderful weekend, and we'll be back Monday, bringing you all the news and views from the Roundhouse.



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 2025 legislative session will commence under continued revenue growth in the state; never before have lawmakers and the Governor had so much money to spend, save, invest, or return to taxpayers. Recurring revenues for FY26 are projected to be $13.6 billion; for reference, the first budget signed by Governor Lujan Grisham allocated just under $7 billion in recurring general fund revenue in 2019. New revenue estimates recently released predict legislators will have $892.3 million in "new" money available next year- a figure that represents the difference between projected revenue and current total spending levels. For the coming year, the Governor plans to raise year-over-year state spending by $720 million (a 7% increase), higher than the Legislative Finance Committee's (LFC) plan for $577 million in new recurring spending (a 5.7% increase). Either way, the state is enroute to yet another record- sized budget. Plenty more will be spent in one-time money, and FY25 reserves are projected by the LFC to be 33% of recurring appropriations.

Despite the state's impressive revenue picture, New Mexico's economic growth – outside of the oil and gas industry – is tepid, our population is not growing, and participation in the labor force lags most other states. Soaring energy revenues will not last forever, leaving New Mexico with an extraordinary opportunity – while the state remains flush with cash – to build a more dynamic and competitive economy that is sustainable for the long haul.

The Chamber's primary goal for the 2025 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.

Reduce the Tax Burden on Businesses and Families

New Mexico's tax structure provides little incentive for people to either live here or start a business. Neighboring states either charge lower corporate income taxes, impose lower taxes on small businesses, or charge no residential income tax at all. This session, the Chamber will vigorously oppose the imposition of any new taxes on businesses or families and will specifically seek a reduction in middle-class personal income taxes, as well as a reduction in the state's high gross receipts tax rate (GRT) and the kinds of tax pyramiding that put New Mexico small businesses at a direct competitive disadvantage with businesses in other states.

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

When schools are run by talented leaders, they are able to 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 turn it around one school at a time. The Chamber supports the launch and expansion of high-quality public charter schools and will lead the charge on overhauling how principals are trained, elevating preparation standards for school leaders and ensuring prospective principals get excellent on-the-job training prior to leading their own school. 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. The Chamber opposes the idea of scrapping our public education cabinet secretary and replacing the position with a partially elected state school board; this would inject more politics into public education, with no promise of better results for kids and families. 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, streamlining credentialing, joining interstate healthcare compacts to make it easier to move to New Mexico and practice medicine, raising Medicaid reimbursement rates, and overhauling a medical malpractice system that is uncommonly punitive toward doctors and sending our healthcare workers to other states.

New Mexico is already a beautiful place, rich in diversity, culture, history, weather, and natural resources. We envision a state with increasingly 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.

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NEW MEXICO'S BUDGET AND FISCAL FUTURE

SPENDING

- **Priorities:** Focus new spending on substantial tax relief for consumers, families, and businesses; boosting economic development initiatives and incentives, include site readiness and job training; raising Medicaid provider reimbursement rates, 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:** Provide salary increases for state workers, including teachers, as well as substantial targeted raises (and recruitment/retention incentives) for hard-to-recruit public safety positions, such as police officers, correctional officers, and prosecutors.

- **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. Establish new capital project guidelines and/or processes that would improve the vetting of projects and judiciously address the $5.8 billion across roughly 5,300 projects in currently unspent capital appropriations from previous legislative sessions.

SAVING AND INVESTING

- **Additional Endowment Funds and Trusts:** Create new endowment funds and expendable trusts – and utilize well-planned multi-year appropriations – to establish stable, long-term revenue streams for important programs and services, especially for things like Medicaid reimbursement rate growth or Behavioral Health provider services. While endowments and trusts provide sustainable, long -term funding streams for critical programs, 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 with an appropriation of $55 million. 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

- **Substantial Tax Relief for Families and Businesses:** Given the state's unprecedented revenue position and high national inflation in recent years, provide substantial tax relief to families and businesses, including a reduction of personal income taxes for the middle class, as well as a lower gross receipts tax rate and a reduction in gross receipts tax pyramiding (that drives up prices, disproportionately harms small businesses, and makes New Mexico businesses less competitive with businesses in other states).

- **No Tax Increases:** Create no new taxes on residents or businesses and enact no income or gross receipts tax increases.

- **No Increase in Wage/UI Rates:** Oppose raising the minimum wage (including indexing the minimum wage rate) and raising unemployment insurance rates.

- **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 valuations in line with fair market assessments, while protecting business stability through a multi-year transition period.

- **Workers Compensation Act:** Substantially preserve New Mexico's existing Workers Compensation Act, given its success and stability over time, as well as its balance and benefit to businesses and workers alike. Oppose any amendments to the Act that have not been approved by the Workers Compensation Advisory Council; oppose legislation that would allow bad-faith claims outside of the Workers Compensation Courts; and oppose legislation that would intrude on the employer/employee relationship by re-defining misconduct.

- **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.

- **One-To-One Apprentice to Journeyman Ratio:** Oppose attempts to require a ratio of one-to-one apprentice to journeyman ratio for program standards in the building and construction industry trades.

- **Public Bank:** Oppose any effort to create a public bank in New Mexico.

- **Rent Control:** Oppose legislation allowing the imposition of rent control at the local level.

GROWTH: INCENTIVES AND MARKETING

- **Job Training:** Secure $10 million for the Job Training Incentive Program (JTIP).
- **Closing Fund (LEDA):** Secure $20 million to maintain a robust closing fund for economic development projects, a critical business recruitment tool.
- **New Mexico Partnership:** Increase the budget of the New Mexico Partnership by $1 million annually (to $1.9 million overall); the Partnership plays a key role in attracting new businesses, creating high-quality jobs, and diversifying our economy.
- **Site Readiness Pilot Program:** Pass legislation and secure $24 million to establish a site readiness pilot program, a new economic development incentive that would invest in the infrastructure necessary to prepare sites across the state for future business relocations and expansions.
- **Military Base Planning Commission Project Fund**: Join with the Kirtland Partnership Committee to support a new project fund for infrastructure projects adjacent to military bases that could help attract new base missions to the state. Appropriations request is 12 million.
- **Military Spouse Employment and Economic Opportunities:** Join with the Kirtland Partnership Committee and support New Mexico joining 15 interstate licensing compacts to streamline the re-licensing process for military spouse professionals who transfer with their active-duty spouse and want to work in New Mexico. Several examples of those compacts include: Registered Nurse Compact, Teacher Mobility Compact, and Social Work Licensure Compact.
- **Tourism Marketing:** Secure $16 million for national and international marketing and advertising campaigns to showcase New Mexico's attractions, culture, cuisine, etc. to a global audience.
- **Statewide Beautification Campaign:** Secure $2 million for the Governor's statewide beautification effort, which is designed to promote community well-being, environmental quality, and economic vitality.
- **Route 66 Centennial:** Secure $2.5 million to celebrate the upcoming Route 66 Centennial and showcase the state's iconic role in America's transportation history.

ENERGY AND INFRASTRUCTURE

ENERGY

- **Oil and Gas Production:** Oppose the imposition of onerous regulations, additional taxes, or significant new fees on oil and gas production, upon which New Mexico's budget and economic outlook are heavily dependent. Oppose opening the Oil and Gas Act this session.

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

- **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 Utility or Municipal Aggregation:** Oppose legislation designed to explore or enact the creation of a public power utility in New Mexico or authorize municipal aggregation.

- **Wildfire Liability:** Oppose bills that would inequitably distribute wildfire liability between utilities and other parties; such legislation would create an imbalanced approach to responsibility and risk management, potentially compromising public safety, economic stability, and environmental protection.

INFRASTRUCTURE

- **Strategic Water Supply:** Support the Governor's request for $75 million to create a strategic water reserve (state-purchased, treated produced or brackish water) that will improve the state's drought resilience and be used in production of clean energy in a way that does not impose onerous new taxes on the oil and gas industry.

- **Highways and Roads:** Support the LFC's recommendation to appropriate $350 million for highway and road construction, including $100 million for local road maintenance, $188 million for state road maintenance, $12 million for equipment, and $50 million for wildlife corridors.

- **Internet Access and Expansion:** Secure $650,000 to maintain basic functions of the Office of Broadband Access and Expansion (OBAE), created in 2021, and secure $70 million to a satellite connectivity deployment project (and other needs of the state's internet access expansion program).

- **Key Capital Projects:** Support various capital funding requests, including:

    - ***Film Center:*** A joint request by the City of ABQ, CNM, and NM EDD for the Railyards film center/ NM Arts Collaborative for $10 million.

    - ***Rail Trail:*** Further construction of the Rail Trail, including a crossing at Central Ave., a crossing at Lomas Blvd., and construction in the Sawmill Area.

    - ***Affordable Housing:*** Affordable housing construction, improvement, and rehabilitation throughout Albuquerque, including transitional housing for veterans and a request by the Middle Rio Grande Housing Collaborative (a joint city/county effort) for $100 million (the current

combined project list has a $261 million gap in funding and represents more than 2,000 potential housing units).

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 expanding 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.
    - ***Centralized Credentialing Process:*** Create a centralized credentialing system, reducing administrative burdens on doctors and other healthcare professionals, allowing them to begin practicing more quickly and making it easier for patients to keep their providers when their insurance coverage changes.
    - ***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:*** Increase Medicaid reimbursement rates to healthcare providers (NM has a higher proportion of patients insured by Medicaid than any other state, and Medicaid generally pays less than the cost of providing treatment).
    - ***Medicaid/Healthcare Permanent Fund:*** Support the creation of a Medicaid/Healthcare Permanent Fund ($1B-$2B) that would, among other things, allow for the growth of Medicaid reimbursement rates long-term (in past financial downturns, revenues have not been sufficient

to raise reimbursement rates over time), ideally making it less of a disadvantage to practice in New Mexico.

- ***More International Doctors in NM:*** Allow fully trained and vetted doctors from other countries to apply for a provisional license to practice under supervision in New Mexico for two years, after which they could apply for a full medical license.

- ***Healthcare Faculty Salaries and Preceptor Support:*** Expand access to higher education in the healthcare field by increasing salaries for the faculty who train future healthcare professionals and providing a tax credit for the preceptors who provide community-based education for doctors, nurses, and others.

- ***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 Facility:*** Support a request of $30 million by the University of New Mexico for capital funds to plan and design (and eventually construct) a new School of Medicine

- **UNM College of Pharmacy**: Support a request of $25 million for renovations for the UNM College of Pharmacy.

- **Office of Substance Use Disorders:** Support the creation of the UNM Office of Substance Use Disorders ($4.2 million), which would expand clinical services, education, and research across the state and provide evidence-based addiction treatment statewide.

- **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.

- **Competitiveness in University Athletics:** Support the appropriation of over $12 million to the University of New Mexico Athletics Department to address compliance requirements with the House vs. NCAA anti-trust lawsuit (allowing for revenue-sharing with student athletes) and ongoing Title IX equity gaps between men's and women's program resources; this appropriation would significantly move UNM Athletics toward long-term fiscal sustainability and place the Department on a more competitive footing financially with other Mountain West Conference programs. In addition, support UNM's capital request to plan and design the construction of a new football stadium and replace video boards across several of its sports arenas.

- **QNM-I:** Support UNM's request for funding for the Quantum New Mexico Institute, a joint entity of UNM and Sandia National Laboratories to help build and sustain the emerging quantum economy. Quantum information science is a field that combines quantum physics, computer science, and information theory to study how information can be stored, processed, and transmitted using quantum systems.

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 Penalties and Reforms:** Support the 2nd Judicial District Attorney's efforts to amend the New Mexico Children's Code to strengthen the penalties for juveniles who commit violent crimes and homicides. This could include adding rape, drive-by shooting, and other crimes as offenses for which juveniles can be charged as adults; making the unlawful possession of a firearm a felony crime; and extending the age of possible imprisonment from 21 to 25 years old.

- **Concurrent Juvenile Jurisdiction:** Join with the Kirtland Partnership Committee to support the establishment of concurrent jurisdiction for juvenile cases on military installations, allowing both state and federal authorities to hear and decide these cases. This helps juvenile offenders receive the most timely and appropriate adjudication and keeps federal resources on other types of cases.

- **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). Additionally, support a more reasonable definition of the type of poor judgment, self-neglect and irrational, destructive, or dangerous behavior a person must exhibit to be considered a candidate for involuntary commitment.

- **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.

- **RICO Prosecutions:** Strengthen New Mexico's RICO statute by expanding the scope of crimes that qualify for RICO prosecution, including illegal firearm trafficking.

- **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.

- **Public Highways and Medians:** Support legislation prohibiting people from lingering on narrow medians.

- **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.

- **Threats of Mass Violence:** Pass legislation elevating the offense of threatening a mass shooting from a misdemeanor to a fourth-degree felony.

- **Cyberbullying:** Create a new criminal penalty for the cyberbullying of students and associated penalties for this conduct.

RESOURCES AND SUPPORT FOR VICTIMS AND LAW ENFORCEMENT

- **Pre-Trial Interviews of Child Victims:** Support the Attorney General's effort to amend state law to no longer subject child victims to often hostile pre-trial interviews by defense attorneys, in cases where the victim has completed a forensic/safehouse interview.

- **Victims of Crime Act:** Support the Attorney General's effort to strengthen the rights and protections for victims of crime, improve the notification process for victims, and provide legal remedies for the failure to adequately support victims, including civil penalties for violations, providing victims with a separate private right of action, and providing victims with standing to assert their rights during criminal proceedings.

- **Children's Code**: Amend the Children's Code to allow for greater transparency and accountability to know the full extent of the problems with CYFD.

- **Governor's Organized Crime Commission:** Secure $4.5 million in recurring funding to properly staff and equip the Governor's Organized Crime Commission, which works to suppress organized crime in the areas of human trafficking, drug trafficking, illegal cannabis operations, gun smuggling, and retail theft, including a centralized intelligence center to support the entire state and the purchase of vehicles and equipment.

- **Crime Reporting:** Support legislation requiring all law enforcement agencies across the state to produce reports regularly, in a unified way, on crime incidents and ballistics information.

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

- ***State of NM:*** Protective equipment upgrades and body cameras ($4.2 million); law enforcement vehicles; and various technology and systems enhancements ($2.7 million); New Patrol Helicopter ($10 million).

- ***Local (APD):*** Real Time Crime Center equipment ($900,000); crime-fighting technology including body cameras, tasers, license plate readers, drones, mobile surveillance units, and security smart cameras ($10 million), and emergency policy vehicles ($1 million).

- ***Local (BCSO):*** Metro Air Support ($450,000) and technology infrastructure and software upgrades ($8 million) to enhance data sharing, dispatch and communications systems.

BEHAVIORAL HEALTH

- **Behavioral Health Funding and Services:** Support efforts by the Attorney General, Governor, or Legislature to expand the behavioral health workforce, improve access to behavioral health treatment, enhance and extend various types of behavioral health services statewide, and improve the coherence and reliability of behavioral health interventions. This could include the creation of a new permanent Behavioral Health Trust Fund to provide sustainable ongoing funding for behavioral health programs.

K-12 EDUCATION

EDUCATION SYSTEM GOVERNANCE

- **Secretary vs. State School Board:** Oppose a Constitutional amendment that would eliminate the cabinet-level secretary of education and replace it with a superintendent selected by a partially elected state board of education; such a move would needlessly introduce more politics into public education, inhibit coordination across agencies on issues relating to children and families, and compromise effective charter school authorization. Additionally, New Mexico once had a state school board, and the governance model did not produce improvements to student outcomes, while making it difficult to hold anyone accountable for poor performance.

- **Staff for the Public Education Commission:** Support the PEC's desire to have its own dedicated staff; this structural change would enhance the commission's ability to fulfill its critical role in ensuring educational excellence and innovation while maintaining proper oversight of charter schools.

- **Timeline for the Release of Student Performance Date:** Pass legislation requiring the Public Education Department to release statewide test results by September 30 of each year.

STUDENT LEARNING, SCHOOL LEADERSHIP, AND OPTIONS FOR FAMILIES

- **Improving the Teaching of Reading:** Support the Governor's recommendations to: train elementary educators in the science of reading ($14 million); expand structured literacy professional development into secondary schools ($5 million); and support a second year of the summer reading intervention program ($30 million).

- **Individual Reading Plans:** Require schools and teachers to 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.

- **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.

- **Cell Phones in Schools:** Support legislation designed to reduce or eliminate the use of cell phones by students while in school, which would benefit teachers by keeping students' attention on their instruction and benefit students both academically and socially.

- **High-Quality Literacy Curriculum and Materials:** Support additional funding for the provision of high-quality literacy curriculum and materials in schools, in alignment with the "science of reading."

- **School Leadership Standards and Preparation:** Pass legislation to raise the standards for principal preparation in New Mexico, in alignment with best practices; this would include requiring aspiring principals to engage in significant on-the-job training before overseeing their own school. Additionally, establish a school leadership institute to focus on the ongoing development of school and district leaders, and create a licensure process for district leaders that is separate from the one used for principals.

- **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.

- **Charter School Facilities:** Support adding $30 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.

- **Public School Open Enrollment:** Support efforts to allow – and make it practically possible – for families to choose to attend any public school, regardless of their address (this could include more transparent enrollment practices and solutions to transportation).

- **Education Savings Accounts:** Support a state-funded program that would allow parents to use public education funds for various educational expenses (tutoring, materials, tuition, etc.); implementation must include strong financial oversight, academic accountability, equity safeguards, and best-practice administrative infrastructure.

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GREATER ALBUQUERQUE CHAMBER OF COMMERCE

Legislative RoundUp

2025 Regular Session | Saturday, January 25, 2025

57th Legislature | Day Four

BREAKING NEWS
January 25, 2025

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

HB 11, the onerous Paid Family and Medical Leave Act (PFMLA), will be heard before the House Health and Human Services Committee on Monday morning at 8 a.m. We need you to contact members of the committee to express your opposition to this burdensome bill. **Click here** to go to the committee page - scroll down to the members of the committee. Click on any member's name, and it will take you to their page which, will give you their phone number and email address.

The Chamber will be present to register our opposition. Our main concerns are:

- The imposition of a new tax on employees and employers; and in the case of employers, they would be forced to pay twice - first as they make payments to the state for each employee they hire, and second when they have to deal with lengthy and frequent staffing disruptions.
- The continued provision of such a large amount of leave (three months!) for such a wide range of reasons for such a wide range of people, creating incredible instability and administrative challenges in the workplace.
- The ease with which this new government program could be abused.
- And the lack of confidence that a new, giant state bureaucracy would be equipped to effectively administer and fairly oversee the program.

HB 11 is sponsored by Reps. Christine Chandler (D-Los Alamos, Sandoval and Santa Fe) and Patricia Roybal-Caballero (D-Bernalillo) along with Senate President Pro Tempore Mimi Stewart (D-Bernalillo). This is without question the most business-unfriendly legislation of the session. Please take time to register your opposition.

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GREATER ALBUQUERQUE CHAMBER OF COMMERCE

Legislative RoundUp

2025 Regular Session | Monday, January 27, 2025

57th Legislature | Day Six

BREAKING NEWS
January 27, 2025

BREAKING NEWS: House Health and Human Services Committee passes HB 11

Today the House Health and Human Services Committee passed HB 11, which seeks to mandate a state-run paid family and medical leave program. The vote was 6-4, with all Democrats voting for, with all Republicans voting against. GACC President and CEO Terri Cole appeared before the committee expressing the Chamber's strong opposition to the measure. Terri was joined by a large number of business organizations, including the Restaurant Association, the New Mexico Chamber and individual businesses who also opposed the bill. We'll cover this hearing tonight in the RoundUp. The next stop for the bill is the House Commerce and Economic Development Committee. We'll let you know when the bill is scheduled for that hearing.

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GREATER ALBUQUERQUE CHAMBER OF COMMERCE

Legislative RoundUp

2025 Regular Session | Monday, January 27, 2025

57th Legislature | Day Six

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



Terri Cole testifies against HB 11, Paid Family and Medical Leave, Monday.

HALF-A-BILLION-DOLLAR TAX INCREASE CLEARS ITS FIRST COMMITTEE

Today, the House Health and Human Services Committee approved House Bill 11, the proposed Paid Family and Medical Leave Act (PFMLA) on a straight 6-4 partisan vote: D's in favor, R's opposed. When the fund is fully operational in FY 29, the LFC estimates that employees and employers will pay $507,860.6 million in new taxes to support payment of benefits. In fact, Rep. Alan Martinez (R-Sandoval) claimed that this would be the largest tax increase in the history of New Mexico, which earned him a rebuke by Chair Liz Thomson (D-Bernalillo) who considered the assertion to be inflammatory, as well as his persistent questioning about the "fee" actually being a tax.



Whether it would be the largest tax increase ever or not, it's one heck of a tax increase, period. And, according to the fiscal impact report or FIR, for a variety of cultural and economic factors unique to New Mexico, the tax could double in order to support high employee use of paid leave. Among those factors is the provision for "safe" and "exigency" (military related) leave. Most states do not include these factors in their programs. Just to put the issue of "tax" vs. "fee" to rest, Rep. Jennifer Jones (R-Doña Ana, Hidalgo and Luna) read a definition that basically says, if it takes money from someone, it's mandatory, and it's for government services, it's a tax.

Terri's Testimony

Along with a bevy of businesses and business organizations, including the New Mexico Restaurant Association and the New Mexico Chamber, Terri spoke in opposition, making the following points:

- The scope of the bill that allows such a large amount of leave - three months - for such a wide range of reasons, for such a wide range of people, will create incredible instability and administrative challenges in the workplace.
- The bill imposes a new tax, at a time when we are flush with cash, on both employers and employees.
- The bill, as written, would require a massive new bureaucracy of at least 200 or more employees.

Let's put the magnitude of this program in perspective. The taxes imposed are more than twice that of the unemployment insurance program. And that's just for openers. According to the FIR it's quite possible that the tax will need to double in order to ensure fund solvency. And these increases need only to be approved by the Secretary of the Workforce Solutions Department, not the Legislature. As mentioned above, there are several factors that could well lead to New Mexico having high employee participation and, therefore, higher costs than other states, including:

- high numbers of multigenerational households
- low-income workers more often take paid leave
- New Mexico ranks unfavorably on serious health conditions
- New Mexico has a high incidence of violence
- bill includes factors for taking leave not in other state programs
- more people are taking leave - from 2012-2018 increased 2 percent while number of workers decreased 3 percent

Washington state's tax increased from .4% to .92%. Rhode Island, Massachusetts and California have all had to raise their rates, and these are all much wealthier states with higher tax bases than New Mexico. Moreover, allowing the self-employed to opt in and out could result in a "dine and dash" abuse of the program. Some may opt in long enough to cover a pregnancy, collect the benefits, and then opt out.

Biggest Problem? Filling in for absent employees



Everyone in business knows what a challenge it is to find qualified employees - we so often find businesses with reduced hours of operation or turning away work because there aren't enough people to provide a service. Heck, the Workforce Solutions Department itself has a 17% vacancy rate - and this is common in the state government - they can't find qualified workers either despite good salaries and generous benefits. Denise Montoya testified on behalf of the New Mexico Home Builders Association. While there's a critical demand for new housing, finding qualified workers is a huge challenge, and passing this bill won't help.

The fact is, the leave granted under this legislation can be stacked along with other leave benefits. The leave can be taken in as little as eight-hour increments. Since it's hard to find qualified employees for full-time jobs, what are the odds that a qualified employee can be found for a temporary position that will likely result in their termination when the full-time employee returns to work? Slim to none. The burden falls especially hard on small employers, where one worker often represents a huge percentage of that business' output. As was heard in testimony today, this could spell the death knell for many small entrepreneurs.

More bureaucracy at a high cost



The Workforce Solutions Department estimates it will require 209 additional employees (or contract workers) to fulfill the mission of this bill. That would increase the size of WFS by a third. However, the number of applicants could increase dramatically over time, as has happened in the state of Washington, for example. The current estimate of workforce and related costs (considerable IT expense) is $49 million per year - costs that must be paid out of the tax revenues put into the fund.

What next?

The bill now moves to the House Commerce and Economic Development Committee. The bill could be set for hearing very soon. We'd appreciate you contacting members of this committee to register your opposition: **click here** for committee member contact information. We'll keep you posted on the bill's progress and, of course, we'll be there to register the Chamber's strong opposition.

CHAMBER UNVEILS 2025 LEGISLATIVE AGENDA



In case you missed it, the Chamber Board of Directors on Friday approved the Chamber's 2025 legislative agenda. Click **here** to review the entire agenda. Operating under the theme of "New Mexico Competes," the agenda identifies four critical goals and the specific actions needed to achieve these goals. They are:

- **We must make New Mexico safer** - our reputation as a crime-ridden haven of repeat offenders must end to make our communities safer and more attractive as a place to do business.
- **We must reduce the tax burden** on families and businesses. Our gross-receipts tax system is a real roadblock to business location and expansion.
- **We must have high-performing schools**. Our children deserve no less - being the worst in the nation is intolerable.
- We must **make major reforms to medical malpractice insurance and take other bold steps to attract and retain medical professionals.** Health care really isn't health care if you can't get an appointment with a doctor or access to a specialist.

INTRODUCING NEW LEGISLATORS

HOUSE

District 30: Elizabeth Torres-Velasquez, D-Albuquerque



Rep. E. Diane Torres-Velásquez will represent District 30, which covers the Bear Canyon area of Northeast Albuquerque. Torres-Velásquez was unopposed in her primary, won the general election and fills the seat vacated by Natalie Figueroa, who was elected to the Senate.

- Torres-Velasquez holds a Ph.D. in special education from the University of New Mexico, where she is an associate professor.
- Her academic work is diverse, including innovative teaching methods, learning disabilities and multilingual/multicultural studies.
- Her community involvement includes work with MALDEF and work to bring about the groundbreaking Martinez v. New Mexico lawsuit declaring education as a fundamental right.
- Torres-Velasquez's policy involvement also includes addressing water scarcity and sustainability, crime and safety and economic development.

District 31: Nicole Chavez, R-Albuquerque



Rep. Nicole Chavez will represent District 31, which encompasses the North Albuquerque Acres area, adjacent to Sandia Pueblo in Bernalillo County. Chavez won both her primary and the general election and replaced Bill Rehm, who retired from the Legislature after the 2024 session.

- Chavez is a strong advocate of criminal justice reform, having lost her oldest son (who had been accepted to the Air Force Academy) to random violence. She went on to found a victims advocacy organization, Robbed New Mexico.

- She is the director of Sales, Outreach and Retention for Presbyterian Healthcare Services and advocates for greater access to health care.
- She underscores her business experience and, consequently, her support for economic development.
- Her children attended public schools and UNM, leading Chavez to strongly support public education.

SENATE

District 15: Heather Berghmans, D-Bernalillo



Democrat Heather Berghmans, a policy analyst and finance consultant, will represent District 15, which now covers the area in Albuquerque east of Interstate 25 and roughly from Menaul to north of the Arroyo del Oso Golf Course. She won the general election and replaces Democratic Sen. Daniel A. Ivey-Soto, whom she defeated in the 2024 primary.

- She recently worked as finance director for the New Mexico House Democratic Campaign and has been director of special projects for Speaker of the House Javier Martinez, policy analyst for Speaker of the House Brian Egolf, and lead policy/committee analyst for the New Mexico House of Representatives.
- She also served on the city of Albuquerque's 2022 Redistricting Committee.
- Prior to her policy and legislative work, Berghmans worked as an operations director for high growth e-commerce companies and on the administrative/operations team at New Mexico Kids Network. She received her undergraduate degree at UNM and a master's in public administration from the UNM School of Public Administration.

District 18: Natalie Figueroa, D-Bernalillo

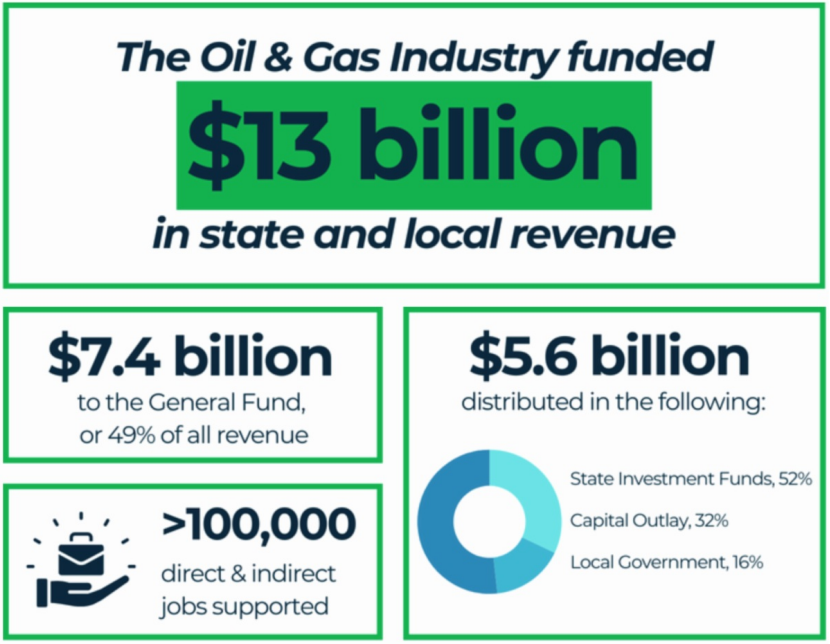


Democrat Natalie Figueroa, a former state representative and a high school Spanish teacher, will represent District 18, which includes Albuquerque's Northeast Heights roughly from Lomas to Academy. She was unopposed in the primary, won the general election and replaces Democratic Sen. Bill Tallman, who retired after the 2024 session.

- Figueroa is the daughter and granddaughter of teachers.
- She co-sponsored the Chop Shop Bill, credited with an 11% decrease in Albuquerque auto thefts, and co-authored the Organized Retail Crime Bill that's designed to keep repeat offenders off the streets.
- As an educator, Figueroa has been awarded grants and scholarships in three states, has served as a mentor teacher for the University of New Mexico's School of Education, and works with the Storehouse, the Asbury Pie Café, and assists with tax preparation for the elderly as well as service projects in Nicaragua, Tanzania and Costa Rica.

AROUND THE ROUNDHOUSE

The New Mexico Oil and Gas Association has put out some very interesting facts about the impact of the oil and gas industry on state and local governments. Despite this huge contribution that has allowed increased programs, services and even a few tax cuts, we continue to see legislation introduced that increases the regulatory burden on this most valuable industry. Go figure. Here's a slice of some of those facts:



TIGHT RULES QUESTIONED

The chair of the Senate Judiciary Committee announced rules today for how senators can present and discuss legislation before the committee. As with prior sessions, he has also set very strict rules for testimony from members of the public when supporting or opposing legislation.

For example, you can't just walk in to a committee hearing and make your views heard. You have to e-mail at least an hour before the hearing, you have to submit your testimony in writing ahead of time, and if you oppose a bill, you are directed to coordinate with other members of the public who also oppose that legislation. This may confuse an average citizen wanting to testify who may not know who else supports or opposes a proposed law change they are personally passionate about.

Sen. Pat Woods (R-Curry, Harding, & Union) took to the Senate Floor to share his thoughts: "…limiting debate in committee ... I thought that was where we were supposed to flesh this stuff out, where we're supposed to talk it out. ... When these bills are so important that they're going to affect New Mexico for many years in the future, how in the world can we limit discussion on those? How can we possibly do that when our constituents want to hear our voice. ... We need some balance. … That's just completely wrong, and I will object to that process."

We recognize that committees have to manage the time allocated for testimony if they are to work their way through busy agendas. However, there's a delicate balance to be achieved. By the way, similar rules are in place now for three committees: Senate Judiciary, Senate Rules, and Senate Tax, Business and Transportation.

SIGNING OFF FROM SANTA FE



For a while today, the House struggled to get a quorum but eventually mustered enough attendance to get some bill introductions done. The House will be back in session at 10 tomorrow and the Senate at 11. There are quite a few bills of interest in committees tomorrow. We are especially concerned about several that would, indeed, wrap more regulations and requirements around the energy industry. We'll be reporting the results on these and many more bills in tomorrow's Legislative Roundup - stay tuned! Until then, we wish you a very pleasant evening.

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Legislative RoundUp

2025 Regular Session | Tuesday, January 28, 2025

57th Legislature | Day Seven

BREAKING NEWS
January 28, 2025

BREAKING NEWS: Senate Conservation Committee Passes Zero Emissions Measure

Moments ago, the Senate Conservation Committee gave a do pass recommendation to SB 4 on a vote of 5-4 sending the measure along to the Senate Finance Committee for further consideration. Senator Joseph Cervantes (D-Dona Ana) joined the committee's three Republicans in opposition. A multitude of business groups, including the Chamber, stood in opposition. The Chamber's concerns are many, but at the top of the list is the negative effects the bill would have on the oil and gas industry. SB 4 calls for eliminating all greenhouse gas emissions by 2050 and cutting them by 45% in the next five years.

The bill reaches into every sector of the economy: electric generation, transportation, all forms of waste, manufacturing and extraction of raw materials, agricultural and forest products and, of course, oil and gas. The scale and scope of the bill is ill defined, lacking a realistic plan for implementation. In short, the legislation is too aggressive and ripe with unintended consequences. The bill now moves to the Senate Finance Committee. We'll give you a rundown of the hearing in tonight's RoundUp.

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Legislative RoundUp

2025 Regular Session | Tuesday, January 28, 2025

57th Legislature | Day Seven

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



Rep. Mimi Stewart, seated and center at table, introduces SB 4 on Tuesday.

ZERO GREENHOUSE GAS EMISSIONS CLEARS SENATE CONSERVATION COMMITTEE

"The future of this bill is litigation," so stated Senate Judiciary Committee Chair Joseph Cervantes (D-Dona Ana), who joined the three Republicans on the Senate Conservation Committee in voting no on Senate Bill 4.

Nonetheless, the measure passed on a vote of 5-4, sending it to the Senate Finance Committee for further consideration. Cervantes, both a lawyer and farmer, is well known for scrutinizing legislation to help ensure that definitions are complete and clear and that there is minimum ambiguity. Cervantes also objected to delegating more authority to executive agencies. "We've done too much of that lately," he said. Cervantes pointed out that in this bill the decisions will be made "someplace else, sometime later, by someone else."

SB 4, sponsored by Senate President Pro Tempore Mimi Stewart (D-Bernalillo), seeks zero greenhouse gas emissions by 2050 and a 45% reduction by 2030, just five years from now. In testimony before the committee, GACC President and CEO Terri Cole opposed the measure:

"The scale and scope of the bill would affect all buildings and structures. In just five short years, emissions have to be cut by 45%. We are very concerned with the unintended consequences to our jobs base and overall economy with such an aggressive mandate. In particular, we believe the oil and gas industry will be negatively affected and the message to businesses wanting to

come here and businesses trying to grow here will be negative - just the opposite of what all of us want and need.

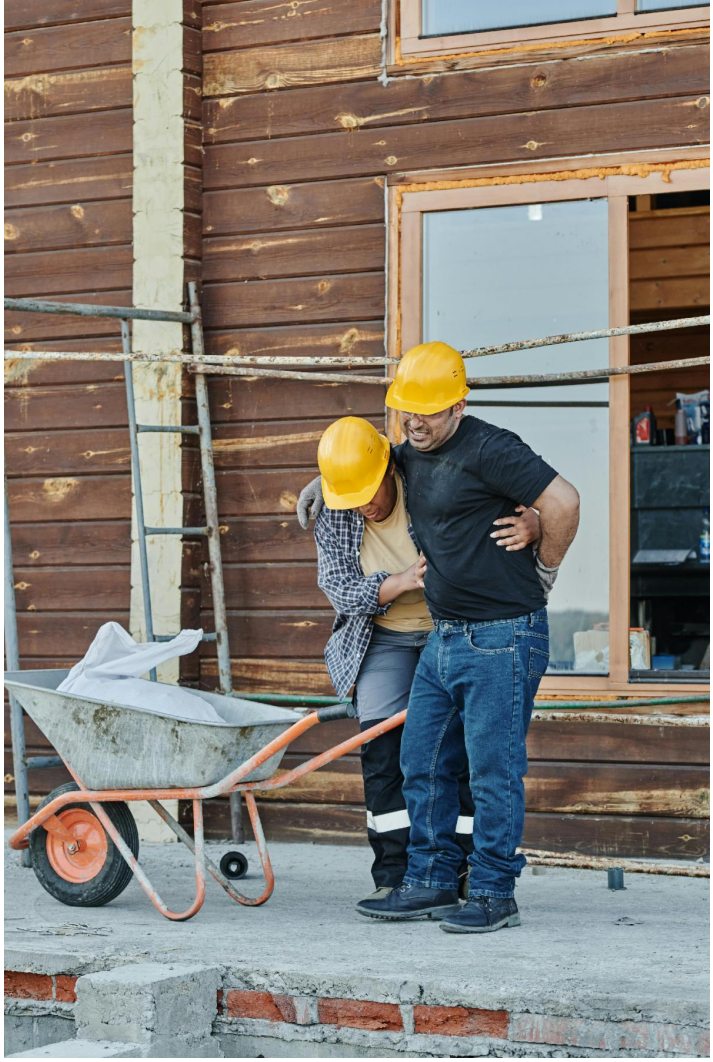
"This bill needs a realistic plan for implementation, which is difficult to achieve when the definitions lack clarity. We have many questions. How will all the new rules that will be issued be enforced? How many more staffers in the Environment Department and elsewhere have to be hired? The bill will affect virtually every sector of our economy: electric generation, transportation, home heating fuels, buildings, all forms of waste, manufacturing and extraction of raw materials, agricultural and forest products and, of course, oil and gas. We believe this transition is too aggressive and lacks a necessary balanced strategy. Please vote against SB 4. Thank you."

Cole was joined by many business people and business organizations who spoke in opposition. As the New Mexico Oil and Gas Association pointed out, greenhouse gas emissions have been reduced 26% in the Permian, largely due to innovation in the industry that increases efficiency and profitability. Representatives of agriculture voiced strong concern about the cost of complying with the zero emissions standard, which very adversely affects agriculture and lower income communities. Jim Winchester, representing the Independent Petroleum Producers Association of New Mexico, flatly stated, "The goals of this bill are unattainable unless you shut down all industries. ..." Supporters of the bill included environmental organizations, climate activists and many young people.

Committee Republicans, Sens. Candy Spence Ezzell (R-Chaves and Eddy), Larry Scott (R-Chaves, Eddy and Lea) and Jim Townsend (R-Eddy and Otero), probed deeply into the bill's provisions, focusing on the detrimental economic effects that are probable in their view. Sen. Stewart defended the bill, saying it builds on the governor's executive order and that the Environment Department and the Environmental Improvement Board are very capable of doing the necessary analysis to develop a plan that then can be translated via rulemaking into regulations that will be applied statewide. Stewart asserts that the bill will not harm the oil and gas industry "in any way."

As Sen. Scott said, "This is a big deal." Indeed, it is. The sweeping nature of this bill, which intrudes into every segment of our economy, presents a very negative outlook for businesses in our state. For example, the New Mexico Gas Company estimates that at least 40% of its customers will be forced to switch from natural gas for space and water heating. How many tens of thousands of dollars will this cost homeowners and businesses to comply with just this one provision? What will be the cost of forcing everyone to use electric vehicles if transportation fuels must be zero greenhouse gas emissions? While the goals may be laudable, the bill is impractical, failing to balance protection of the environment with the need to increase jobs, wages and grow our economy.

WORKER'S COMP ATTORNEY FEE INCREASE ADVANCES



This afternoon, the House Labor Veterans' and Military Affairs Committee met to go over House Bill 66, Worker's Compensation Attorney Fees & Discovery Cost Increases, sponsored by Rep. Pamelya Herndon (D-Bernalillo). The Chamber was there to oppose the bill.

The bill increases the cap on attorney fees from $22,500 to $30,000, and then increases it annually based on the Consumer Price Index. It also increases the amount of discovery fees that can be advanced to an attorney, from $3,000 to $6,000.

In addition to the Chamber, several groups testified against HB 66, including:

- New Mexico Mutual Casualty Company, which served on a 2023 worker's comp task force and said the indexing and increase in advanced discovery fees were not in the agreed-upon recommendations
- New Mexico County Insurance Authority, whose members created the Workers' Compensation Fund in 1987 when commercial rates for this coverage increased dramatically and numerous carriers opted not to offer coverage to public entities. It also spoke against the indexing.
- Builders Trust, which also served on the task force and which solely insures contractors, pointed out there is no data supporting increasing the advanced discovery fees.

D'Val Westphal, executive vice president for policy and programs at the Greater Albuquerque Chamber of Commerce, testified that:

"The Chamber believes Worker's Compensation payments should first and foremost help injured workers. But according to the bill's FIR, the 2023 task force warned that raising attorney fee caps has the potential for a larger portion of worker's compensation awards being allocated to legal fees rather than aiding in recovery and compensation for lost wages among workers' compensation claimants. That same task force found that the vast majority of cases, 93 percent, did not reach the fee cap.
"There's also the concern, raised with this proposal last year, that the increased limits will contribute to higher losses incurred for insurers, which will translate into higher workers' compensation insurance rates, which will hurt New Mexico employers who are already struggling."

Westphal closed by acknowledging the committee members "know better than most about unintended consequences, and HB 66 is rife with them. We respectfully ask you vote against it."

The committee passed the bill on a 7-4 vote. It's now headed to House Judiciary. And we'll be there too!

JOURNEYMAN-APPRENTICE RATIO MOVES AHEAD



Image by storyset on Freepik

The House Labor Veterans' and Military Affairs Committee also heard House Bill 68 - One-to-One Apprentice to Journeyman Ratio, sponsored by Rep. Joy Garratt (D-Bernalillo).

The bill would do exactly what its title says: require one journeyman for each apprentice. The current ratio is two apprentices for each journeyman. The Chamber opposed the bill.

Several groups testified against HB 68, saying the current ratio was established with sound and valid reasoning, and the proposed change will be extremely detrimental to the construction workforce and would increase costs. Those who testified against HB 68 included:

- Association of General Contractors
- NAIOP
- National Electrical Contractors of New Mexico
- Sheet Metal Contractors
- The Electrical Co-op Association

Westphal testified for the Chamber that:

"HB 68 is, in all honesty, a solution in search of a problem. The current 2-to-1 journeyman-to-apprentice ratio effectively balances training, supervision and workforce needs. It allows a journeyman to oversee two apprentices – meaning two apprentices have not only oversight but real jobs to go to, jobs that pay their bills while delivering hands-on training and quality construction work. HB 68 will cut this workforce in half, limiting the number of new journeymen being trained as well as the projects their companies are able to take on and complete. That is not a formula for growing our skilled trade workforce or for completing construction jobs on budget and on time. Our state is already in a workforce deficit, losing more journeymen to retirement than it is training, and HB 68 will exacerbate that deficit."

She added that "our contractors need to be flexible and efficient to tackle construction projects in this economy, and they need flexibility and efficiency when it comes to bringing tomorrow's journeymen online. At the same time, we need to have sufficient apprentice slots available so New Mexicans have the opportunity to work and learn a trade at the same time. Let's not remove that flexibility and efficiency, and let's not slash the number of apprenticeships available for

today's and tomorrow's workforce."

The committee passed the bill on a 7-4 vote. We'll be there next, as it's now headed to House Judiciary.

ENERGY STORAGE TAX BREAK PASSES HOUSE ENERGY



Image by Freepik

Early this morning the House Energy, Environment and Natural Resources Committee passed House Bill 51, Energy Storage System Tax Credits, sponsored by Rep. Debra Sariñana (D-Bernalillo) and vice-chair of the committee.

Sariñana kicked off the discussion by explaining that energy storage systems capture and stores energy for later use, then ran down the specifics of the bill and said it's needed now to encourage more adopters, to help consumers save money and have reliable backup energy sources when usage is high.

The Chamber was also there to support the bill. We believe the bill is a textbook example of a positive way to incentivize individuals to make an investment in energy storage.
Here are a few of the other statements in support of the bill:

1. From Positive Energy, a solar company with 100 employees, which said the storage is essential as the sun shines just part of the day and the wind doesn't always blow.
2. From an activist who worked on power grid models at NMSU, who said New Mexico needs more battery storage to complete the state's energy transition.
3. From J.D. Bullington on behalf of the city of Santa Fe and Public Power New Mexico, who said the technology has evolved from a dream to an essential reality for the state's energy transition.
4. From former Rep. Abbas Akhil, who spoke in support on behalf of both the N.M. Society of Professional Engineers and the TESLA Owners Club.
5. And from the Sierra Club, who spoke on the need to make this technology affordable to New Mexicans.

Rep. Rod Montoya (R-San Juan) expressed concern about potential battery fires but said he would reserve his questions for the bill's next committee hearing. Other committee members expressed concerns over how and where batteries would be disposed of and if tax incentives are indeed good tax policy or simply distort the market and pick winners and losers.

The committee voted to pass the bill 6-4. HB 51 is now headed to the House Taxation & Revenue Committee.



MANDATE TO PROTECT PUBLIC HEALTH, ENVIRONMENT DELAYED UNTIL THURSDAY

Also this morning, the Chamber was in the House Agriculture, Acequias and Water Resources Committee to testify against House Bill 34, Oil & Gas: EMNRD Mandate to Protect Public Health & Environment, sponsored by Rep. Debra Sariñana (D-Bernalillo).
The bill broadly mandates the Oil Conservation Division to protect “public health” and the environment” and targets the oil and gas industry.
After vetting what they thought was the current version of HB 34, and hearing in-person and online comment, committee members learned they did not have the committee substitute and determined they would go directly to committee comment and action when they reconvene on Thursday.

The Chamber opposed the bill. Other opponents who testified against HB 34 included:
1. The New Mexico Oil and Gas Association, which said the bill is an unworkable mandate.
2. The New Mexico Chamber of Commerce, which pointed out that the lack of definitions creates uncertainty that hurts business, the efforts duplicate those of the Environmental Protection Agency, and the unfunded mandate puts an undue burden on the Oil Conservation Division.
3. Occidental Petroleum, which highlighted the lack of guidance in the bill and the duplicative mandate.
4. And an online testimony that cited the current statute creating the Environment Department, pointing out it is not appropriate to assign its duties to another agency.

J.D. Bullington opposed the bill on behalf of the Chamber:

“This bill is obviously well-intentioned; however, the GACC believes this bill expands the responsibilities of the Oil Conservation Division in a manner that is too broad and too vague. One of the biggest concerns is the lack of a definition of what, exactly, the OCD will be charged with regarding the protection of ‘public health’ or the ‘environment.’ That ambiguity subjects the division to unrealistic demands, likely unfunded mandates and potential litigation when the division does not deliver on matters that are vaguely implied but not clearly spelled out. The GACC also believes HB 34 unnecessarily duplicates work already being done by the Air Quality Bureau and the New Mexico Department of Environment.”

Bullington went on to explain that “Chamber members of course want clean air and water and the environment protected for generations to come. But the GACC favors clearly defined regulations that provide specific guidance, instead of the approach being taken with HB 34.”

When the committee discovered it did not have the substitute version in its binders (Sponsor Sariñana explained it cleans up language but does not make substantive changes), members voted against tabling. It will be up for a vote in the committee Thursday morning. Should it pass, it will head to House Energy, Environment & Natural Resources.

INTRODUCING NEW LEGISLATORS

HOUSE

District 38: Rebecca Dow, R-Dona Ana, Sierra and Socorro



Republican Rebecca Dow will represent District 38, which is centered around Truth or Consequences and Elephant Butte. Dow held this seat for six years, relinquishing it to run for governor. After sitting out two years, she was unopposed in her primary and defeated incumbent Tara Jaramillo in the general election to rejoin the House.

- Dow is an expert in and advocate for Early Childhood Education, having started not-for-profit businesses to provide these services.
- Dow is strongly pro-business; with her husband she has run a successful technology company prior to her first being elected to the House.
- Dow has received numerous awards for her work in ECE and has helped found several support organizations.
- She is a graduate of Oral Roberts University, holding a degree in business.

District 53: Sarah Silva, D-Doña Ana and Otero



Democrat Sarah Silva will represent District 53, which adjoins the Texas border near El Paso and includes Chaparral and the most eastern portion of Las Cruces. Silva won the general election after being appointed as the Democratic candidate following the death of Jon Hill, who defeated incumbent Willie Madrid in the Democratic primary.

- Silva is a community organizer and community advocate, born in Vado and raised in the Mesilla Valley.
- In an interview with the Las Cruces Bulletin, she expressed opposition to the governor's special session on public safety, saying it focused too much on increasing penalties.
- In the same interview, she stated the state has "a moral obligation to reduce the state's dependence on oil and gas."
- Silva is a graduate of the University of San Francisco.

District 19: Anthony “Ant” Thornton, R-Bernalillo, Sandoval, Santa Fe and Torrance



Republican Ant Thornton, an aerospace engineer, will represent District 19, which covers the East Mountain area and includes parts of Bernalillo, Sandoval, Santa Fe and Torrance counties. He won the general election and replaces Republican Sen. Dr. Gregg Schmedes, who did not seek re-election.

- The son of a career-enlisted Air Force man, Thornton dreamed of having a career in aviation, particularly as an engineer. He graduated from the University of Colorado with a degree in aerospace engineering, obtained his master's from Stanford and his Ph.D. from Purdue.
- He spent 27 years at Sandia National Laboratories and was the first Black American director in Sandia’s history. After retiring from Sandia, he worked for Universities Space Research Association as a corporate director, growing the company from $100 million to $160 million in revenue.
- In 2022 the majority of New Mexico Republican voters chose Thornton to be the first Black American Republican nominee for lieutenant governor.

District 21: Nicole Tobiassen, R-Bernalillo



Republican Nicole Tobiassen, a business coach, will represent District 21, centered in Albuquerque’s Northeast Heights, east of Interstate 25 and north and south of Paseo del Norte. She won the general election and replaced Republican Sen. Mark Moores, who did not seek re-election.

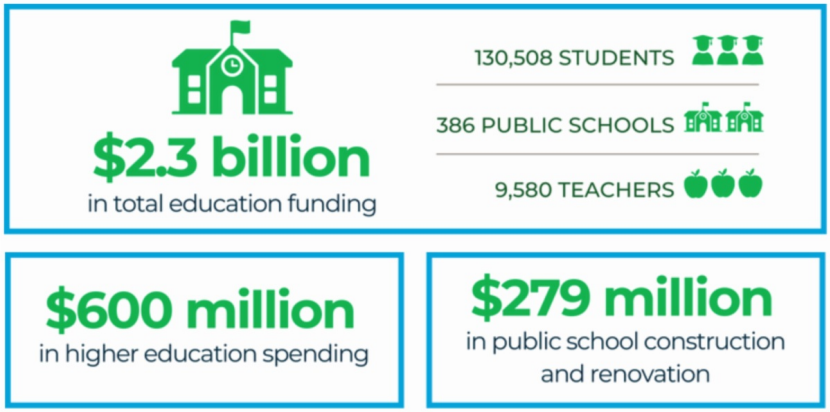
- She had a successful career at Enterprise Rent-A-Car, was recognized as the No. 1

national account manager worldwide, excelled in growing the government contract sector, and developed strong relationships with the Border Patrol and New Mexico National Guard and an understanding of the challenges they face.
- She founded ActionCoach with her husband, Mark, providing coaching and guidance to business owners and leaders during challenging times.
- After her husband faced a sudden life-or-death health crisis in 2017 and had to be transferred to a specialized clinic out of state, Tobiassen became an advocate for better health care for all New Mexicans.

AROUND THE ROUNDHOUSE

Oil and Gas Contributions to the State

As we and others battle against legislation that would severely harm our oil and gas industry, it's very important to keep in mind that 49% of the general fund revenue comes from oil and gas taxes, royalties and fees. Here's some of how that money helps our state and communities.



Sen. Pete Campos on Progress in the Oil and Gas Industry

In case you missed it, Sen. Pete Campos (D-Colfax, Guadalupe, Harding, Mora, Quay, San Miguel and Taos) had a wonderful Op-Ed piece in today's Albuquerque Journal regarding the oil and gas industry. Campos points out the tremendous progress made in reducing greenhouse gas emissions, writing "I am proud to say that we are rising to the challenge. Through stringent regulations and innovative practices, the industry is reducing its environmental footprint while continuing to drive our state's economy. ...In addition to regulatory measures, the industry continues to embrace and create new technologies and practices to foster environmental stewardship."



Campos applauds the industry not only for greenhouse gas emission reductions but also for work done to improve water quality. He's a believer in collaboration, calling it "the key to success."

Campos stresses the need for balanced approaches and recognizes the contributions of the oil and gas industry to the state. "The contributions of the oil and gas sector have laid a strong foundation of this (the state's) prosperity. If we attempt to diminish the role of oil and gas, we risk losing vital economic stimulus and seeing jobs migrate to other states." To read the entire piece, click here.

House Memorial Designates Today "N.M. Oil and Gas Day"



Rep. Rod Montoya channels his inner "Dr. Evil."

House Memorial 4 was introduced today by Rep. Rod Montoya (R-San Juan). The memorial recognizes the oil and gas industry (click here to read the memorial).

Rep. Jack Chatfield (R-Colfax, Curry, Harding, Quay, San Miguel and Union) talked about his time working on an oil rig and thanked the industry for providing more than 40% of the state's budget. Rep. Cathrynn Brown (R-Eddy and Lea) said the memorial brings home that we do need hydrocarbons to make modern life possible. Brown continued to say that Eddy County has received millions from the oil and gas industry that helps provide capital outlay, K-12 schools and higher education.

Rep. Elaine Sena Cortez (R-Lea) said New Mexico produces one of the cleanest barrels of oil in the world. "Oil and gas contributed 49% of all revenue to the state budget last year," she said. Rep. Rod Montoya quipped that people have said he resembles Dr. Evil from the "Austin Powers" films. Putting his hand to his mouth, mimicking Dr. Evil from the films, he shared that "(We've had) $13 billion to our local and state governments."
The memorial passed 69-0.

Successful Students



Rep. D. Wonda Johnson

Rep. D. Wonda Johnson (D-McKinley and San Juan) introduced three students from the Navajo

Preparatory School. They were Addison Salazar, who is also Miss Hozho Naasha, as well as Arcadia Riley of Laguna Pueblo and Carla Claunch, who is also a member of the cross country team. Rep. Johnson told the House that Navajo Prep is a college preparatory school located in Farmington. It has been fully sanctioned by the Navajo Nation since 1991, when the previous Navajo Academy closed due to lack of funding.

Dancing with The Stars...New Mexico Style!



Student performers from the National Dance Institute of New Mexico were brought to the House Floor by Majority Leader Reena Szczepanski (D-Santa Fe). Szczepanski said NDI-NM is celebrating its 31st year. The program is provided in 90 public schools across New Mexico and has served more than 159,000 children. The program has grown through public/private/corporate partnerships.

Big Brother...



Sen. Nicholas Paul sponsored the National Mentoring Month proclamation and presented it to Angela Reed Padilla, the chief impact officer for BBBS of Central New Mexico.

When someone mentions “Big Brother,” it’s usually the government they’re talking about. But not today. Sen. Nicholas Paul (R-Chaves, Lincoln & Otero) introduced a certificate declaring January “National Mentoring Month,” and he recognized Big Brothers Big Sisters of Central New Mexico (BBBS).

BBBS serves 15 counties throughout the state and more than 3,000 youth. They match adult volunteers with kids who can benefit from a positive role model in their life.

Several senators stood in support of the non-profit and offered their own stories of volunteering to mentor kids in their communities through Big Brothers Big Sisters. Sen. Gabriel Ramos (R-Grant, Hidalgo, Luna) said he was one of the first “Bigs” in Grant County, and both he and Lt. Governor Howie Morales volunteered as big brothers at the same time. Sen. Jeff Steinborn (D-Doña Ana) also served as a “Big” and was a member of the program’s board of directors for a stint.

The senators all agreed that being a big brother or big sister can be a lifeline to kids who maybe need a different perspective on life, or just someone who believes in them. Steinborn said it’s really easy… you just contact BBBS and “tell them you want to be a Big. And they’ll do some screening and make sure it’s a good fit. And you can have this experience for as long as you as you like or don’t like.”

If you want to find out more about volunteering as a “Big,” fill **out this form**, and a BBBS staff member will contact you with more information!

SIGNING OFF FROM SANTA FE



As you can tell from our coverage, it's been a whirlwind day. To say the least, the Legislature seems to be off to a fast start. With the tremendous contributions made by the oil and gas industry and progress made in reducing emissions, it continues to baffle us about the number of bills that are taking direct shots at the industry. Without this industry being successful and profitable, the state budget would go underwater faster than a lead tuna. And, as you can see, it's not just the oil and gas industry, but all segments of our economy that face legislation that's just not business-friendly. So, it's important that all of us engage to fight the good fight on behalf of our businesses and our communities. Thanks for being with us today, and we'll see you tomorrow. Until then, have a very pleasant evening.

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

GREATER ALBUQUERQUE CHAMBER OF COMMERCE

Working to make our city and state a great place to start and grow a business and a safe, exciting place to work and raise a family.

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GREATER ALBUQUERQUE CHAMBER OF COMMERCE

Legislative RoundUp

2025 Regular Session | Wednesday, January 29, 2025

57th Legislature | Day Eight

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



SENATE JUDICIARY HEARS 3 IMPORTANT CRIME BILLS – ALL ROLLED OVER

The Senate Judiciary Committee heard three important crime bills today. The bills were not voted on, but testimony was heard on them, and the bills will be considered in one "crime" package at a later date. Here are the bills they heard:

Senators Brandt and Lanier's Swatting Bill

Senate Bill 18, Crime of Swatting, sponsored by Sens. Craig Brandt (R-Sandoval) and Steve Lanier (R-San Juan), was heard and debated. The Chamber's President and CEO Terri Cole presented testimony in strong support of the bill:

"On behalf of the Greater Albuquerque Chamber of Commerce," Cole said, "I want to register our strong support for SB 18. Nothing is more terrifying to a student than to be threatened with violence, especially our youngest and most vulnerable. Swatting is a form of violence and intimidation that can leave lasting emotional scars. For those that commit such crimes, a slap-on-the-wrist misdemeanor is not nearly enough of a consequence for perpetrating violence. SB 18 would bring a meaningful consequence by making swatting a felony. It's what we should do for our children."

Cole went on to explain that *"according to an analysis by TDR Technology Solutions, the impact*

of swatting nationwide is tremendous:

- *Impact on Schools: Over 2,000 schools experienced swatting incidents in September 2024 alone, leaving students traumatized and disrupting education nationwide.*
- *Taxpayer Burden: The annual cost of swatting to taxpayers has soared to $500 million, driven by school disruptions, lost instructional time and mental health impacts—excluding the costs incurred by emergency response and first responders.*

"Every fake threat diverts resources away from genuine emergencies, putting entire communities at risk. The toll on mental health, especially for students, is immeasurable. These children should feel safe in their schools, not terrified by hoaxes designed to cause chaos. As you can see, this is a big problem, and growing problem. SB 18 is an important tool that can help. We urge your support of SB 18."

During committee discussion, Sen. Katy Duhigg (D-Bernalillo) expressed concern about making a shooting threat a felony. "We don't want to make felons of people because they have bad tempers and say dumb things," she explained. Brandt, who shared he has brought this bill forward five or six times, explained the law would not apply to someone who makes a general threat, such as "I want to kill you," but would apply to someone who says they are bringing a firearm to a specific address to shoot people. Duhigg was unconvinced and moved to amend the bill by striking shooting threat, leaving that a misdemeanor, while making swatting and bomb threats a fourth-degree felony.

The amendment and bill were not voted on. We expect the bill to be included in some form in a package at a later date. We'll keep you informed.

Senator Antonio Maestas' Felon-in-Possession Bill

Senate Judiciary also heard Senate Bill 32, Unlawful Possession of a Stolen Firearm, sponsored by Sen. Antonio Maestas (D-Bernalillo). Cole was again ready with testimony in strong support.

"SB 32 would help crack down on those dealing in stolen firearms by providing a fourth-degree felony for perpetrators," she said. "Given the alarming misuse of guns in our state, this is a common-sense move. We particularly support the provision that each firearm is a separate offense. This provision would really 'throw the book' at those trafficking in stolen firearms. New Mexico needs to take these kinds of steps if we're going to move the needle on reducing criminal activity.

"Across our state, law enforcement is reporting an increase in theft of firearms," Cole explained. "Las Cruces reported 169 separate incidences in 2023. Albuquerque police report dozens of gun thefts each month, often from vehicles where the firearms are left unsecured. Clearly, it's a lucrative business to deal in stolen firearms, which are often peddled by organized crime organizations and gangs. We need additional measures to stem the rising tide of gun theft."

The New Mexico Organized Crime Commission, New Mexico State Police and the city of Albuquerque also had representatives testifying in support of SB 32.

Duhigg expressed concern the penalties are outsized and would be the same as for murder. Committee Chairman Sen. Joe Cervantes (D-Doña Ana & Otero), echoed that, as well as a concern about double jeopardy.

Again, no vote was taken, and we hope it will be included in a package at a later date. We'll keep you posted on what happens next.

Senator Brandt's Racketeering Bill

The last bill before Senate Judiciary today was Senate Bill 70, Add Racketeering Crimes, sponsored again by Sen. Craig Brandt (R-Sandoval). Cole explained in her testimony in support that:

"SB 70 is aimed at dealing with heinous crimes committed by organized groups. These criminal enterprises need to be stopped in their tracks. That's why the Chamber supports SB 70, which would expand the state's Racketeering Act to include such heinous crimes as sexual exploitation of children, threats to our law enforcement officers including escape from jail or prison, and threats to some of our communities' most vulnerable with human trafficking.

"The bill would also target the leaders of such enterprises, specifically making it a crime to solicit or coerce another person, including a minor, into being a member of or working with their criminal enterprise, as well as financing or supervising racketeering activity. SB 70 offers those in our legal system a better tool by casting a wider net over criminal gangs," she said.

Cole added that *"we know that human trafficking is a growing problem, largely because organized crime is involved - preying on women and children. Racketeering statutes are*

designed to go after just these kinds of organizations, but New Mexico's statute does not now encompass so many heinous crimes. That's why we need SB 70 to pass."

Representatives from the New Mexico Organized Crime Commission, New Mexico State Police and city of Albuquerque voiced support for SB 70 as well, laying out the huge amounts of money being made by cartels, traffickers, auto thieves and other criminals.

Duhigg raised constitutional concerns about the definition of a criminal gang, saying Senate Judiciary or the Boy Scouts could be considered a criminal gang under the law as written – and that the language isn't really needed in the bill. She said the bill needs work and will be constitutionally challenged. And Maestas added that some of the crimes listed don't include profit, running afoul of the racketeering definition.

Brandt's expert, from the Organized Crime Commission, explained each of the enumerated crimes involve an enterprise that makes money, as with bribes, and fits the definition.

Cervantes recalled both he and fellow committee member Sen. Mimi Stewart have carried similar bills in the past and run into opposition from civil liberties groups. He cautioned care is needed on ensuring the constitutional right to association in such a bill and the sponsor should consider that.

Hopefully, SB 70 is headed for consideration in the package as well. We'll let you know what happens next. Other crime bills were scheduled to be heard today, but time ran out. We expect to see them scheduled again soon.



BEHAVIORAL HEALTH GETS BIPARTISAN SUPPORT

Today, the Senate Health and Public Affairs committee took up three interrelated bills addressing the state's behavioral health system. All three bills will be held over until next Monday afternoon. SB 1 and 2 are appropriations bills, while SB 3 would establish a process for overseeing projects and programs to ensure results can be monitored and reported. In a refreshing turn of events, all three measures are being sponsored by both Democrat and Republican leaders.

SB 1

SB 1, sponsored by Sens. George Muñoz (D-Cibola, McKinely & San Juan), Liz Stefanics (D-San Miguel, Santa Fe, Torrance & Valencia) and Pat Woods (R-Curry, Harding, Quay & Union), would establish the Behavioral Health Trust Fund. The goal within the next two years is to endow the fund with $1 billion. Muñoz points out that it's possible over five years for the fund to grow to $10 billion, similar to what has happened with the Early Childhood Trust Fund. Technically speaking, SB 1 received an 11-0 do-pass recommendation, but the committee report is being held until SB1, 2 and 3 can all be passed simultaneously.

J.D. Bullington expressed the Chamber's strong support for the measure:

"Madam Chair and members of the committee. My name is J.D. Bullington, and I'm here today on behalf of the Greater Albuquerque Chamber of Commerce in support of SB 1. While there's a lot of disagreement over what the best path to greater public safety is, it seems there's a lot of consensus that we need to strengthen and rebuild the behavioral health system in our state.

"SB 1 takes a bold, swing-for-the-fences approach, seeking a $1 billion permanent fund that would generate ongoing funding for behavioral health. Providing support for those suffering from addiction and other mental health issues doesn't come cheap, but neither do crimes, which are sometimes committed in pursuit of drugs, nor the devastation to families when loved ones are no longer capable of functioning, perhaps even devolving into neglect or abuse.

"A billion dollars is for sure a lot of money. But it's a matter of priorities. We can't afford to wait, and we urge the committee to vote yes on SB 1 while the state has the cash to make this important investment. Thank you."

Other supporters mainly came from the behavioral health provider and advocate community. There was no opposition. Once finally approved, the bill will proceed to the Senate Finance Committee.

SB 2

SB 2, sponsored by Senators Benny Shendo (D-Bernalillo, McKinley, Rio Arriba, Sandoval & San Juan), George Muñoz (D-Cibola, McKinely & San Juan) and David Gallegos (R-Eddy & Lea), per the FIR, the bill contains 13 distinct appropriations. Eight of the13 give state agencies the ability to provide grants to local and tribal entities. The remaining five appropriations focus on sequential intercept resource mapping detailing how individuals come into contact and move through the criminal justice system, education and outreach within behavioral health regions, mobile health units and medication-assisted treatment, and an expansion of housing service providers. In total, $140 million is appropriated.

J.D. Bullington once again stood in strong support of the measure on behalf of the Chamber:

"Madam Chair and members of the committee. My name is J.D. Bullington, and I'm here today on behalf of the Greater Albuquerque Chamber of Commerce in support of SB 2. This bill targets 140 million dollars, most of which will be used by local governments to tackle behavioral health issues from Assisted Outpatient Treatment to housing and much more. This is a really smart approach - it puts the money where the rubber hits the road - in courts and local governments that are the backbone of providing services. It also fosters fresh thinking about how to solve problems through innovative techniques.

Rebuilding the behavioral health system is multi faceted. It takes collaboration and adopting best practices. Let's face it, we're behind the eight-ball on this issue, and it's time to provide the resources necessary to accelerate giving help to people trapped by addiction or struggling with mental health challenges. The targeted approach of this bill should lend itself to measurable outcomes, allowing successes to be shared statewide. We would appreciate your support for SB 2."

As with SB 1, supporters of the measure were largely behavioral health providers or advocates. There was no opposition expressed; however, before voting on SB 2, committee members wanted to understand how regional planning would be done, what stakeholders would be involved and how accountability measures would be established and monitored. That process is contained in SB 3.

SB 2 will be voted on Monday at the committee's next hearing, as will SB 3, upon which the Chamber did not testify. We'll be back with an update on Monday.



TRADE PORTS ACT HEADED TO TAX AND REV

This afternoon the House Commerce and Economic Development Committee voted 9-0 to pass House Bill 19, Trade Ports Development Act, sponsored by Reps. Patricia A. Lundstrom (D-

McKinley), Dayan Hochman-Vigil (D-Bernalillo), Raymundo Lara (D-Doña Ana), Tara L. Lujan (D-Santa Fe) and Joy Garratt (D-Bernalillo).

The Chamber testified in strong support of the bill, joined by representatives of fellow chambers in Gallup and Rio Rancho, the Bernalillo County Economic Development director, NMIdea, AFSCME, the Brotherhood of Locomotive Engineers, the N.M. Builders and Construction Trades Council, a landowner and others. They spoke of how the ports will provide economic diversification, will leverage our geography and existing assets, will attract new businesses and create high-quality jobs, and build a foundation for a thriving, modern trade infrastructure.

There were no opponents to the legislation.

As explained in the bill's fiscal impact report, HB 19 "enables the state and its political subdivisions (“public partners”) to enter into public-private partnership agreements to help finance and work on trade port projects.

D’Val Westphal, executive vice president for policy and programs at the Greater Albuquerque Chamber of Commerce, told the committee that HB 19 is:

“A smart reinvestment of GRT and Motor Vehicle Excise Tax revenues into what drives those revenues: our supply chain. The global pandemic and economic downturn laid bare the vulnerabilities in our nation’s supply chains, and having New Mexico establish Trade Port districts, along with a development fund, an advisory committee and criteria for projects sets our state up to be a real part of the solution. The basic role of a trade port is to provide essential infrastructure and services to handle various types of cargo, including bulk commodities, containerized goods and liquid cargo. As sponsor Rep. Lundstrom has said, the goal is to make New Mexico ‘more than just a bridge state.’”

Westphal added that *“we have a built-in north-south corridor with the Santa Teresa Borderplex poised to maximize existing and planned expansions of manufacturing plants in Mexico. We have existing east-west corridors of Interstate 10 and Interstate 40 that are already integral to getting goods to and from the West Coast and beyond. Communities from Bernalillo County, to Gallup and McKinley County, to Santa Teresa have recognized the need for, and opportunity in, developing inland ports. HB 19 will help these and other communities not only make them a reality but get them on the road to reaching their full potential.”*

We’ll be in House Taxation and Revenue to support HB 19 at its next stop!



EXPANDED RURAL MEDICAL PROVIDER TAX BREAK IS ON THE MOVE IN THE HOUSE

This morning the House Health and Human Services Committee took up House Bill 52, Expands Rural Health Care Practitioner Tax Credit, sponsored by Reps. Miguel Garcia(D-Bernalillo) and Jenifer Jones (Doña Ana, Hidalgo & Luna).

The Chamber was there in support, joined by numerous physicians, speech pathologists, EMTs and other medical professionals who would benefit from expanding the modest tax credit, along with New Mexicans pleading the case for more providers and care in their communities.

Garcia made the case for the bill, pointing out the great need for providers in our state. He shared that while New Mexico is 63 percent rural, just 23 percent of the practitioners mentioned

in the bill work in rural New Mexico - licensed practical nurses, emergency medical technicians, paramedics, speech-language pathologists, occupational therapists and chiropractic physicians.

The Chamber's Immediate Past Chairman Bruce Stidworthy prepared testimony for the committee, sharing that as president and CEO of Bohannan Huston, "many of our employees either come from, or reside in, rural areas of New Mexico," making HB 52 important to his workforce.

"Last session this committee wisely passed HB 163, parts of which were ultimately included in the successful omnibus tax bill, encouraging health care professionals to practice in our rural areas with a modest tax break," Stidworthy shared. "This session, the sponsors are advocating to expand the health care practitioners who are eligible for the $3,000 credit. They are right to do so. We have a shortage of medical professionals at all levels across our state, and encouraging these additional categories of medical professionals to live and practice in New Mexico is a win-win.

"In the fiscal impact report on last session's bill," Stidworthy explained, "the Taxation and Revenue Department weighed in and said the credit would encourage more health care professionals to practice in rural areas. That's good for the medical professionals who decide to make New Mexico their home, and it's good for the folks who live and get treatment in their communities."

The committee clearly agreed, voting 7-0 to send the bill on to the House Taxation and Revenue Committee.



NO CELL PHONES IN CLASS ADVANCES

The iPhone was first released 17 years ago, on June 29, 2007. The Android phone was introduced just a year later. That means that every single student in school today has never known a world where we don't have instant access to texts, Instagram or a camera.

But the ubiquitous cell phone has become a major problem in classrooms throughout the country. Nearly 30 states have already implemented some type of policy to curtail the distractions that cell phones pose during instructional time. Today Sen. Crystal Brantley (R-Catron, Doña Ana, Grant, Hidalgo, Luna, Sierra and Socorro) presented Senate Bill 11, Funds for Anti-Distraction Policies in Public Schools, to the Senate Education Committee today.

The bill appropriates $10 million to the Public Education Department (PED) to reimburse local school districts that voluntarily implement anti-distraction programs that include the use of specialized pouches that educators can "lock" during instruction time. The pouches, which cost about $30 each, provide for emergency access to the phones if necessary. If all 300,000 students statewide receive pouches, it would cost $10 million; however, a pilot program for $1 million or $2 million would be a good start.

Chamber Support
The Chamber's lobbyist, J.D. Bullington, stood in support of the bill.

"The Chamber advocates for policies that support teachers, raise student academic performance and support healthy social development of our students," he testified. "We support this bill because it will align with all those policies that we believe will improve our education system."

Indeed, we think curtailing cell phone use in the classroom will help students focus on the blackboard, not on a circuit board. Studies and anecdotal evidence show that classroom cell phone bans lead to better test scores, improved mental health and the improved development of social skills.

Shall or Recommends

The bill passed the committee and moves on to Senate Finance. But not before the chair, Sen. Bill Soules (D-Doña Ana) moved a “no recommendation” vote that failed. Soules is concerned the legislation is too vague, not requiring schools to participate. Brantley says she’s committed to giving school districts the ability to decide policies at the local level and that being more prescriptive in state law is not the right approach for a cell-phone policy in our schools.

Federal Perspective

Education Secretary Miguel Cardona has observed:

“In one study, some 16-year-old students saw their test scores increase after schools banned phones, with most of this change driven by the most disadvantaged and lower-performing students. Another study showed 10.6 percent lower test scores among students who retained their cell phones compared to student groups not interrupted by text messages. A study focusing on girls shows that removing cell phones led to higher grades and an increased likelihood of attending an academic high school. Some parents and students who initially are less supportive of limits support them after seeing the benefits and having a voice in the schools’ approach.”

Other approaches

Sen. Moe Maestas has a similar bill, SB 160 Student Use of Wireless Communication Plans. His legislation is much more prescriptive and says “each school district and charter school ‘shall’ adopt and implement” a plan to curtail cell phone use in the classroom. His legislation doesn’t include funding, which will force schools to dip into their existing budgets to buy any necessary technology to properly implement any new policies. Brantley said she’s aware of Maestas' bill and plans to work with him to combine their efforts.

We’ll let you know how this develops. Check your phone for updates!



Property Tax Relief for Veterans Gains Approval

The House Government, Elections and Indian Affairs Committee gave a ringing endorsement to HB 47, sponsored by Rep. Art De La Cruz (D-Bernalillo), moving the bill forward with a unanimous 9-0 vote. Chamber Legislative Session and Local Government Committee Chairman Sherman McCorkle was on hand to lend the GACC's support:

"Madam Chair and members of the committee, my name is Sherman McCorkle, and I am here today for the Greater Albuquerque Chamber of Commerce in support of HB 47. This bill is important because it brings life to two voter-approved constitutional amendments. These amendments provide property tax relief for all veterans and special relief for those who served at least six continuous years and were honorably discharged because of a service-related injury. We commend the sponsor and note that the bill enjoys bipartisan support. We would urge a yes vote on HB 47."

During committee discussion, concerns were raised about the loss of revenue to local governments to an increase in the amount of exemptions. In part, some revenue loss can be made through an adjustment known as yield control - but only up to the limit of taxation allowed. If the entire amount cannot be made up, then the local government has to make adjustments to their budgets to absorb the loss. The committee discussed that perhaps the Legislature should help local governments, but that's a discussion for a different day in a different committee. Since the bill moves to the House Taxation and Revenue Committee next, perhaps that's a good question to raise then. The Chamber will be there to report back to you what happens next!

INTRODUCING NEW LEGISLATORS

HOUSE

District 54: Jonathan Allen Henry, R-Eddy, Chaves & Otero



Republican Jonathan (Jon) Allen Henry will represent District 54, which encompasses Eddy and Otero counties, with a very small portion of Chaves. Henry was unopposed in his primary and handily won the general election to replace Jim Townsend, who was elected to the state Senate.

- Henry has served as mayor of Artesia and as an Eddy County commissioner.
- Being well versed in local issues, Henry emphasizes the need to carefully consider the impact of state legislation on cities and counties, especially in rural areas. He also has a strong interest in education and oil production.
- He says he is skeptical about the practicality of achieving a zero-carbon emissions goal.
- Henry is a former restaurant owner and now works as a real estate broker.

District 57: Catherine Cullen, R-Sandoval



Republican Catherine Cullen will represent District 57, which includes a significant section of the city of Rio Rancho in Sandoval County. Cullen won her primary and the general election and replaces Jason Harper, who chose not to seek re-election.

- Cullen is a real estate broker.
- She served for eight years on the Rio Rancho School Board.
- Cullen is a strong supporter of small business and economic development, recognizing that the crime rate is an inhibitor to growth.
- She also is a strong supporter of CTE and special education.

SENATE

District 24: Linda Trujillo, D-Santa Fe

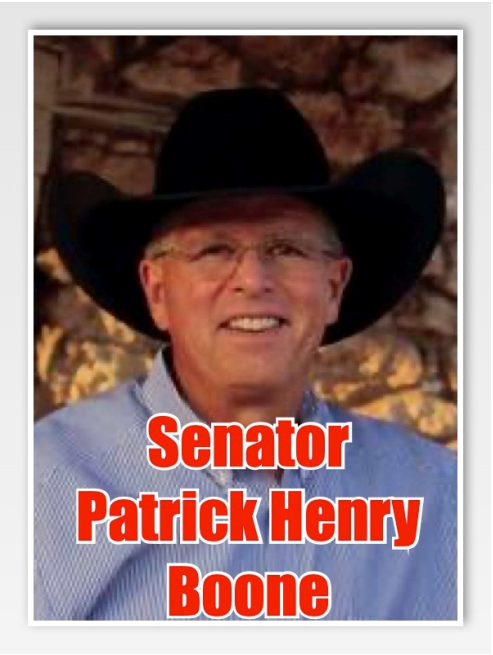


Democrat Linda Trujillo, an attorney, will represent Santa Fe's District 24, which is bisected by N.M. 14 and Airport Road. She won the 2024 primary and faced no Republican opposition in the general election. She replaces Democratic Sen. Nancy Rodriguez, who retired after the 2024 session.

- Trujillo was a state representative from 2017-2020.
- She is a former Head Start teacher, was the first in her family to graduate college and served on the Santa Fe Public School Board.
- While a state representative, Trujillo championed legislation to create the Early Childhood Education and Care Department (ECECD), support health care professionals, transition to green energy and provide senior citizens with access to college courses for $5 per credit. While at New Mexico's Regulation and Licensing Department, she built the regulatory framework for adult-use cannabis while reducing unnecessary red tape for professional licensing.

District 27: Patrick Henry Boone IV, R-Chaves, Curry,

DeBaca, Lea & Roosevelt



Republican Patrick "Pat" Henry Boone IV, a fifth-generation rancher, will represent District 27, which includes parts of Chaves, Curry, De Baca, Lea and Roosevelt counties. He defeated Sen. Greg Nibert in the 2024 GOP primary (Nibert had been appointed to complete the unexpired term of state Sen. Stuart Ingle) and had no Democratic general election challenger.

- He is a past president of the N.M. Cattle Growers Association Executive Committee.
- He is a past chairman of the Soil and Water Conservation Commission.
- Boone is also a past chairman of the Elida School Board and past president and chairman of the Roosevelt County Electric Co-op Board.

AROUND THE ROUNDHOUSE



Eddie Moore / Journal
Carolyn Salazar Nibert pins a rose on her husband, then-Sen. Greg Nibert, R-Roswell, before the start of the 2024 Legislature.

Greg Nibert's Now on the PRC

The Senate today confirmed former Republican Sen. Greg Nibert to the Public Regulation Commission. State law doesn't allow for all three members to be from the same party. The two

existing members are both registered Democrats, so the third seat had to be given to an Independent or a Republican.

Governor Michelle Lujan Grisham appointed Nibert to the seat on New Year's Day. Nibert is a former oil and gas attorney and an advocate for a fair and responsive regulatory process.

"I understand how the regulatory environment can be an impediment to projects and how important it is for agencies not just to have regulations, but to have regulations that allow consistent application," he says. "How the regulatory process has to be fair, and how it has to be responsive."

Nibert has been active in the Independent Petroleum Association of New Mexico, which he was president of from 2011 to 2012, and the New Mexico Oil and Gas Association. Several senators took the opportunity to laud Nibert. His nomination was presented by Senate Pro Tem Mimi Stewart and approved with a vote of 40-0. The Chamber always worked closely with Commissioner Nibert when he was in the Senate. Congratulations to him! We look forward to continuing to work with him!

EVERYONE'S A LOBO



Rep. Mariana Anaya (D-Bernalillo) announced that Wednesday was University of New Mexico Day. She introduced UNM President Garnett S. Stokes, who is the 23rd to hold the position and is also the first female to helm the state's flagship university.

Continuing with UNM Day, Rep. Alan Martinez (R-Sandoval) introduced Dr. Michael Richards, who stepped into the chief role for the University of New Mexico Health Sciences and Health System last summer. He was appointed to the position permanently earlier this month.

RODEO QUEEN



Rep. Gail Armstrong (R-Catron, Sierra, Socorro & Valencia) introduced Alyssa Sauter on the House Floor as a guest. Sauter is the current Miss Rodeo New Mexico. Armstrong told members that Sauter graduated from Moriarity in 2017, where she was a three-sport athlete. At 22, she

opened the Clover Feed & Supply in Moriarty, where she sells hay and grain.

SIGNING OFF FROM SANTA FE



We had hoped to bring you stunning news that the Senate Judiciary had moved an entire package of crime-fighting legislation forward. No such luck. Instead, it appears that once again we'll have to wait for the next chapter in this session. We can only hope that the focus truly remains on public safety, translated as going after organized crime, busting up fentanyl-peddling gangs and making death caused by fentanyl sales a capital crime, among other much-needed toughening of the criminal justice laws. Meanwhile, we are encouraged that a strong package aimed at rebuilding our behavioral health system seems to be getting traction. This is another critical piece in the public safety landscape. It's been a busy day here at the Roundhouse, and there's much more to come tomorrow, including four very important public safety bills that are up in the House Consumer and Public Affairs Committee. Stand by for all the news and views, and thanks for joining us today. Have a very pleasant evening.

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

GREATER ALBUQUERQUE CHAMBER OF COMMERCE

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GREATER ALBUQUERQUE CHAMBER OF COMMERCE

Legislative RoundUp

2025 Regular Session | Thursday, January 30, 2025

57th Legislature | Day Nine

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

CRIME-FIGHTING LEGISLATION ADVANCES

Today the House Consumer and Public Affairs Committee worked way past dinner time, debating three crime bills. The Chamber was there, testifying in favor of the public safety measures, which all made it to their next committee assignment. Here's how it shook out:

INCREASED PENALTY FOR SHOOTING THREATS



House Bill 31, sponsored by Rep. Joy Garratt (D-Bernalillo), would increase the crime of making a shooting threat to a fourth-degree felony, the same as making a bomb threat. The House Consumer and Public Affairs Committee voted to move the bill to the Judiciary Committee with a do pass without recommendation. In other words, punt.

Terri Cole, President and CEO of Greater Albuquerque Chamber of Commerce, testified in support of the measure:

"Madam Chair and Members of the Committee ... HB 31 increases the penalty for making a shooting threat to the same level as making a bomb threat. That's very sensible. While HB 31 applies across the board, I want to focus on the effects on our children when an act of violence is threatened. Nothing is more terrifying to a student, especially our youngest and most vulnerable. Making a threat is a very real form of violence and intimidation that can leave lasting emotional scars. For those that commit such crimes, a slap-on-the-wrist misdemeanor is not nearly enough of a consequence for perpetrating violence.

"In 2024, several schools in New Mexico received shooting threats, including schools in Albuquerque, Santa Fe, Las Cruces, Raton, Pojoaque, Rio Rancho and Eagle Nest. Every fake threat diverts resources away from genuine emergencies, putting entire communities at risk. According to an analysis by TDR Technology Solutions, the impact of fake threats nationwide is tremendous, costing upward of $500 million, including lost instructional time

and mental health impacts. And, this doesn't include the cost of emergency response. Nor does it include the cost of threats made outside our schools. All New Mexicans deserve to be protected against acts of violence. I would urge your support for HB 31."

District Attorney Sam Bregman also rose in support of the bill, along with the police chief of Las Cruces. The N.M. Department of Justice and the Albuquerque Police Department served as expert witnesses in support of HB 31. The Law Offices of the Public Defender stood in opposition, taking the familiar position that increased penalties don't deter crime. Deputy Attorney General James Grayson explained that in the case of juveniles, it is most likely that they will receive a delinquent act determination and be placed under appropriate supervision and receive treatment. Thus, they will not carry a felony conviction.

We will keep you posted when the bill is heard in the Judiciary Committee.



VEHICLE THEFT BILL PASSES WITH NO OPPOSITION

House Bill 50, sponsored by Rep. Cynthia Borrego (D-Bernalillo), aims squarely at punishing repeat offenders by increasing penalties for multiple offenses. The House Consumer and Public Affairs Committee endorsed the measure on a 6-0 vote, sending it along to the Judiciary Committee. Terri Cole, President and CEO of the Chamber, appeared in support:

"I appear before you today in support of HB 50, which seeks to increase the penalties for motor vehicle theft, especially for repeat offenders. According to a KOAT December 2024 news report:

"Car thefts continue to be an issue in New Mexico, with the state ranking fifth in the nation for vehicle thefts... ***Last year alone, over 10,000 vehicles were stolen across New Mexico, translating to a staggering rate of 534 thefts per 100,000 vehicles. This figure is 74% higher than the national average, highlighting a serious issue for car owners."***

"This kind of rampant, out-of-control crime is bad for our citizens and bad for our business climate. Undoubtedly, today you will hear claims from opponents that increased penalties don't deter crime, rather it's the swiftness of arrest and certainty of conviction. We agree that those two factors are very important. We don't agree that increased penalties don't work, especially for repeat offenders. The word will get out to the gangs and car-theft rings that if you get caught, you're going to jail for quite some time. We think there's every chance that tougher penalties coupled with swift and sure justice will work together to put the brakes on car theft in our state. We urge a yes vote on HB 50."

There was virtually no opposition to the bill. Rather, it was endorsed by law enforcement from around the state and Second Judicial District Attorney Sam Bregman. Law enforcement made a very important point: Vehicle theft isn't just a property crime. More times than not, stolen cars are used by hardened felons in the commission of other crimes. And, these felons are usually armed and very dangerous. Stopping auto theft helps counteract other crimes. We're very pleased this bill moved forward, and we'll be covering it every step of the way.

JUVENILE RECORDS BILL HEADS TO JUDICIARY



The House Consumer and Public Affairs Committee voted 4-2 to approve HB 39, sending it along to the Judiciary Committee. HB 39, sponsored by Rep. Kathleen Cates (D-Bernalillo and Sandoval) seeks to allow a small part of juvenile records to be accessed to determine eligibility to purchase a firearm as an adult. The only portion of information to be disclosed is whether there was a firearm used in the juvenile infraction.

Chamber President and CEO Terri Cole was on hand to support passage of this measure:

"Madam Chair and members of the committee, I stand today in support of HB 39. This bill, to me, is a very targeted action that we can take to help keep guns out of the hands of people with a record of violence involving guns. While New Mexico generally seals juvenile records, perhaps to help people get a fresh start when they've grown up some, there needs to be exceptions when the threat to our communities is so great from guns used by people with a violent past. In other words, the greater good demands that we take this kind of action.

"And, we are not talking about public disclosure of a past criminal record but rather disclosure to law enforcement agencies for the purpose of background checks prior to the purchase of a firearm. Sure, people with a criminal bent can obtain an illegal firearm, and this bill won't stop that. There is other legislation aimed at that problem. But, this bill will stop some people with a history of gun violence from legally purchasing a weapon. And even if that turns out to be only one person that is blocked, then that's one less person who could well inflict injury or death. Please vote yes on HB 39."

Also in support were representatives of New Mexico Crusaders for Justice, a group whose members have lost children to murder. As one representative put it, "Every year, we blame the gun and take away accountability - without consequences all we have is chaos." And the rate of juvenile gun violence certainly borders on chaos. Ben Baker from the Governor's Office, serving as an expert witness, pointed out that statewide, every two out of three days a child is charged with a gun crime. The principal opponent to the legislation was the Law Office of the Public Defender.

We'll be tracking this bill and lending our support as it hopefully moves all the way to the governor's desk.



VOCAL OPPOSITION TO O&G PROTECTION ZONES

This morning the House Energy, Environment and Natural Resources Committee took public comment on House Bill 35, Oil and Gas Production: Children's Health Protection Zones. (The bill was rolled over for a vote as the committee had not received the committee substitute.)

The Greater Albuquerque Chamber of Commerce was there to testify in strong opposition to the bill, sponsored by Reps. Debra M. Sariñana (D-Bernalillo) and Joanne J. Ferrary (D-Doña Ana), which is a direct attack on the oil and gas industry by folks who do not live or work in the Permian or San Juan basins.

The Chamber's executive vice president for policy and programs, D'Val Westphal, told the committee that:

"While the title of the bill shows the good intentions behind it, the fact remains that there are already local setbacks in place in the Permian and San Juan Basins in all producing municipalities and counties. These setbacks have been determined through the local ordinance processes that includes community feedback, and all oil and gas companies adhere to the ordinances. Oil and gas companies go through extensive environmental siting practices to determine where a well will be both safe and economical.

"And it is important to note that schools and communities in the basins have not requested additional setbacks – this legislation was devised outside of our oil-and-gas-producing communities."

"The Chamber supports an all-of-the-above approach to energy and understands that we need a reliable bridge to make the Energy Transition Act work. New Mexico's responsible oil and gas producers are at the heart of that, and HB 35 disregards all the checks and balances already in place that are integral to their operations."

Joining the Chamber in vocal opposition were:

- Lifelong Carlsbad resident Eddie Rodriguez, who's also a city councilor. He emphasized he was part of devising the stringent setbacks and permitting put in place after the 2004 CHI blowout. That oversight and regulation "is our duty I do not wish to relinquish to people sitting away from my home and my neighbors."
- The New Mexico Chamber of Commerce, which decried the one-size-fits-all approach of the bill.
- The Permian Basin Petroleum Association, which called HB 35 a de-facto land seizure without compensation that ignores all the environmental strides the industry has made.
- The New Mexico Oil and Gas Association, which represents 180 companies. They laid out the extensive regulations and permits required to site and operate a well and that vehicles pose a greater pollution threat.
- The New Mexico Business Coalition, which pointed out the bill simply restricts production without protecting children's health.
- Jason Burns of the Eddy County Public Works Department, who said the issues HB 35 is attempting to address are "a local concern" and this should be done at the local, not state level.

House Energy, Environment and Natural Resources meets again Tuesday. Should it pass HB 35, it heads on to the Health and Human Services Committee, with House Judiciary its final committee stop in that chamber. We'll be there to let you know what happens with HB 35.



BROAD, VAGUE 'PUBLIC HEALTH' BILL MOVES ON

In yet another attack on the oil and gas industry this morning, the House Agriculture, Acequias and Water Resources Committee met to revisit House Bill 34, EMNRD Mandate to Protect Public Health & Environment, sponsored by Rep. Debra Sariñana (D-Bernalillo).

Testimony was taken Tuesday, but the vote was rolled over because committee members had not received the substitute bill, which the sponsor explained cleaned up language.

This morning they voted 6-3 to move it on to House Energy, Environment & Natural Resources.

HB 34 bill broadly mandates the Oil Conservation Division to do the "protecting." The Chamber opposed the bill, along with the New Mexico Oil and Gas Association, the New Mexico Chamber of Commerce and Occidental Petroleum.

J.D. Bullington opposed the bill on behalf of the Chamber:

“This bill is obviously well-intentioned; however, the GACC believes this bill expands the responsibilities of the Oil Conservation Division in a manner that is too broad and too vague. One of the biggest concerns is the lack of a definition of what, exactly, the OCD will be charged with regarding the protection of ‘public health’ or the ‘environment.’ That ambiguity subjects the division to unrealistic demands, likely unfunded mandates and potential litigation when the division does not deliver on matters that are vaguely implied but not clearly spelled out. The GACC also believes HB 34 unnecessarily duplicates work already being done by the Air Quality Bureau and the New Mexico Department of Environment.

“Chamber members of course want clean air and water and the environment protected for generations to come. But the GACC favors clearly defined regulations that provide specific guidance, instead of the approach being taken with HB 34.”

We’ll be back in House Energy, Environment & Natural Resources to oppose HB 34.

INTRODUCING NEW LEGISLATORS

HOUSE

District 58: Angelita Mejia, R-Chaves



Republican Angelita Mejia will represent District 58, which encompasses the southern portion of Chaves County, including part of Roswell and the towns of Dexter and Hagerman. She was unopposed in the primary and general elections and replaces Candy Spence Ezzell, who was elected to the Senate.

- Mejia is a former field representative for former U.S. Rep. Steve Pearce. She handled immigration issues.
- She is a naturalized U.S. citizen from Mexico.
- She now owns her own business, and her husband works in the oil and gas industry.
- Mejia has resided in the district for more than 30 years.

District 62: Elaine Sena Cortez, R-Lea



Republican Elaine Sena Cortez will represent District 62, which lies in Lea County, anchored by the city of Hobbs. She won her primary, was unopposed in the general election and replaces Larry Scott, who was elected to the Senate.

- Sena Cortez holds a doctorate in business administration from the University of the Southwest and is a professor both there and at Eastern New Mexico University. She also serves on the Board of Trustees for the University of the Southwest
- She owns her own consulting business.
- Sena Cortez is the daughter of two pastors who founded a nondenominational church, King's Gate, in Hobbs. She has served as a teacher, missionary and supporter of numerous community organizations, several of which focus on the needs of young women.

SENATE

District 28: Gabriel Ramos, R-Grant, Hidalgo & Luna



Republican Gabriel Ramos, a businessman and former state senator, will represent District 28, redrawn to now include parts of Hidalgo, Grant and Luna counties. He had no opponent in the primary and won the general election to replace Democratic Sen. Siah Correa Hemphill, who did not seek re-election.

- Ramos graduated from Western New Mexico University with a degree in business and public administration and joined the New Mexico Army National Guard at age 17.
- He worked the mines in Hurley; started Hurricane Car Wash; and owned a business specializing in satellite, internet and home security.
- Ramos was elected Grant County Clerk at age 25 and has been elected/served on the Town Council, the Cobre School Board and the Grant County Board of Commissioners. In 2019, he was appointed to the New Mexico State Senate to represent this district and

served until 2020.

District 30: Angel Charley, D-Bernalillo, Cibola, McKinley, Socorro & Valencia



Democrat Angel Charley, the executive director of Illuminative, a national organization that works to uplift the voices and representation of Native people throughout the country, will represent District 30, which now includes parts of Cibola, McKinley, Catron, Socorro, Valencia and Bernalillo counties. She defeated former Democratic state Sen. Clemente Sanchez in the 2024 primary election and faced no GOP opposition in the general election. She replaces Republican Sen. Joshua Sanchez, who will now represent District 29.

- Charley is the former executive director of the Coalition to Stop Violence Against Native Women.
- She grew up in the village of Old Laguna, her mother is from Pueblo Pintado on the Navajo Nation, and she lives with her husband and children in the Pueblo of Acoma.
- Charley has served on the New Mexico State Missing and Murdered Indigenous Women and Relatives Task Force, as secretary for the Laguna Federation of Democratic Women and is a board member for the Alliance of Tribal Coalitions to End Violence and Sexual Assault Nurse Examiners (SANE).

AROUND THE ROUNDHOUSE



U.S. Rep. Melanie Stansbury addresses a joint session on the N.M. House floor.

Delegation members share accomplishments

U. S. Reps. Melanie Stansbury and Gabe Vasquez addressed a joint session of the Legislature today, providing an update on their efforts in Congress and what they're most concerned about.

Stansbury reported these items as her major legislative accomplishments:

- Delivered millions for state and local police to tackle crime and the opioid epidemic.
- Invested in behavioral health systems and addiction recovery.
- Built new fire stations in rural communities to enhance public safety.
- Secured funding for health care clinics, housing programs and food pantries.
- Passed the largest expansion in veterans benefits in decades with the PACT Act.
- Passed the largest infrastructure bill in American history.
- Supported New Mexico's Early Childhood Education Fund and rebuilt schools across the state.
- Passed the largest climate bill in history, investing in clean energy and water infrastructure.
- Worked to restore the Rio Grande and protect water rights for tribal and Pueblo nations.

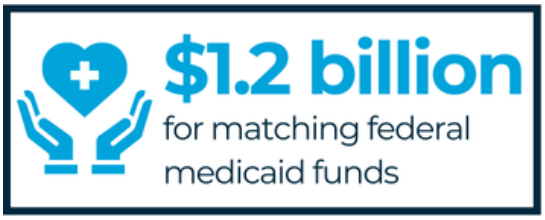
Vasquez reported these results of his service in the U S House:

- Secured significant grants for infrastructure improvements.
- $61.8 million for Las Cruces for affordable housing and road improvements.
- $36.1 million for road conditions in Carlsbad, benefiting oil and gas workers.
- Collaborated with Secretary Pete Buttigieg to secure $63 million for commercial vehicle charging stations in Vado and Lordsburg.
- Community Investments:

○ $500,000 for Lordsburg Community Center to enhance recreational facilities.
○ $300,000 for Hatch food pantry modernization to address food insecurity.
○ Addressing root causes of crime such as poverty, addiction and lack of opportunity.

- Secured funding for behavioral health infrastructure and law enforcement resources.
- $500,000 for a mobile command center in Luna County.
- Support for Albuquerque's crime center and State Police communication upgrades.
- Advocated for the Bipartisan Invest to Protect Act to support small and rural police departments.

It is customary for each member of our Congressional delegation to address the Legislature in a 60-day session. We expect that will hear from others as they can make themselves available.





And so, what have you done for us lately?

More anti-oil and gas industry legislation was considered today. Guess some are missing the facts about what this industry contributes to our state.



Watching the clock

A serious discussion dominated much of this afternoon's Senate floor session. But they weren't fighting about a bill, or ideology, or even funding. They were fighting about rules.

Sen. Bill Sharer (R-San Juan), the Senate Republican Minority Floor Leader, started the exchange as the Chamber was approving a committee report for a pair of incredibly complicated and wide-ranging bills that change how we manage water in New Mexico. Sharer and other members of the minority are frustrated with rules in various committees that limit both how long they can hear public comment, and how long Senators themselves are allowed to speak and question witnesses.

"…the committees are where you really get to ask questions and you really get to dig deep and find out what things are. And if we limit debate, we're not allowing the members, thus not allowing the public, to know what's in these bills," said Sharer.

Majority Floor Leader Peter Wirth (D-Santa Fe) defended the process, saying that the Conservation Committee Chair, Sen. Liz Stefanics, did a good job of allowing plenty of discussion while simultaneously keeping the discussion moving.

The resolution, at least today, is that leaders from both parties will meet to review the various rules used to conduct business in the Senate to find a compromise.



MESA DAY

Reps. Anita Gonzales (D-San Miguel & Torrance) and Gail Armstrong (R-Catron, Sierra, Socorro & Valencia) co-sponsored House Memorial 6, praising the MESA program in New Mexico. MESA stands for Math, Engineering and Science Achievement. The goal of the non-profit program is to work with schools to enrich learning by pre-college students, leading to higher levels of achievement. Currently, MESA is in 110 New Mexico schools, providing tutoring, advanced study, college and career counseling, academic competition, leadership workshops, summer programs scholarship incentives, community service opportunities and teacher professional development.



SBDC DAY

Rep. Joshua Hernandez (R-Sandoval) sponsored a memorial lauding the work of SBDC, or Small Business Development Centers, (part of the Small Business Administration) that provide small business counseling and training throughout the state. SBDC has been part of creating 40,000 jobs and helping 10,000 businesses.



BORDER ECONOMIC DEVELOPMENT DAY

One of the real economic success stories in New Mexico is the development of the port of entry in Santa Teresa. Rep. Raymundo Lara (D-Doña Ana) pointed out that the economic value in trade has grown to $6.9 billion. This represents 69% of all exports in the state, generating 2,000 jobs and $47 million in state and local revenue. It also provides a point of entry for the world's largest gummy bear manufacturing facility just over the border in Mexico. Lara noted the benefit to both countries.

SIGNING OFF FROM SANTA FE



Today's actions on public safety measures clearing their first committee in the House is enough to make you want to do a little dance. It's great to see this progress, and let's hope this signals swift sailing for these measures all the way to the governor's desk. On a less cheerful note, beating up the goose that lays the golden egg - our oil and gas industry - continues (sigh). The House is taking the day off tomorrow, but there'll be plenty of committee meetings. The Senate will be in session at 11 a.m., and there will also be committee meetings. Thanks for joining us today, and we'll be seeing you tomorrow with all the news and views. Until then, have a great evening.

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

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GREATER ALBUQUERQUE CHAMBER OF COMMERCE

Legislative RoundUp

2025 Regular Session | Friday, January 31, 2025

57th Legislature | Day Ten

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

WE GOT ROLLED OVER!

Ever have one of those days when you have everything lined up, ready to go and all the best plans fall apart before you can say Jiminy Cricket (you know what we mean)! Well, that was kind of our day today. We expected the Senate Education Committee to hear Senate Bill 64 on career development success pilot projects (we support this one), and we expected the House Government, Elections and Indian Affairs Committee to consider two constitutional amendments. The first is House Joint Resolution 3, the so-called Green Amendment (environmental rights), and the second is HJR 4 seeking to reinstate an elected state board of education. We oppose both of these.

Well, guess what? Yep, all three bills were "rolled over." So what's that mean? It means the bill won't be heard today and will likely be scheduled at a later date. Why would that be? First, the committee ran out of time; second the sponsor wasn't available to present the bill; and third, the sponsor has requested that it be postponed because an expert witness wasn't available, the sponsor is working with stakeholders on amendments to remove opposition or the sponsor has other priorities and doesn't want to deal with this specific bill at this time. Or, maybe the sponsor's day was rolled over, i.e. they were ill, they had a family emergency, etc. It happens.

We were ready to go and then, "Oh, Jiminy Cricket." Here's what we did get done today, though.

FIRST THREE HEALTH CARE COMPACTS SAIL THROUGH HOUSE HEALTH COMMITTEE



This morning, the House Health and Human Services Committee voted unanimously, 8-0, to approve each of three interstate compacts regarding health care professionals.

The Chamber was there in strong support of each bill. All are sponsored by Rep. Elizabeth "Liz" Thomson (D-Bernalillo).

J.D. Bullington testified on behalf of the Greater Albuquerque Chamber of Commerce, saying:

“I’m here to testify in strong support of the three medical professional compacts before you today.

“It’s no secret we have a dire shortage of all medical professionals in New Mexico. Making it easier for licensed providers in other states to treat New Mexicans – be it in person or in a telehealth setting – is a real way to begin to get more New Mexicans the care they need, and address the lack of providers here while at the same time encouraging them to practice in, perhaps even move to, our state.

“And the state gives up no oversight in any of these, preserving ‘the regulatory authority … to protect public health and safety through the current system of state licensure.’ ”

House Bill 79 specifically targets audiology and speech-language pathologists, House Bill 81 occupational therapists and House Bill 82 physical therapists. All compacts require their respective professionals to be degreed and licensed.

There was no opposition voiced in the committee, from the public or from committee members.

Joining the Chamber in support of the bills:

- The New Mexico Healthcare Association and New Mexico Center for Assisted Living
- NAMI New Mexico
- The attorney for the Audiology and Speech Language Pathology Interstate Compact Commission
- The ARC of New Mexico
- AARP
- Los Alamos County
- The League of Women Voters
- Therapists in the respective fields mentioned in the bills
- The Department of Defense, which highlighted the military members and their spouses who would be able to provide care to New Mexicans under the compacts
- And Think New Mexico, which has this and the other compacts being introduced as the single most impactful thing the Legislature can do this session to address the shortage of health care professionals in our state.

The three compacts allow licensed medical professionals from all states in the compact to practice in New Mexico without jumping through more licensing hoops. These health care providers will serve everyone from children with developmental delays and adults with conditions that make daily activities more difficult, to New Mexicans who have an injury or surgery they need to recover from, to our veterans.

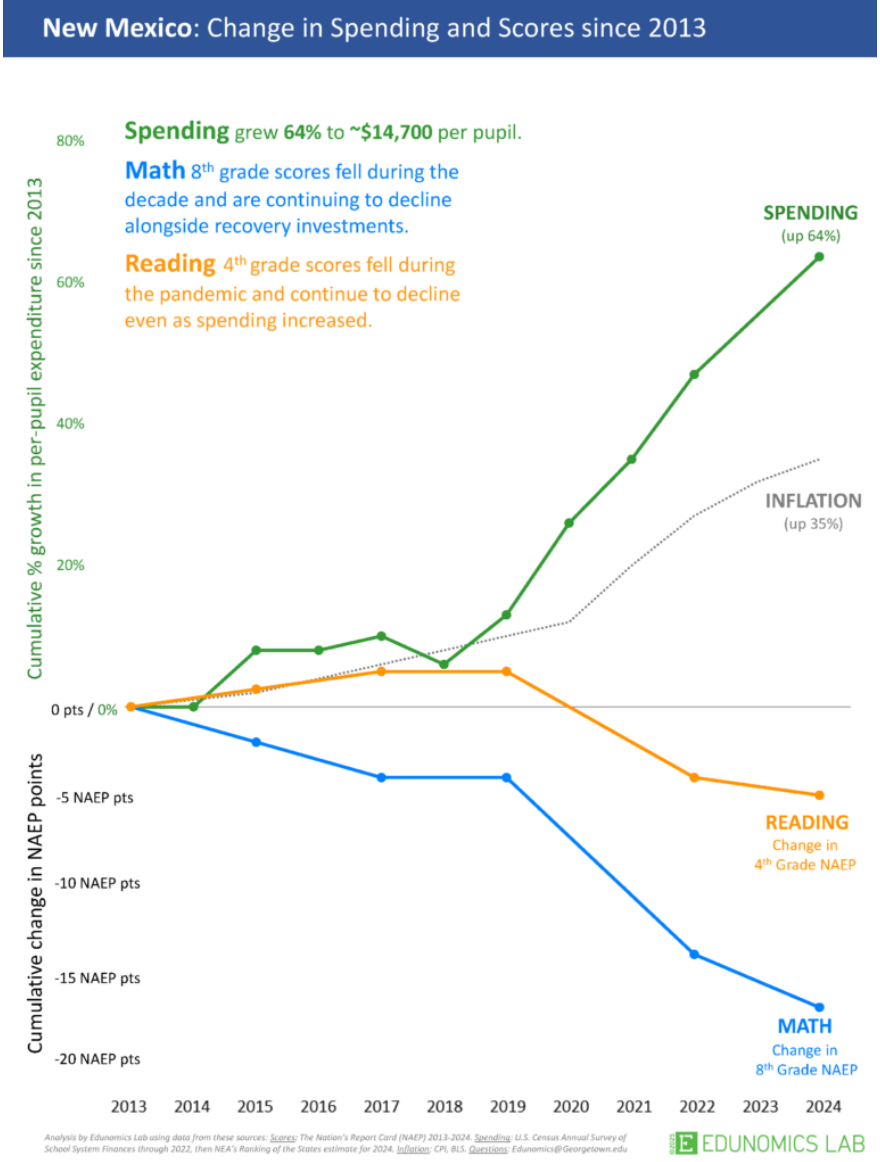
These compacts are a means to get more medical professionals into the New Mexico pipeline, and more medical care to New Mexicans who need it. Anyone who has, or has cared for someone with, a disability, an injury or a surgery knows how essential high-quality care from medical professionals is to a full recovery, and how hard it is to get an appointment when you really need it. These compacts are an important part of the solution.

Additional compacts will be heard this session, and the Chamber will follow HB 79, 81, 82 and all the others with the goal of getting them on the governor’s desk. We’ll keep you informed along the way.

THE NATION'S EDUCATION REPORT CARD IS IN: N.M. LAST DESPITE ENORMOUS SPENDING INCREASES

The Nation’s Education Report Card was released this week – which tracks fourth- and eighth-grade student performance in reading and math, by state, every two years – and New Mexico sadly ranks last of all 50 states in every category, with math and reading proficiency declining substantially over the past decade. Results from the gold-standard NAEP assessment find that fewer than one in four New Mexico students are proficient in reading and math.

You can find the graphic of the day/week/month below that shows that skyrocketing public spending on education (up 64%! over the past decade) has not helped New Mexico’s public school students perform better academically. It’s as clear as day: spending is WAY up, and student math and reading continues to regress.



Graphic from Edunomics Lab at Georgetown University

As the Chamber has said for quite some time, **money alone is clearly not the answer to improving our schools.** We must dramatically change and improve the policies and practices of education, with a relentless focus on student learning as our North Star.

Lest anyone says “it can’t be done,” we have two recent examples of states historically “at the bottom” rocketing up the national rankings in response to dramatic policy changes. Last decade, Mississippi left states in the dust as it adopted policies requiring early learners to read by the third grade, elevating the standards of literacy instruction, and transparently tracking student performance in a way that informed and engaged parents. New Mexico had a chance to follow the same course at the time, but lawmakers and adult-focused special interests largely rejected it. The result? Mississippi students have risen academically ever since, and New Mexico students have been left behind.

More recently, in the latest NAEP results, we find that Louisiana has risen from 50th in 2019 to 16th in fourth-grade reading today. Wow! The state has also risen from 45th in 2019 to 29th in eighth-grade reading today. In math, Louisiana is ranked in the top five for growth in math proficiency and was one of only 14 states to see growth in eighth-grade math scores. Never mind that pesky pandemic – Louisiana is getting it done! Again, a no-nonsense approach to literacy instruction and elevated expectations are credited with Louisiana’s gains, as well as the state’s successful deployment of high-impact tutoring, evidence-backed curriculum, and back-to-the-basics approach in the classroom.

INTRODUCING NEW LEGISLATORS

HOUSE

District 69: Michelle Abeyta, D-Bernalillo, Cibola, McKinley, San Juan, Socorro & Valencia



Rep. Michelle "Paulene" Abeyta will represent District 69, which stretches from Crownpoint through Grants. Abeyta defeated incumbent Harry Garcia in the Democratic primary last June and was unopposed in the general election.

- Paulene, as she prefers to be called, is a member of the Navajo Nation and resides in To'hajiilee with her husband and family.
- She holds a law degree from the University of Arizona, as well as a B.A. from the University of New Mexico.
- Abeyta has been a member of the To'hajiilee Community School Board of Education and the National Native American Bar Association Board.
- Her community service includes interest in women's and children's health.

District 70: Anita Gonzales, D-San Miguel & Torrance



Democrat Anita Gonzales will represent District 70, which is centered in Las Vegas. Gonzales defeated Ambrose Castellano in the Democratic primary last June and was unopposed in the general election.

- Gonzales holds a master's degree in business administration and a bachelor's degree in performance and sports leisure services, both from New Mexico Highlands University.
- She serves as the deputy director of NM MESA, which encourages students to pursue STEM education.
- Gonzales has received the Albuquerque Hispano Chamber of Commerce's public service award.

- Her community activity includes serving as an acequia commissioner, on the rotary club and on the board of the San Miguel County Family and Community Health Council.

SENATE

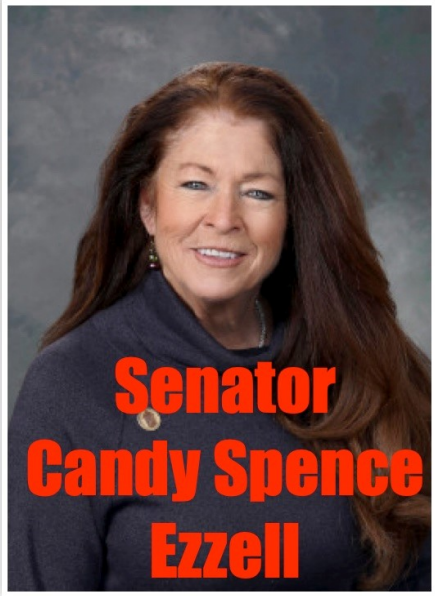
Nicholas "Nick" Paul - R Chaves, Lincoln & Otero



Republican Nicholas Paul, a former Alamogordo city commissioner, will represent District 33, which covers Otero, Lincoln and Chaves counties. He replaces longtime Republican Sen. William Burt, who was first elected in 2011 but retired after the 2024 session. Paul won his primary and was unopposed in the general election.

- Paul was in his second term on the Alamogordo City Commission.
- He is president of the Board of Directors of the Alamogordo Chamber of Commerce.
- Paul was an Alamogordo High School star student and athlete, went to college in California, then returned to Alamogordo where he has a real estate license and owns a series of storage facilities. His father, Allan Paul, was a longtime pediatrician in Alamogordo.

District 32: Candy Spence Ezzell, R-Roswell



Republican Candy Spence Ezzell, a farmer and rancher and former state representative, will represent District 32, which now includes parts of Chavez and Eddy counties. She won the 2024 primary and faced no Democratic opposition in the general. She replaces Sen. Cliff Pirtle, who did not seek re-election.

- She has been a full-time farmer and rancher since 1974, and since 1993 she and her

husband have owned and operated a 27-section cattle ranch southwest of Roswell.
- She was elected to the N.M. House of Representatives in 2004, where she served from 2005-2024 and was caucus chair for four years. She served on House committees including Energy, Minerals & Natural Resources; Labor; Business & Industry; Consumer & Public Affairs; Legislative Finance; Education; and Agriculture, Acequias and Water.
- She is a member of the N.M. Cattle Growers Association, lifetime member of the NRA with an A+ rating, lifetime member of the North American Limousin Foundation and a lifetime member of the AQHA.

SIGNING OFF FROM SANTA FE



The week is done! No committee meetings or floor sessions over the weekend, but that's likely to change next week - we've been advised there will be some committee meetings next Saturday. We imagine that very soon we'll start to see both morning and afternoon/evening House sessions as bills begin to percolate up from committees. Senate floor sessions will begin to get longer, moving Senate committee starting times later in the day. We'll be there, as usual, to bring you all the news and views. Until next week, have a fabulous weekend.

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Legislative RoundUp

2025 Regular Session | Monday, February 3, 2025

57th Legislature | Day Thirteen

BREAKING NEWS
February 3, 2025

BREAKING NEWS: House Government, Elections and Indian Affairs Committee gives HJR 3 - the Green Amendment - a do pass

A few minutes ago, the House Government, Elections and Indian Affairs Committee gave HJR 3, the so-called Green Amendment, a do-pass without recommendation by a party line vote of 6-3, D's in favor, R's opposed. If approved by voters, the New Mexico Constitution would be amended to include very broad and vague language allegedly guaranteeing environment rights. The measure was opposed by GACC and many business interests in the state.

Terri Cole, GACC President and CEO, put it this way, "The Green Amendment is a bad idea. The worst kind of law that can be passed is the law of unintended consequences. And this bill is the poster child for unintended consequences. As the FIR points out, executive agencies and the Attorney General's Office are deeply concerned about the conflicts HJR 3 poses and the potential for costly and time-consuming litigation."

We will continue our opposition to the measure and keep you posted. The bill next moves to the House Energy, Environment & Natural Resources Committee.

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Legislative RoundUp

2025 Regular Session | Monday, February 3, 2025

57th Legislature | Day Thirteen

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



GOOD NEWS FOR SKI RESORTS: 6 MORE WEEKS OF WINTER!

Yesterday was Groundhog Day. According to the Associated Press, "Punxsutawney Phil saw his shadow Sunday and predicted six more weeks of wintry weather, his top-hatted handlers announced. Phil was welcomed with chants of “Phil, Phil, Phil,” and pulled from a hatch on his tree stump shortly after sunrise before a member of the Punxsutawney Groundhog Club read from a scroll in which he boasted: “Only I know — you can’t trust A.I.” Looks like Phil may be called as an expert witness on pending AI legislation. Who are you gonna trust? Your eyes or the groundhog?!

VAGUE 'GREEN AMENDMENT' GAINS A DO PASS - WITH 'NO RECOMMENDATION'



This morning after extended debate, the House Government, Elections and Indian Affairs Committee gave House Joint Resolution 3, the "Green Amendment" a tepid do pass with no recommendation approval on a straight partisan 6-3 vote, D's in favor, R's in opposition. The proposed constitutional amendment seeks to embed vaguely described "environmental rights" into the N.M. Constitution, which would make New Mexico only the fourth state to do so.

Terri Cole, President and CEO of the GACC, supplied the following testimony:

"We appear today in opposition to HJR3. Let me just start with the bottom line: the Green Amendment is a bad idea. The worst kind of law that can be passed is the law of unintended consequences. And this bill is the poster child for unintended consequences. As your FIR points out, executive agencies and the Attorney General's Office are deeply concerned about the conflicts HJR 3 poses and the potential for costly and time-consuming litigation.

"There are only three states that have a Green Amendment: Pennsylvania, Montana and New York, which adopted the amendment in 2021. According to an analysis by the Pace University Law School, there are currently 14 cases of litigation in New York involving the Green Amendment, with more expected as activist organizations and local governments try to leverage the amendment against both private parties and the state of New York.

"New Mexico has among the strictest environmental protection laws on the books. The Legislature is completely capable of addressing any issues that arise without the high risk of litigation. We have a system that works. So, let's not throw a monkey wrench in the works. Please vote no. Thank you."

Cole was joined by a host of business interests expressing their opposition, including the New Mexico Cattlegrowers, the AFL-CIO, Pattern Energy (green energy provider), New Mexico Chamber, Hispano Chamber, PNM, New Mexico Association of Realtors, Interwest Energy (green energy provider), New Mexico Idea (economic developers) and the Coalition of New Mexico and Arizona Counties.

A "no recommendation" is a very weak approval, and we hope this signals that legislators have real reservations about putting this litigation time bomb in our Constitution. The proposed constitutional amendment is sponsored by Reps. Joanne J. Ferrary (D-Doña Ana), Patricia Roybal Caballero (D-Bernalillo) and Joseph Franklin Hernandez (D-San Juan) and Sen. Antoinette Sedillo Lopez (D-Bernalillo).

Proponents make a generalized plea for protecting the environment but don't specify exactly what problem they're trying to solve and whether that problem has been raised to the Legislature or executive branch for a solution. So, we can only conclude at this point that HJR 3 is a solution in search of a problem. Not a good way to legislate. The resolution moves next to the House Energy, Environment and Natural Resources Committee. We'll be there in opposition and will keep you posted on the outcome.

BEHAVIORAL HEALTH LEGISLATION - N.M. COULD TAKE A GIANT STEP FORWARD



In the Jan. 29 edition of Legislative Roundup, we reported on a major three-bill package aimed at significantly improving the state's behavioral health system. All three bills were held over until today. Senate Bills 1 and 2 are appropriations bills, while SB 3 would establish a process for overseeing projects and programs to ensure results can be monitored and reported. The Senate Health and Public Affairs Committee sent all three measures on to the Senate Finance Committee for further consideration. The vote on SB 1, which seeks to establish a $1 billion behavioral health trust fund, was approved unanimously, while SB 2 and SB 3 gained 8-1 favorable action. SB 2 proposes $140 million in appropriations for 13 different projects. SB 3 sets up the planning, monitoring and measurement system under the auspices of the Administrative Office of the Courts.

Last week, J.D. Bullington testified in favor of SB 1 and 2 on behalf of the Chamber. Bullington pointed out that there is strong bipartisan support for all three measures. He also observed that rebuilding the behavioral health system is multifaceted and requires strong involvement from not only the state but also local governments, behavioral health practitioners, tribes, law enforcement and the courts.

Sen. George Muñoz, sponsor of SB 1, believes the $1 billion corpus of the trust fund can be achieved within the next two years. In part, he is contemplating clawing back some of the unspent capital outlay funds. There is now about $5 billion in unspent funds involving thousands of projects, some of which have moss growing on them. We'll keep you updated on the progress of these three bills as they move forward.

NURSING RATIOS PASS, PROMISING LESS CARE



Also this morning the House Health and Human Services Committee voted 5-4 to pass House Bill 72, Minimum Nursing Staff-to-Patient Ratios, sponsored by Reps. Eleanor Chávez, Joanne J. Ferrary, Elizabeth "Liz" Thomson and Sen. Katy Duhigg (all D-Bernalillo). The Chamber was in the committee room and testified against the bill.

J.D. Bullington spoke for the Chamber, telling the committee:

"While the Chamber appreciates the goals behind HB 72, striving to prevent nurse burnout and deliver higher quality care, the reality in our state, as in states throughout the nation, is a severe nursing shortage. And the number one consequence of this legislation will be less care for more New Mexicans.
"What is a hospital to do when there are more patients than nurses in the ratio prescribed in HB 72? Turn them away? That's not allowed in emergency cases. Our hospitals should not have predetermined cut-offs for how many patients can be served. And expecting hospitals to be able to quickly hire more nurses – or any medical professionals - is not realistic. It's why we are seeing numerous bills this session, bills the Chamber supports, to join multi-state compacts so we can shore up our provider ranks.
"HB 72 also adds a new responsibility onto the Health Care Authority that is better managed at the hospital level. Our hospital directors of nursing are much better equipped to determine appropriate staffing for any given unit or facility as they know firsthand the many variables that go into providing nursing care: patient complexity and needs; the experience, education, qualifications, skills and competency of available staff; shift-to-shift variables; and patient turnover.
"For New Mexico's patients, mandating staffing ratios when you are facing a staffing crisis is the wrong move at the exactly wrong time. And turning staffing decisions over to someone miles away, or embracing a one-size-fits-all approach, disregards the complexity of these decisions. We respectfully ask you to vote against HB 72."

The Chamber was joined in its opposition by the University of New Mexico Hospital COO, the New Mexico Hospital Association, the chief nursing officer of Three Crosses Regional Hospital in Las Cruces, and medical students who all cited the current nursing shortage (9,000 according to the hospital association) and the need for hospitals to have flexibility to staff for acuities.

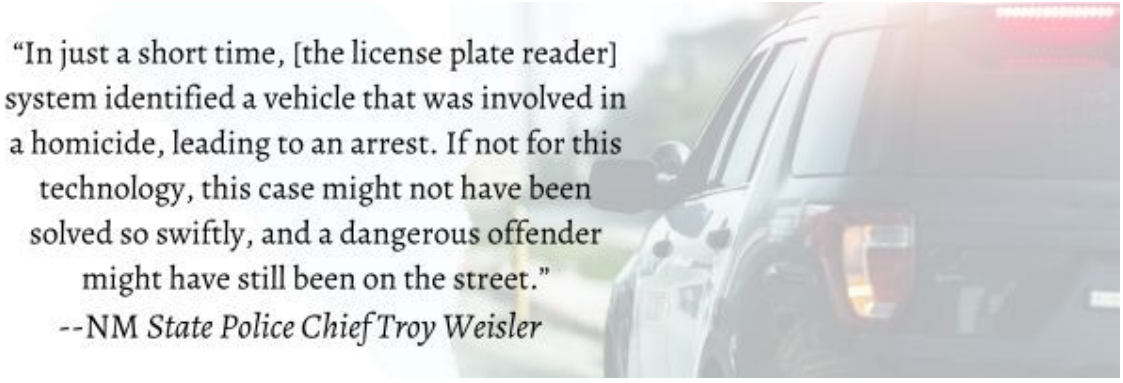
Rep. Jenifer Jones (R-Doña Ana, Hidalgo & Luna), a registered nurse, said she empathizes with the nurses who testified about the hardships they face when caring for patients, but she raised concerns about moving too fast and too far, compromising patient care; about patients having "nowhere to go" because the ratios have closed beds at hospitals; and about an off-site committee determining staffing that has no nursing experience or knowledge of patient acuity. And she pointed out the committee could in fact have zero nurses, which she found "very disturbing."

Minority Whip Alan Martinez (R-Sandoval) questioned how the bill would actually increase the number of nurses in New Mexico, how it would help rural hospitals when those get a waiver, and what the ratios would be (they would vary by unit and be determined by the committee).

Rep. Nicole Chavez asked how the new ratios would affect accreditation; sponsor Rep. Eleanor Chávez said since hospitals already do not follow federal CMS ratios and are not penalized, it's unlikely the new ratios would affect accreditation. This begs the question of how the new staffing ratios can be met when the current one can not.

Jones ended the discussion on the bill by explaining her "no vote," saying she thinks "ratios are common sense. They're a mathematical relationship between two numbers. (But) we've got a shortage, and there's no way those ratios work."
HB 72 is headed to House Judiciary, and the Chamber will be there to testify in opposition, and we will let you know what happens.

License Plate Readers Sail Through House Judiciary



License plate readers (LPRs) represent some of the newest crime-fighting technology available to help law enforcement track stolen cars, locate missing people, and even solve homicides. That's why Repss Jack Chatfield (R-Colfax, Curry, Harding, Quay, San Miguel & Union) and Luis Terrazas (Catron, Grant, & Hidalgo) introduced a bill to purchase additional units that can be deployed around the state by the New Mexico State Police. The lawmakers want to allocate $1 million, which the state says will purchase another 24 two-camera systems for a total of 112 LPR camera systems statewide.

HB 127 passed the House Judiciary committee today on a 9-1 vote. Enrique C. Knell offered the Chamber's view today as the bill was heard in the House Judiciary Committee:

"The Chamber advocates for policies that make it harder to be a criminal in New Mexico, and enhanced crime-fighting technology makes all the difference. Please help us keep our families and our businesses safer."

Last November a bicyclist was struck and killed by a hit-and-run driver near Deming. It was a tragedy made worse by a fleeing driver who refused to help the bicyclist he struck or take responsibility for a serious accident. New Mexico State Police identified a vehicle through eye-witness reports. Just a few days later, a license plate reader situated at the border crossing between Mexico and Columbus, N.M., identified the vehicle as it fled across the border. The driver was quickly caught and arrested and returned to the United States for prosecution.

The bill will next be heard in the House Appropriations and Finance Committee, and we'll keep you posted on what happens.

HOUSE HEALTH KILLS DRUGGED DRIVING TEST



The House Health and Human Services Committee voted 6-4 this morning to kill House Bill 106 - Chemical Blood Testing for DUI, Includes Cannabis - sponsored By Rep. Andrea Reeb (R-Chaves, Curry & Roosevelt). The Chamber testified in strong support of the bill.

D'Val Westphal, executive vice president for policy and programs for the Greater Albuquerque Chamber of Commerce, told the committee:

"Four years after our state legalized the use of recreational cannabis, it is past time to establish rules regarding drugged driving.

"HB 106 treats cannabis like alcohol and controlled substances, including blood tests. All can impair the safe operation of a vehicle and lead to injury or death, and all should be treated as such. The primary standard for any DWI conviction in New Mexico is when the defendant is proven "impaired to the slightest degree." And impaired is impaired, by it by beer, hard liquor, prescription drugs, illegal narcotics or cannabis. The Chamber respectfully asks you to vote yes on HB 106."

The New Mexico State Police joined the Chamber in support of the bill, saying DWI is a 100% preventable occurrence and officers are tired of being at the top of drunken-driving lists. There was no opposition testimony.

Reeb's expert witness, DWI officer Lt. Curtis Ward, explained that the chemical testing helps back up what all his training and experience has led him to believe a driver is impaired by something and that an officer's observations and field work determine if they are going to arrest someone for impaired driving. The blood test comes after that decision.

Currently drivers can refuse a blood test if there has not been an accident causing great bodily harm or death or they don't have three prior DWI convictions. Reeb explained most impaired drivers have at least two substances in their systems and HB 106 will give officers the tools they need to deal with the various substances drivers could be under the influence of.

Concerns from the majority of committee members included drivers being blood-tested for misdemeanors, cannabis tests that do not use the most updated science and racial profiling. Chair Elizabeth "Liz" Thomson (D-Bernalillo) said HB 106 could be revised by the sponsor and brought back. We fear that's a death knell but believe this legislation is gravely needed.

THE NEXT GENERATION OF INNOVATORS



The phrase STEM as we know it was created just 24 years ago in 2001. We recognized then that the United States was not competing on the global stage in the education of Science, Technology, Engineering and Math. It was considered a risk to our ability to compete in the global economy.

Senate Bill 107, carried by Sen. Harold Pope (D-Bernalillo), is an effort to supercharge STEM education in New Mexico. The bill creates a Center for Excellence and Innovation in STEM at New Mexico State University and funds it with $6 million from 2026 through 2028. NMSU will act as a state-wide hub, with regional and tribal hubs around the state, that will focus on aligning STEM education initiatives across K-12 education, higher education, industry and our local communities. The goal is to provide education and career pathways in STEM.

Enrique C. Knell testified on behalf of the Chamber, telling the Senate Education Committee:

"New Mexico is ground zero for STEM jobs There are hundreds of high-tech companies throughout the state, and of course our national labs and the Air Force Research Lab, and our research universities. It is up to us to make the investments to nurture the next generation of innovators in our state."

We commend Pope for carrying this important legislation. The Center of Excellence is a good step toward finding innovative ways to improve STEM education and get new and better teaching techniques into our classrooms.

Knell concluded by noting the Chamber's key goal this session. "We want New Mexico to be

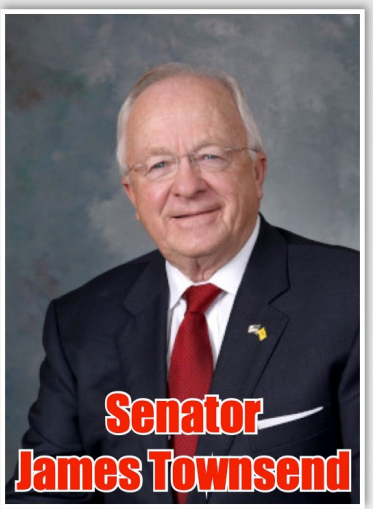
more competitive when we leave this legislative session, and passing this bill is a great example of how to accomplish that goal."

SB 107 passed 9-0 and goes to Senate Finance next; we'll keep you informed on what happens with it.

INTRODUCING NEW LEGISLATORS

SENATE

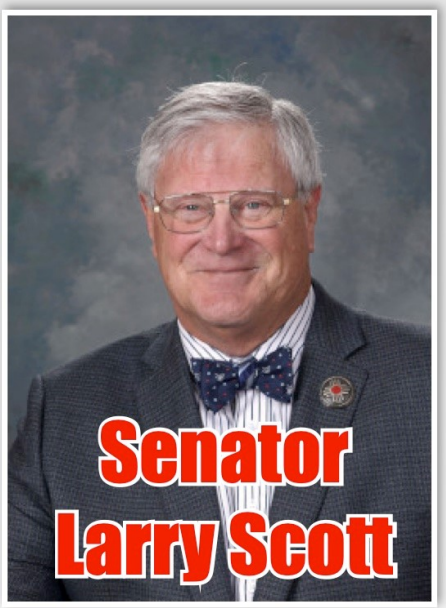
District 34: James Townsend, R-Eddy & Otero



Republican Jim Townsend, retired director of Holly Energy and a former state representative, will represent District 34, which now includes parts of Doña Ana, Otero and Eddy counties. He faced no opposition in the 2024 primary and general elections and replaces Republican Sen. Ron Griggs, who did not seek re-election after the 2024 session.

- He is a former minority leader and minority whip of the New Mexico House of Representatives, serving from 2015 to 2024.
- Townsend attended New Mexico State University in Carlsbad and has worked for Southern Union Co., Southern Union Gas Company, Southern Union Refining Company, Navajo Refining Company, Holly Energy Partners and UNEV Pipeline Company.
- He was the ranking member of the House Energy, Environment and Natural Resources Committee and a member of the House Taxation and Revenue and House Rules committees.

District 42: Larry Scott, R-Chaves, Eddy & Lea



Republican Larry Scott, an oil and gas engineer and former state representative, will represent District 42, which includes parts of Chavez, Eddy and Lea counties. He defeated Sen. Steven McCutcheon II, who was appointed to the seat in 2023 to fill out the term of retiring Sen. Gay Kernan, in the 2024 primary and faced no Democratic opposition in the general election.

- He has lived and worked in Hobbs in the oil and gas industry since 1979.
- Scott served as a state representative from 2015-2024. He was the ranking member on the House Energy, Environment and Natural Resources and a member of the House Taxation and Revenue Committee.
- He is widely regarded as the foremost expert and best representative of the oil and gas industry in the New Mexico Legislature.

IN THE HOUSE



Rep. Cynthia Borrego (D-Bernalillo) with her borrego.

There were many "days at the House" and other recognitions today, starting with a memorial by Rep. Art De La Cruz (D-Bernalillo) celebrating the County of Bernalillo Day. A package of small gifts were given to each legislator, including a squeezable little lamb, a little "borrego" which Rep. Cynthia Borrego (D-Bernalillo) is shown holding. She was hoping the borrego was in honor of her name...well, it could be.

Rep. Doreen Gallegos (D-Doña Ana) introduced guests from Las Cruces in honor of Las Cruces Day.

Rep. Deborah Sariñana presented a certificate honoring the state's national labs: Sandia, Los Alamos and the Air Force Research labs. Each contributes to the state's economy and through volunteer time and donations help in building our communities. For example, Sandia Lab generates $5 billion in spending, $600 million with local companies and employs 1,400 people.

IN THE SENATE



Both Chambers adopted proclamations declaring Feb. 3, 2025, as National Lab Day, recognizing Sandia and Los Alamos National laboratories, along with the Air Force Research Lab at Kirtland Air Force Base. All three facilities, of course, have an amazing impact on New Mexico's economy. We're talking billions of dollars here.

Both Chambers also recognized these research and national security jewels for their community engagement and investments that inspire and support the next generation of scientists and engineers. That's critical stuff as we look at legislation, like SB 107 that creates a center for Innovation in STEM. These research facilities are important partners in our continual efforts to make New Mexico competitive.

SIGNING OFF FROM SANTA FE



Next to paid family and medical leave legislation, probably the next most concerning proposal is the Green Amendment. We should listen to our state agencies and businesses who are quite concerned about ensuing litigation, especially since there's no obvious need for this constitutional amendment in the first place.

Sometimes the cure is worse than the disease - you know, like all those TV commercials for some new medication wherein the side effects make you gasp and say who the heck would take that pill? That's true for the Green Amendment and for the bill that wants to establish nursing-staff-to-patient ratios. Sounds like a good idea (just like the new pill), but then you look at the side effects - it'll cause the loss of hospital beds because there aren't enough nurses in the first place. As we often say, the worst legislation is those that are rife with the law of unintended

consequences. These are two great examples.

If you're curious, there have been just over 500 bills introduced, roughly evenly split between the two Chambers. Bill introduction deadline isn't until February 20, so there'll be a lot more introductions to come. The House reconvenes tomorrow at 10:30 and the Senate at 11:30. There will be a joint session at noon. Thanks for being with us today, and we'll look forward to bringing you all the news and views tomorrow. Until then, have a wonderful evening.

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

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GREATER ALBUQUERQUE CHAMBER OF COMMERCE

Legislative RoundUp

2025 Regular Session | Tuesday, February 4, 2025

57th Legislature | Day Fourteen

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

HB 86 HUMAN TRAFFICKING BILL ADVANCES



This afternoon the House Consumer and Public Affairs Committee voted 5-0 to give a do pass without opposition to advance House Bill 86, Human Trafficking and Sexual Exploitation of Children, sponsored by Reps. Elizabeth "Liz" Thomson and Marian Matthews (D-Bernalillo) and Nicole Chavez (R-Bernalillo) and Sen. Antoinette Sedillo Lopez (D-Bernalillo). Thomson shared this is the fifth time she has brought the bill and that it routinely dies in a Senate committee.

The Chamber was there in support of the bipartisan effort. D'Val Westphal, executive vice president for policy and programs at the Greater Albuquerque Chamber of Commerce, testified that:

"The Chamber strongly supports HB 86 and thanks the sponsors for bringing it forward. This bill is all about protecting some of the most vulnerable people who wind up in our state – people who are being held and traded like commodities for the profit and even the sick pleasure of disturbed individuals.

"Human traffickers are an extremely heinous group of criminals. Critics will again trot out the defense that harsher penalties don't deter criminals, but that rings hollow in the face of headlines of modern-day slave owners profiting off the misery of others. Defending their victims and preventing more should not be put on the back burner another year. We respectfully encourage you to pass HB 86."

Joining the Chamber in support were:

• Department of Public Safety Secretary Jason Bowie
• The N.M. District Attorney's Association
• N.M. Gov. Michelle Lujan Grisham's Senior Public Safety Advisor Ben Baker
• N.M. State Police
• N.M. Crime Victims Reparation Commission
• The Second Judicial District Attorney's Office
• Better Together New Mexico
• The League of Women Voters
• Survivors of sex trafficking

Thomson and Matthews' expert witness, Rob Hart, director of the governor's Organized Crime Commission, shared that human trafficking is the No. 1 revenue stream for cartels, more than drugs including fentanyl. He said people are trafficked for money, labor and sex and are reduced to being modern-day slaves. He also said Albuquerque has more human stash houses than any other city in the nation.

Members of the committee each said they hoped the fifth time is the charm for the bill and wished the sponsors good luck.

HB 86 is headed to House Judiciary next; we'll be there in support and will keep you updated.

HB 87 CRIMINAL SEXUAL CONTACT UPDATE PASSES



The House Consumer and Public Affairs Committee also voted 6-0 to pass House Bill 87, Criminal Sexual Contact Where Victim is Clothed, sponsored by Majority Whip Dayan Hochman-Vigil (D-Bernalillo). Again, the Chamber was there to testify in support of protecting New Mexicans from predators.

D'Val Westphal, the Chamber's executive vice president for policy and programs, told the committee that:

"HB 87 has the strong support of the Chamber, and the bill's fiscal impact report explains exactly why:

"The Administrative Office of the Courts notes that this section of the law has not been updated since 1993, and since then, there has been a greater understanding that unwanted sexual contact can occur regardless of how or whether one is dressed. The majority of other states have amended their laws addressing unwanted sexual contact to either 1) not reference dress or 2) specify that clothed vs. unclothed is irrelevant. This amendment would update New Mexico's definition of "criminal sexual contact" to allow more assaulters to face penalties for unwanted sexual contact and be more consistent with other definitions nationwide.

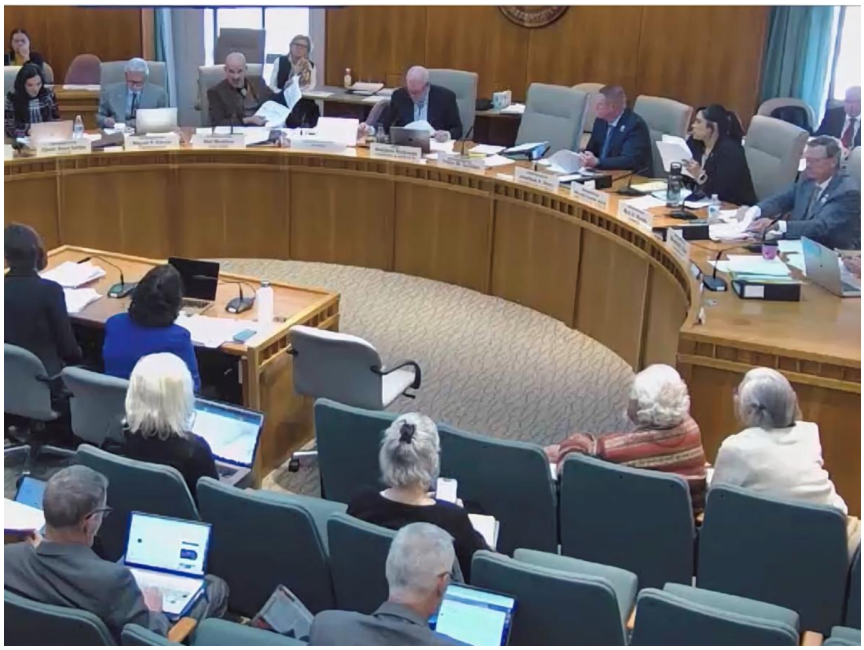
"HB 87 is designed to better protect New Mexicans from predators. We applaud the sponsor for bringing it forward, and we encourage you to support it. Thank you."

There was no testimony in opposition to the bill.

HB 87 is also headed to House Judiciary, and again we'll be there in support and to let you know

what happens!

O&G SETBACKS HEADED TO HOUSE HEALTH



The House Energy, Environment and Natural Resources Committee gave a lukewarm approval of House Bill 35, sending it forward to the House Health and Human Services Committee. On a straight party line vote of 7-4, D's for, R's against, the bill was given a do pass without recommendation. The bill seeks to require a one-mile setback from oil and gas wells from schools. Public testimony was taken last week, at which time the Chamber testified in opposition.

Proponents of the legislation assert that it's all about protecting the health of children. They cite scientific evidence of increased incidences of respiratory diseases in Southeast New Mexico. Proponents also argue that this will not harm the oil and gas industry as existing wells can continue with additional monitoring and that lateral drilling may largely nullify any concern that land adjoining schools can't be used for production. Their conclusion is that one mile is the minimum distance that should be allowed based on scientific research.

Opponents don't see it that way. Many communities in the region already have setback requirements developed by their local cities and counties who, opponents argue, are best situated to make setback decisions in the best interest of their people. Other states including California and Colorado, require much smaller distances - .6 mile in California and 2,000 feet in Colorado. Opponents were very disturbed that local officials weren't consulted, and they presented a letter containing about 60 signatures of local officials from southeast and northwest New Mexico in opposition to HB 35. Several representatives of oil-and-gas-producing areas said that they just don't see the kind of harm to children being asserted by proponents, and there can be multiple causes for ozone and other pollution levels, not just oil and gas production.

While there is always a legitimate concern for the welfare of children, there seemed to be a fair amount of skepticism on both sides of the aisle about the veracity of this bill, thus the no recommendation endorsement. We'll have to see how this plays out in subsequent committees. We'll keep you posted.

SENATE ROAD BILLS HELD FOR TAX PACKAGE



Have you ever driven across New Mexico and then suddenly crossed the state line? You probably quickly realized that the quality of road changes: it improves. Part of that is the sheer volume of our roadways - we are the fifth-largest state in land mass, after all. But we can certainly do a better job of upkeep on New Mexico's road infrastructure, including the safety of bridges. Our roads are, after all, the arteries through which our economic lifeblood flows.

Too often the Legislature has siphoned off revenues intended to go into the road fund for other things. Two Senate bills presented today in Senate Tax, Business and Transportation aim to change that.

Two different approaches

Senate Bill 27 moves motor vehicle excise funds to the state road fund (81.25%) and transportation project fund (18.75%). Currently, nearly 60% of these funds are diverted away from roads to the general fund. The estimate is about $181 million each year from the excise tax, which is the tax you pay when you purchase a vehicle.

SB 28 also increases the road fund, but this time by directing corporate income tax net collections from the general fund to the state road fund. According to the Legislative Finance Committee, that was $672 million in 2024, or 4.8% of general fund revenue.

J.D. Bullington testified for the Chamber in support of both approaches, saying "funding our roads has always been a challenge – a cobbled-together system that never catches up with the backlog of maintenance and construction needs. Good roads are a key to economic development, tourism and safety."

The Chamber feels HB 27 puts motor vehicle tax payments where they belong: back into our roads and transportation projects. This bill would dedicate 100% of that funding to the State Road Fund and Transportation Project Fund. SB 28 is another way of funneling more resources to desperately needed road construction and maintenance. The changes will ensure a recurring source of revenue to get, and keep, our roads and bridges in safe traveling shape. Our families deserve safe roads, and our economy requires them.

Both bills were heard and debated in committee but held instead of being voted on. There's nothing nefarious, though, as tax bills are often held in committee for consideration of being incorporated in a larger, comprehensive tax bill that's assembled each year. It's a more efficient way of managing tax policy. Do it all in one large bill and hopefully avoid dozens of smaller, disconnected bills that could conflict.

Great power leads to great swag?

Sponsor Sen. Pat Woods (R-Curry, Harding, Quay & Union) worked to convince committee members to support both of his road revenue bills, and it led to an idea for some committee swag:

"You guys are the Transportation Committee. Ya'll have great power. Act," said Woods.
Chair Carrie Hamblin (D-Doña Ana) quickly responded with a huge smile, "Can we get shirts that say that?"

IN THE HOUSE



Lion Dancers perform on Asian, Pacific Islander and Native Hawaiian Day in the House.

Majority Floor Leader Rep. Reena Szczepanski (D-Santa Fe) took over the gavel to preside and lead the ceremonies headlined by the theme "Belonging." Many community organizations were recognized and individuals introduced. The keynote address was given by former Chief Appellate Court Judge Linda Vanzi, who traced her path to New Mexico from a child fleeing terror in Pakistan to Singapore and Hong Kong to the eastern United States and finally New Mexico, a land she said she loves. She recounted incidents of threats and racism, definitely not feeling like she belongs, but also the pride in being the first Asian woman appointed to the bench and her leadership in the community. Rounding out the ceremonies were students from the Van Hanh Lion Dance troupe.



4-H members in the House on Tuesday.

The world would be a much better place if everyone dedicated themselves to the 4-H pledge: "I pledge ... My Head to clearer thinking, My Heart to greater loyalty, My Hands to larger service and My Health to better living for my club, my community, my country, and my world." 4-H is the largest youth participation organization in the world, with 7 million participants and over 6,000 volunteers. The program serves urban and rural students and has over 200 project areas from which youth can choose. 4-H came to New Mexico in 1912, and today there are more than 30,000 young people involved in our state. GACC President and CEO Terri Cole was a 4-H member for 15 years and remembers her experience with great fondness. No doubt, Terri’s confidence and ease at public speaking were greatly influenced by her 4-H service.

AROUND THE ROUNDHOUSE



Understanding Behavioral Health Needs

Today, the Senate Finance Committee heard presentations on the behavioral health package - SB 1, SB 2 and SB 3 - which will soon be before the committee for consideration and upon which we've reported before. To recap, here's what the bills would do:

- SB 1 - would establish the behavioral health trust fund with a target of creating a $1 billion corpus.
- SB 2 - would appropriate $140 million for 13 projects that will help jump start the rebuilding of the behavioral health system.
- SB 3 - would establish guardrails in the form of tracking, analysis and reporting progress against nationally established standards.

The committee learned today that there is spotting planning done - a problem addressed in SB 3. Medicaid is the lever to use to improve planning and performance as 42% of the population of New Mexico is enrolled in Medicaid. Behavioral health is a big and complex system that no one really has their arms around at this point. Medicaid pays $900 million for behavioral health treatment and there is additional federal grant money that goes directly to communities that the state doesn't track but should be to avoid overlap. Areas where there are gaps include crisis intervention, supportive housing, certified behavioral health treatment, medication assisted treatment, service referrals, clinics and qualified workforce.

Sen. Pete Campos (D-Colfax, Guadalupe, Harding, Mora, Quay, San Miguel & Taos) underscored the need for higher education to develop the coursework needed to grow the workforce. As he put it, "No human capital, no programs." Chair George Muñoz (D-Cibola, McKinley & San Juan) tossed out the idea of some kind of incentive system to interest students in pursuing a career in this field, which some members found of interest.

The final presentation heard by the committee was from Clovis Mayor Mike Morris. He reported on a three-year-long regional project involving several east side counties to build a behavioral health treatment center. The center would contain both observation stations and in-patient beds. The goal is to find the right treatment for a patient and avoid either placing them in an emergency room or the county detention center. To date, property has been purchased and construction should start soon. Funding has come from a $10 million capital outlay grant from the governor and a pledge of all the counties involved to dedicate their opioid settlement funds to this project. Clovis' project could well become a model for the state.

Many good questions and ideas were discussed that could lead to amendments to the legislative package discussed above. This legislation is a heavy lift on a very important but difficult subject. A tip of the hat to Muñoz and his staff for their hard work.

Capital Outlay - the Road to Stranded Funding



The committee also received an update on capital outlay and proposals to reduce the huge backlog of unspent funds. Right now there is $5.8 billion unspent across over 1,000 projects. The backlog has grown over the last three years or so from $3.5 billion to the current $5.8 billion. The backlog of unspent funds has been a problem that has dogged the Legislature for decades. Muñoz wants to make reforms to whittle down this pile of dough that could be put to better use.

Here are some ideas on how to do that.

- First, starting this year, all projects with less than 1% of funds expended or encumbered with a June 30 "expire by" date will not be reauthorized, and the money will revert to whatever fund the money was appropriated from. It's only about $74 million from 300 projects, but it's a start.
- Next year, it's proposed that reauthorizations can only be done once on a project and only for one year (currently it's two years). Future requests would only be for equipment, design or construction and not all three can be in one request. Moreover, a plan has to be submitted demonstrating how the project can actually be brought to fruition.
- Finally, for water and road projects, there are other funds available and these must be tapped before applying for capital outlay (unless a proposed project has otherwise been turned down).

As Muñoz put it, "It's time to draw a hard line." This is music to our ears. The Chamber has been advocating for capital outlay reform, it seems, like since the end of the Civil War. If these rules are put in place, it's an important turning point, and we certainly support these efforts.

SIGNING OFF FROM SANTA FE



We're very happy to see tough anti-crime legislation clear its first committee. Cracking down on human trafficking and sexual exploitation is long overdue. Seeing another stumbling block put in

the way of oil and gas development - not so bueno. But, the recommendation was a lukewarm no recommendation, so we can only hope this bill finds its way to Never Never land.

On tap for tomorrow is important legislation to improve school principal development (yay), expansion of the rural health care practitioner act (yay), creation of a public bank (boo) and several good pieces of education legislation. The Senate is in session at 11 and the House at 10:30. There will be several committees meeting on Saturday. We'll be there to bring you all the news and views. Until then, have a terrific evening.

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Legislative RoundUp

2025 Regular Session | Wednesday, February 5, 2025

57th Legislature | Day Fifteen

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

LEADERSHIP MATTERS: NEW STANDARDS FOR SCHOOL PRINCIPAL TRAINING AND DEVELOPMENT



This morning, the House Education Committee gave a unanimous do-pass recommendation to House Bill 157 sponsored by Reps. Joy Garratt (D-Bernalillo), Brian Baca (R-Valencia) and Raymundo Lara (D-Doña Ana). The goal is to raise the standards for principal training and development through mentoring and other support. Terri Cole, president and CEO of the Greater Albuquerque Chamber of Commerce, provided the following testimony:

"I'm here today to support HB 157 because to improve education in New Mexico, it's helpful to think about turning things around one school at a time, which, at its core, is a leadership challenge. There are no documented instances nationally of a school turning around its academic performance in the absence of a dynamic, effective leader at the helm. Stronger, better-prepared principals are essential to driving change.

"The final few pages of this bill significantly raise the standards for how we train principals in New Mexico, which we've been urging the Legislature to adopt for several years. Things like:

- *Rigorous on-the-job training*
- *Aggressive recruitment of top teaching talent into school leadership training, and*
- *Improved tracking of graduates from principal prep programs*

"We urge your support of this bill because better-prepared leaders in our schools will build stronger students. Thank you."

As Baca pointed out, the goal is to achieve nationally recognized best practices because the principal must lead a culture of learning. With the right training and support, Baca noted, there will be a consistency of leadership across the district. Turnover among principals is very high due to a number of factors including lack of preparation for leadership and local support.

The Chamber has long advocated for exactly this kind of change. Through a grant from the Thornburg Foundation in 2022, the Chamber engaged Education Research and Development, a nationally recognized group of experts, to prepare a report on school leadership, and many of those recommendations are included in HB 157. The report leads off with this statement:

“I can tell you a good principal is worth their weight in gold. They make everything work. And when you have a principal that is not good, teachers leave.”

– Mimi Stewart, Senate President Pro Tempore

The report underscores the importance of principals (click **here** to access the entire report):

Principals play a critical role in school improvement and student success. Studies have shown that strong school leaders are second only to teachers as a strategy for improving student
achievement. In fact, research finds that replacing a below-average principal with an above-average principal leads to 2.9 additional months of math learning gains for students per year and 2.7 additional months of reading learning gains for students per year - a greater impact than 66% of math interventions and 50% of reading interventions. Developing effective school leaders is also an effective strategy for addressing teacher shortages and retention.

We couldn't be more pleased that HB 157 received a ringing endorsement and now heads to the House Government, Elections and Indian Affairs committee and, if approved there, will be sent to the House floor. We'll keep you posted.

EMBEZZLEMENT BILL GETS A DO PASS



This evening, the Senate Judiciary Committee voted 8-1 to approve Senate Bill 155, Determination of Embezzlement Penalty, sponsored by Sen. Antonio “Moe” Maestas (D-Bernalillo). Chamber President and CEO Terri Cole provided testimony in strong support of the bill, saying it:

“Would allow aggregating embezzlement charges over a consecutive 12-month period so that serial embezzlers could be punished with higher-level felony sentences. In a sense, this bill is similar to legislation passed in 2023 that allowed aggregation of retail theft charges. And that new law is working.

“According to a Jan. 7, 2025, KOB news article, APD reports that it has charged over 100 repeat offenders under the aggregation provision. According to APD Commander of Investigative Services Jeffery Barnard, "Year-to-date starting in November, we were down in shoplifting for the year overall. While it takes more time and work to get people on the felony charge, it's worth it."

“Whether it's stealing a physical item or embezzling funds from a government, business or private account, it's theft. And, this can include diverting equipment for personal use that was intended for government or business use. Unfortunately, in New Mexico we've seen embezzlement in some pretty high places, including law enforcement officials. Often, just like with retail theft, there are repeat offenders, and they would be targeted by this bill, potentially

raising their penalty from a petty misdemeanor to different degrees of a felony. This makes good sense. It's working on the retail theft side, and we believe it will work with embezzlement. We ask for a 'yes' vote on SB 155. Thank you."

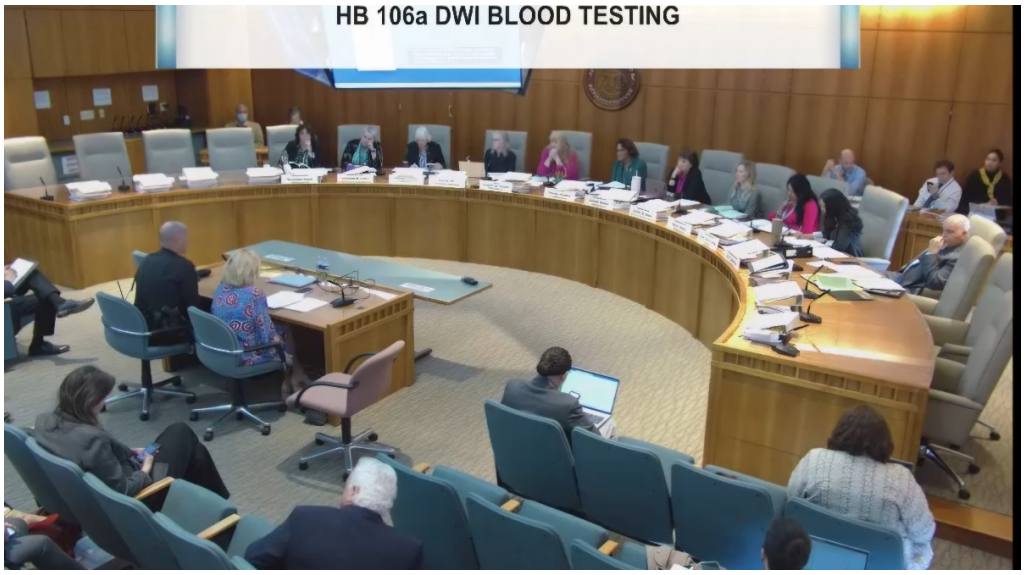
Cole was joined in support by the deputy chief of the New Mexico Department of Public Safety and Gov. Michelle Lujan Grisham's Senior Public Safety Advisor Benjamin Baker. Baker told the committee that he had spent more than 20 years investigating such crimes, and that while embezzlement does not garner a lot of headlines, it has a huge impact on victims, especially when the theft is in the hundreds of thousands of dollars.

Maestas told committee members that the bill will provide clarity "for all police, DAs and judges throughout the state (where) these (crimes) are investigated."

Committee Chair Sen. Joseph Cervantes (D- Doña Ana & Otero), Majority Floor Leader Sen. Peter Wirth (D-Santa Fe) and Senate President Pro Tempore Mimi Stewart (D-Bernalillo) briefly discussed if the bill should be sent on to the Senate Finance Committee or held and rolled into the omnibus public safety package. They determined they would look into the best option and revisit where HB 155 goes next when they reconvene on Friday.

And we'll be there to let you know what they decide.

DRUGGED-DRIVING BILL MOVES FORWARD



This morning, the House Health and Human Services Committee voted an 8-2 do pass on House Bill 106, DWI Blood Testing, sponsored by Rep. Andrea Reeb (R-Chaves, Curry & Roosevelt).

Reeb amended the bill, heard earlier this week and voted down, and omitted the reference to cannabis, leaving the ability for a search warrant after a valid arrest for other substances that are controlled substances act, like methamphetamine, cocaine, opioids, fentanyl - all the harder drugs for which there is reliable testing.

J.D. Bullington testified in support of the bill on behalf of the Greater Albuquerque Chamber of Commerce, saying "it's past time to establish rules regarding drugged driving."

Bullington said alcohol and controlled substances can impair the safe operation of a vehicle and lead to injury or death, and all should be treated as such.

"The primary standard for any DWI conviction in New Mexico is when the defendant is proven "impaired to the slightest degree." And impaired is impaired, by it by beer, hard liquor, prescription drugs or illegal narcotics. The Chamber respectfully asks you to vote yes on HB 106."

Reeb explained her amendment, saying "I know there was concern about the cannabis testing and when somebody used cannabis or not. When we get better cannabis testing down the road, it could be something we could add in. And so those are the amendments, and I hope this bill satisfies the committee."

Clearly it did. The bill is now headed to House Judiciary, where we'll be to keep you up to date on its progress.

EVICTION RECORDS EXPUNGMENT PASSES



This morning the House Government, Elections and Indian Affairs Committee voted 6-3 to move House Bill 98, Expungement of Eviction Records, sponsored by Reps. Janelle Anyanonu (D-Bernalillo) and D. Wonda Johnson (D-McKinley & San Juan) on to the House Judiciary Committee. The Chamber was there to testify against this unfair bill.

D'Val Westphal, executive vice president of policy and programs for the Greater Albuquerque Chamber of Commerce, told the committee:

"I'm here to testify in strong opposition to House Bill 98.

"Landlords have a lot at stake when they rent a property. It's their livelihood, and many have poured their life savings into a duplex, quadruplex, town home or apartment building.

"And they have a fundamental right and need to know who they are renting to. It's often said that past actions are the best predictor of future behavior, and prior evictions can reveal everything from a pattern of nonpayment, to extensive property damage, to illegal and illicit behavior. Eviction is not an easy process or done on a whim – the landlord must establish legal grounds, serve notice to the tenant, wait for a response or compliance, file an eviction suit, attend a court hearing and prevail in the case.

"The landlord-tenant relationship should be one entered into with all the facts on the table. Erasing eviction records after just five years would essentially blindfold landlords to prospective tenants' rental history. That is patently unfair to someone who is putting their property in another's hands.

"We respectfully ask you to vote 'no' on HB 98. Thank you."

The Chamber was joined in opposition by:

- The Apartment Association of New Mexico
- The New Mexico Association of Realtors
- The New Mexico Business Coalition
- An attorney representing landlords

All focused on the need for property managers and landlords to have complete information on potential renters' histories, and the attorney pointed out a conflict with existing law that has judgments and liens on record for 14 years.

Supporters of the bill focused on rising rents and the struggle to find affordable housing, important issues but ones not germane to eviction records and the need for landlords to have full information when renting their properties.

We'll be in HB 98's next committee, House Judiciary, to let you know what happens.

PUBLIC BANK PROPOSAL ON HOLD - FOR NOW



The House Commerce and Economic Development Committee today considered a bill that would create a Public Bank run by the state of New Mexico. House Bill 130, Public Bank of NM Created, is sponsored by Rep. Patricia Roybal Caballero (D-Bernalillo).

The Chamber's Immediate Past Chairman Bruce Stidworthy addressed the committee and joined the crowd that lined up to oppose this idea:

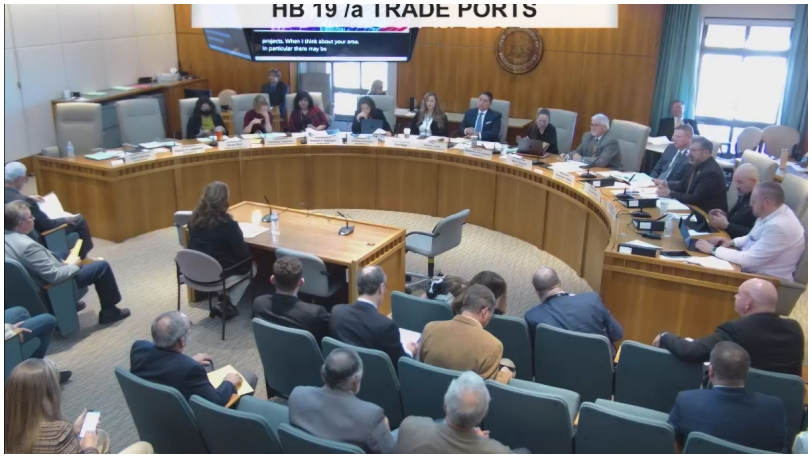
"HB 130 is a solution in search of a problem. New Mexico and New Mexicans are well-served by a vibrant banking infrastructure in the private sector."

"A so-called 'public bank' would duplicate the efforts of the State Investment Council, the New Mexico Finance Authority, the New Mexico Small Business Investment Corporation and the Economic Development Department. Under the current system, the state's investments have grown to be its No. 2 revenue source behind oil and gas. These agencies know what they're doing, and they know how to leverage risk. A public bank would be a lender of last resort, putting state appropriations in peril."

Stidworthy argued that the state faces numerous serious challenges, but having a robust banking system is not one of them.

After the litany of opposition, Roybal Caballero asked to "hold" her bill. She plans to rewrite portions of it in the hopes of securing enough votes to get her bill to the next committee.

TRADE PORTS TABLED FOR TAX PACKAGE



This morning, the House Taxation and Revenue Committee voted unanimously to temporarily table HB 19, sponsored by Rep. Patricia A. Lundstrom (D-McKinley). A temporary table means that HB 19 will be considered for inclusion in an omnibus tax package later in the session. The bill would create the new Trade Ports Development Act to promote economic development and enhance supply chain resiliency by enabling the creation of districts in the state with multimodal systems and facilities to efficiently manage cargo and its movement between locations.

J.D. Bullington testified for the Chamber in support, saying the bill is:

"A smart reinvestment of GRT and Motor Vehicle Excise Tax revenues into what drives those revenues: our supply chain.

"The global pandemic and economic downturn laid bare the vulnerabilities in our nation's supply chains, and having New Mexico establish Trade Port districts sets our state up to be a real part of the solution. As sponsor Rep. Lundstrom has said, the goal is to make New Mexico more than just a bridge state.

"We have a built-in north-south corridor from I-25 to the Santa Teresa Borderplex poised to maximize existing and planned expansions of manufacturing plants in Mexico. We have existing east-west corridors of I-10 and I-40 that are already integral to getting goods to and from the West Coast and beyond. Communities from Bernalillo County, to Gallup and McKinley County, to Santa Teresa have recognized the need for, and opportunity in, developing inland ports. HB 19 will help these and other communities not only make them a reality, but get them on the road to reaching their full potential. We respectfully ask you to support HB 19."

RURAL PRACTITIONER TAX CREDIT SET FOR OMNIBUS BILL



Also this morning, the House Taxation and Revenue Committee voted without objections to temporarily table House Bill 52, Expands Rural Health Care Practitioner Tax Credit, sponsored by Reps. Miguel Garcia (D-Bernalillo), Jenifer Jones (Doña Ana, Hidalgo & Luna), Anita Gonzales (D-San Miguel & Torrance), Joshua N. Hernandez (R-Sandoval) and Mark Duncan (R-San Juan).

The Chamber was there to testify in support, as it was in the bill's first committee, House Health and Human Services. J.D. Bullington spoke for the Chamber:

"Last session the Legislature passed an omnibus tax bill that included a modest tax break to encourage health care professionals to practice in our rural areas. This session the sponsors are advocating to expand the health care practitioners who are eligible for the $3,000 credit.

"They are right to do so. We have a shortage of medical professionals at all levels across our state, and encouraging licensed practical nurses, emergency medical technicians, paramedics, speech-language pathologists, occupational therapists and chiropractic physicians to live and practice in New Mexico is a win-win.

"In the fiscal impact report on last session's bill, the Taxation and Revenue Department weighed in and said the credit would encourage more health care professionals to practice in rural areas. That's good for the nurses, EMTs, therapists and chiropractors who decide to make New Mexico their home, and it's good for the folks who live and get treatment in their communities. We urge you to support HB 52."

The Chamber was joined in its support by:

- The president of the New Mexico Chiropractic Association
- The legislative chair of the New Mexico Occupational Therapy Association, who is also an occupational therapist
- The executive director of Desert States Physical Therapy Network
- The New Mexico Speech-Language-Hearing Association
- The Gallup-McKinley County Chamber of Commerce
- The city of Gallup
- The New Mexico Pharmacy Business Council
- And Think New Mexico, which researched and published a list of recommendations to

address the state's health care crisis.

Garcia again made the case for the bill, pointing out the great need for providers in our state. He shared that while New Mexico is 63 percent rural, just 23 percent of the practitioners mentioned in the bill work in rural New Mexico – licensed practical nurses, emergency medical technicians, paramedics, speech-language pathologists, occupational therapists and chiropractic physicians.

And he introduced an amendment to the bill adding naturopathic and naprapathic doctors, which the committee passed. He explained after the first hearing it came to light that these providers are also much needed in rural New Mexico.

As you see from today's coverage, many bills will be vying to get into that omnibus tax bill. We'll let you know which ones ultimately make the cut.

VETERANS PROPERTY TAX BREAK ROLLED



Also this morning, the House and Taxation and Revenue Committee heard HB 47, Property Tax: Veteran Exemption Changes, sponsored by Rep. Art de la Cruz (D-Bernalillo) and Rep. Alan Martinez (R-Sandoval) and voted unanimously to roll it until Friday. Rep. de la Cruz says the bill seeks to give benefits to our veterans, our disabled veterans and of course, veterans' widows. The Chamber was there is support.

House Bill 47 is a simple bill that effectuates the two veteran property tax exemption constitutional amendments that were approved by the electorate in the November 2024 general election.

De la Cruz said the first constitutional amendment increases from $4,000 to $10,000 the exemption that may be claimed by any veteran or veteran surviving spouse in future years. The second constitutional amendment expands the disabled veteran property tax exemption to include a proportionate exemption reflecting a veteran's partial disability. The current exemption only provides a 100% exemption for 100% disabled veterans.

J.D. Bullington testified for the Greater Albuquerque Chamber of Commerce in support of HB 47 by saying:

"New Mexico is home to 141,000 veterans who are proud of their service and defense of this country. The Greater Albuquerque Chamber is proud of them too, and it wants to make New Mexico more attractive for veterans to serve here and stay in our great state.

"House Bill 47 is a good investment in New Mexico's economy. And for the many veterans who are business owners, consumers and contributors to our state success, we applaud the sponsors for bringing it forward. Thank you."

We'll be in the committee room Friday to let you know how HB 47 fares.

3 BILLS, A GOOD DAY FOR STEM AND TRADES



Today was a good day for STEM and trade bills in the Senate Education Committee. Committee members passed three different bills that each move along on their legislative journey. The Chamber was there to support all three.

First, Senate Bill 116 funds a pilot project for school math labs that Sen. Craig Brandt (R-Sandoval) has experience with in Rio Rancho. That school district already has four math labs, targeted at kids in kindergarten through sixth grade. Rio Rancho's math labs were funded by a combination of state funds secured by the senator and local school funds.

Seeing the success first-hand, Brandt now wants to allocate $3 million to replicate the labs in other New Mexico schools. The labs complement regular math instruction and employ hands-on, experiential learning techniques. Think measuring, weighing bags and working with the numbers, and plotting points on a coordinate grid: basically, answering up front that old question, "How will I ever use this in my life?"

Enrique C. Knell testified in support of the bill, saying it "is another good and positive step toward making New Mexico more competitive. We support efforts to improve how we teach math, and to therefore improve outcomes for our students."

Brandt says the labs in Rio Rancho have proven effective and have increased student engagement with mathematics. The logic all added up for committee members; SB 116 passed the committee unanimously and is headed to Senate Finance.

A 96% graduation rate?

Next up were a pair of Brandt bills that expand the Career Technical Education (CTE) programs. CTE prepares learners for the world of work by introducing them to workplace competencies and making academic content accessible to students through hands-on experiences in various industry sectors. The programs also help students get industry-approved licenses or certifications as they graduate from high school, preparing them to enter the workforce.

Knell again presented the Chamber's support to Committee members:

"These programs have proven very effective in getting students through high school and into the workforce. It sets our New Mexico students up for success. For example, in 2023, the overall statewide graduation rate was 77%. That same year, of the 64,000 high schoolers who took part in a CTE program, 96% graduated."

Both bills use funding mechanisms to reward schools that get more kids enrolled in CTE programs.

Senate Bill 64, Career Development Success Pilot Project, and SB 130, Add Career Technical Education Units to SEG, both passed the committee unanimously and are also headed to Senate Finance. We'll be there in support of all three proposals and will let you know how the votes add up!

KEEPING GRT HOLIDAY FOR SMALL BUSINESS ADVANCES



The House Commerce and Economic Development Committee also took up a bill that extends Small Business Saturday and the GRT deduction that comes with it. The exemption expires in 2025, but House Bill 179 continues the deduction through 2030 so shoppers and small businesses can skip paying GRT on the Saturday immediately following Thanksgiving.

Enrique C. Knell was there in support for the Chamber, testifying:

"The tax holiday on gross receipts tax is an effective tool for supporting our local small businesses. Encouraging people to buy local helps keep money in our community, supports small businesses, and creates jobs.

"Strong local businesses mean a stronger tax base overall for New Mexico.
Out of $100 spent, $68 stays in our community if you shop local. It's important for policy-makers to support our small businesses, both owners and employees, and help them be competitive and successful. Our overall goal for this session is to make New Mexico more competitive. The Small Business Saturday deduction helps us make local businesses more competitive during one of the busiest shopping weekends of the entire year."

The exemption provides a nice little boost to small, locally owned companies, and we're glad to see it extended. The bill carried by Rep. Doreen Gallegos (D-Doña Ana) passed unanimously and now heads to the House Taxation and Revenue Committee.

IN THE HOUSE

Yesterday, it was all green coats. Today, it's all blue and gold. Both the House and the Senate honored the FFA program, which focuses on leadership and agriculture. FFA's motto is "Learning to Do, Doing to Learn, Earning to Live, Living to Serve." FFA is nearly a hundred years old and is instrumental in teaching young people life skills and developing confidence. A number of students and clubs from around the state were introduced and welcomed.

The House also recognized Lincoln County Day. Representatives of the county provided a brisket lunch for members of both chambers. Lincoln County brings a special aura of the wild west and colorful characters like "Buckshot Roberts, Big Jim and Billy the Kid." Smokey Bear hails from Lincoln County, and because of the number of fans, received his own zip code. Ruidoso Downs is the home of the All American Futurity, the richest quarter horse race in the country. And, after the devastating fires, the resiliency of its people is evident in the determination to rebuild and restore.

AROUND THE ROUNDHOUSE

Senate Finance Gets Briefing on Early Childhood Education



This afternoon, the Senate Finance Committee received a briefing on early childhood education programs and results. The briefing was chock-full of slides, binders, graphs and reports. Here are some highlights of what we heard:

- Birth rates are declining from a high of 26,00 in 2010 to 21,000 currently. This is significant because services and programs have to be right-sized and not overbuilt.
- Spending on ECE has grown exponentially - 251% over the last 10 years, and that doesn't include federal programs like Head Start.
- Pre-K programs are very successful, increasing substantially high school graduation rates.
- Home-visiting produces many positive outcomes, but the number of participants needs to be increased, as well as the number of participants completing the entire program.
- Child care eligibility is set at 400% of the federal poverty level, which includes a family of six making $172,000 per year, thus nearly all families can qualify given the median income in New Mexico is about $50,000. Having child care has increased family income and child wellness, but its impact on education is yet to be determined.
- The cost of child care programs is increasing due to more participants and the higher cost of providing service.
- Infant and toddler care is the hardest service to obtain because it is very demanding and less profitable for child care providers. It's important to ensure infant and toddler care as these are the formative years of brain development and the most likely time children experience some form of abuse, often neglect.

In our view, these briefings are very valuable for decision-makers before they dive into all the funding requests they'll be dealing with in the budget. It's also good public education, and the LFC staff has some really smart people that evaluate the programs and make recommendations.

SIGNING OFF FROM SANTA FE



We are so pleased that the legislation boosting school principal training and support is moving ahead. This is a key factor in improving school and learning performance. We hope this one makes it all the way to the finish line. Likewise, to see the idea of increasing serial embezzlements gain traction is another good sign that some tougher crime-fighting legislation has a chance of moving forward. The days are growing longer and the committee dockets are becoming more crowded as more and more bills are introduced. Saturday hearings will be in vogue for the rest of the session. At least they showed some mercy and didn't schedule any hearings for Super Bowl Sunday! The Senate convenes at 11 tomorrow and the House at 10:30. Stand by for more news and views coming your way. Until then, have a very good evening.

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

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GREATER ALBUQUERQUE CHAMBER OF COMMERCE

Legislative RoundUp

2025 Regular Session | Thursday, February 6, 2025

57th Legislature | Day Sixteen

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

A GOOD DAY FOR OIL AND GAS



HOUSE ENERGY TABLES VAGUE PROTECTION OF 'PUBLIC HEALTH' AND 'ENVIRONMENT'



This morning the House Energy and Natural Resources Committee voted 6-5 to table the committee substitute for House Bill 34, Oil & Gas: EMNRD Mandate to Protect Public Health & Environment, sponsored by Reps. Debra Sariñana (D-Bernalillo) and Tara Lujan (D-Santa Fe). The Chamber again testified in strong opposition to this vague, overbroad, duplicative unfunded mandate that targets responsible oil and gas producers.

D'Val Westphal, executive vice president for policy and programs at the Greater Albuquerque Chamber of Commerce, told the committee:

"While well-intentioned, this bill expands the responsibilities of the Oil Conservation Division broadly, vaguely, and exponentially, with no definition of what, exactly, OCD will be charged with protecting regarding 'public health' or 'environment.' Thus, it opens up the department to unrealistic demands, unfunded mandates and potential litigation when it does not deliver on that which is not spelled out. It also promises to unnecessarily duplicate work already being done by the Air Quality Bureau and the New Mexico Department of Environment.

"We at the Chamber, like all New Mexicans, want clean air and water and to protect our environment for the generations to come. This requires good regulations that are clearly defined, providing specific guidance so it can be determined if they are followed or broken. Unfortunately, the only clarity HB 34 promises is massive litigation filed against OCD.

"We respectfully ask that you vote against HB 34. Thank you."

Joining the Chamber in opposition:

- NMOGA, which criticized the duplication of responsibilities and the unfunded mandate, and cited a similar 2019 Colorado law that has seen the orphan well count go up four-fold and rig count drop, causing a huge economic toll on taxpayers.
- The Permian Basin Petroleum Association, which criticized the vague and ambiguous language in the bill, its lack of guidelines and clear definitions, the potential for unintended consequences and pointed out existing law addresses preventing waste and protecting rights.
- The Independent Petroleum Association of New Mexico, which said the bill appears to be a rule-making runaround of the Legislature to get setbacks and that 74-1-2, the Environmental Improvement Act, specifically puts the Environment Department in charge of protecting health, safety and comfort – not OCD.

Supporters testified about the effects pollution has on communities – a serious concern that the vague language of HB 34 does not address.

Committee member Rep. Meredith Dixon (D-Bernalillo) asked if the bill defines "public health," and when the bill sponsor's expert witness, Gail Evans, senior attorney for the Center for Biological Diversity, responded it does not, but that the term appears throughout statute, Dixon asked how the Legislature was supposed to ensure uniformity and enforcement. She said she has a fundamental concern that the bill delegates the Legislature's authority to an unelected board, and she said the fact the Environment Department did not submit analysis of the bill also was concerning.

Rep. Nathan Small (D- Doña Ana) said he could not support the bill because a future

administration and its appointees could decide unilaterally to stop oil and gas production in New Mexico, severely affecting all facets of life here while the industry continues unfettered in Texas.

Rep. Mark Murphy (R-Chaves), an oil producer, went over the procedures in place to avoid and address waste and spills and safeguard environmental safety on oil and gas production sites, from cement casings to air monitors, trash trucks to portable toilets.

Dixon and Small joined the Republicans on the committee to first vote against a do pass, and then in favor of tabling.

STRANGE POLITICAL BEDFELLOWS - GOV'S STRATEGIC WATER PLAN STALLS



It's not every day that you see environmental advocates and businesses stand in opposition to the same bill. Today, that combination stalled passage of House Bill 137, sponsored by Rep. Susan Hererra (D-Rio Arriba, Sandoval, Santa Fe & Taos) on behalf of the governor seeking to establish the strategic water plan and fund.

Terri Cole, President and CEO of the Greater Albuquerque Chamber of Commerce, testified in opposition, stating:

"The Chamber generally supports the goal of creating a strategic water supply in order to improve the state's drought resilience and for use in developing green energy. However, we're concerned about what the funding mechanism will be and that it will place a tax on our oil and gas production. Therefore, we reluctantly must oppose HB 37 at this time."

Indeed, the funding would be provided by a new tax of 5 cents on every barrel of produced water. The goal of figuring out how to use produced and brackish water for industrial purposes, thereby saving fresh water, is laudable, especially in a state like ours that needs every drop of water. However, there's no equity in placing the financial burden solely on the backs of our oil and gas industry.

Environmental interests are concerned about the release of toxic materials from produced water and the lack of scientific evidence that there is a feasible way to treat the water while still protecting groundwater and, more generally, the environment. It seems that all sides support provisions of the bill that call for more research by both New Mexico Tech and New Mexico State universities. Also, there seemed not to be much opposition to the use of brackish water. Produced water, which rises to the surface as a result of drilling oil wells, appears to be the lightning-rod issue. About 60% of produced water is used for fracking wells, often with chemicals added.

Rep. Micaela Cadena (D-Doña Ana) zeroed in on the need for complete regulations to be developed before proceeding with construction of projects. And, she emphasized that development of regulations must proceed "at the pace of science." She does not believe the Legislature should move forward until the regulations are in place and the Legislature can see exactly how all this will work. Rep. Angelica Rubio (D-Doña Ana) echoed the concerns of many environmental opponents about what they perceive to be taxpayer money being used to solve an oil industry issue. In fairness, if the oil industry is paying a new tax, then taxpayers in general won't be burdened except for the initial appropriation to jump-start the process.

As members of the committee one after another raised concerns about the bill, it became obvious it would not pass today. Consequently, Hererra asked for the bill to be rolled over in order to see if amendments could be developed to overcome opposition. We do not know when

the bill may be back for further consideration. Moreover, this bill has three committee referrals (most bills only get two), which means it has a long way to go and a short time to get there. We'll keep you posted.

HOUSE COMMITTEE RIGHTS SENTENCING FOR DWI VEHICULAR HOMICIDE



Rep. Andrea Reeb (R-Chaves, Curry & Roosevelt) is seeking to remedy a loophole which allows murder by vehicle to receive a sentence less than intended by the Legislature. The measure, House Bill 102, passed the House Consumer and Public Affairs Committee on a bipartisan vote of 6-0. This is one of those funny things that happened to me on the way to the laundromat stories. Stick with us.

J.D. Bullington registered the Chamber's support for the measure:

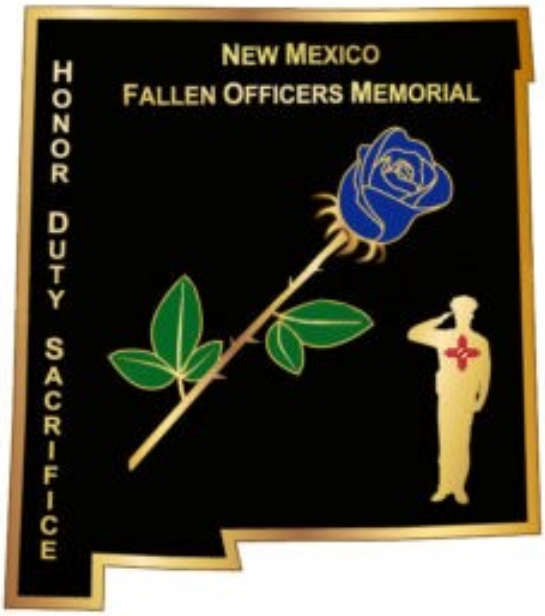
"*Madam Chair and members of the committee. I'm J.D. Bullington, appearing on behalf of the Greater Albuquerque Chamber of Commerce. I appear before you today in support of HB 102, which seeks to repair what many believe to be a legislative oversight. As you know, last year the Supreme Court ruled that current law can allow those convicted of murder by vehicle to earn good time credits that can result in cutting their sentences in half. This just isn't right.*

"In 2016, the Legislature changed vehicular homicide by DWI or reckless driving from a third-degree felony to a second-degree felony and, therefore, the criminal is no longer treated as a serious violent offender, which requires that a minimum of 85% of the sentence be served before they can be paroled. This oversight needs to be remedied. Murder is murder, and the punishment must fit the crime. We urge you to vote yes on HB 102.:

Back in 2016, the Legislature did a good thing. They increased the penalty for vehicular manslaughter from a third-degree felony to a second-degree felony. Before this law passed, the third-degree felony was considered a serious violent crime, allowing judges to weigh all the factors and, when justified, to require the serious violent offender to serve 85% of their sentence before meritorious conduct deductions could be applied to reduce their sentence. A serious violent crime has to be enumerated in statute, and the third-degree vehicular homicide was on that list.

However, when the new law was passed in 2016, the second-degree crime was not placed on the list. A Supreme Court decision last year released a convicted criminal sentenced by a judge as a serious violent offender because the crime wasn't on the list and the judge was not allowed to interpret what the Legislature intended. As mentioned in our testimony, meritorious behavior can reduce a sentence by one day for every day served. Suddenly a two-year sentence turns into one year. This is the loophole that needs to be fixed, and HB 102 does just that. It puts the crime back on the naughty list where it belongs.

HB 103 PROTECTS THOSE WHO PROTECT US



What we don't want to see are any more names added to the memorial honoring law enforcement officers killed in the line of duty. HB 103, sponsored by Rep. Andrea Reeb, a former prosecutor, received a 6-0 do-pass recommendation from the House Consumer and Public Affairs Committee this afternoon. Her bill would increase the penalty for assaulting a police officer.

J.D Bullington offer the Chamber's support:

"I'm here today to strongly support HB 103. A common slogan of a police department is to 'protect and serve.' Indeed, this is exactly what our law enforcement officers do day-in and day-out. They often have to face violence in the course of their daily duties. It's a tough job - they run toward danger in order to protect us. The least we can do is provide them the maximum support and protection under the law.

"That's why this bill is so important. As we know, the bill would move the penalty for assaulting a police officer from a third-degree to a second-degree felony. What this means in practical terms is that the statute of limitations for prosecution is increased from five to six years, the basic sentence is increased from three to nine years, and the potential fine is raised from $5,000 to $10,000. We need to signal that assaulting a police officer is a serious offense and offenders will be punished accordingly. Let's support our officers by passing HB 103."

Speaking on a personal note, J.D. reminded the committee of all the horrendous videos on social media that show what law enforcement officers have to endure. This lines up with very emotional and often tearful testimony provided by three officers that had been shot in the line of duty. All recounted the horror of facing death, the lasting physical and mental damage and the toll on their families wondering whether mommy or daddy would make it home at night.

Many stood in support: police officers, firefighters, the AFL-CIO, the New Mexico Business Coalition and the Governor's Office. The only opposition came from the Law Offices of the Public Defender, which continues to argue that stiffer penalties aren't a deterrent. Well, that's debatable, but for sure it deters that one criminal from committing any more crimes while in the house of many doors.

Not only are there consequences to the officers that were assaulted, but there are broader community impacts, including increased difficulty in recruiting and retaining people to the profession. One officer candidly admitted that if she had to do it all over again, she's not sure she would have joined the police. While quite understandable given her terrible experiences, it is also not the kind of testimony that attracts others. Indeed, we need to stand up for those that protect us.

INVESTING IN OUR MILITARY BASES ADVANCES



The Chamber understands that our military bases' strategic importance to our national defense and local economy cannot be overstated. Every single base throughout the state is a critical component of our local and state economies.

Rep. Debra Sariñana (D-Bernalillo) today presented HB 158, the Military Base Planning and Impact Act in the House Labor, Veterans' and Military Affairs Committee. The bill allocates $12 million that can be used by local governments for infrastructure projects aimed at keeping our bases operational and efficient. We're talking infrastructure improvements outside of these installations, like roads, water sources, schools and health care facilities.

Chamber Legislative Session and Local Government Committee Chairman Sherman McCorkle was on hand to lend the GACC's support. He explained that 30 years ago, military bases were completely self-sustained, with schools, child care and other necessities all within the fence of each installation. McCorkle says that has all changed, and it's critical that local communities step up to support their military installations.

"The Department of Defense now looks at states and asks them, what can you do to help us with health care? What can you do to help us with child care?" McCorkle told the committee. "This particular fund is very important because it will address infrastructure immediately exterior to the military installation. It would address things such as roadways, asphalt, intersection crossings, traffic lights, railroad crossings, various kinds of fencing, all the things that are outside of the fence but are critically necessary to a base's success."

Many of us remember in 1995 Kirtland Air Force Base was put on the BRAC closure list. McCorkle was one of the co-founders of the Kirtland Partnership Committee and led the valiant efforts to keep KAFB open. In 2005 he also worked with other stakeholders to keep Cannon Air Fore Base and the White Sands Missile Range off of the closure list.

Sariñana's bill passed unanimously and drew several positive comments. Nobody spoke against this effort. We'll continue to track this legislation because this is a critical effort for our state's economy. Next, the bill moves to the House Appropriations and Finance Committee.

IN THE HOUSE



They Rocked the House!

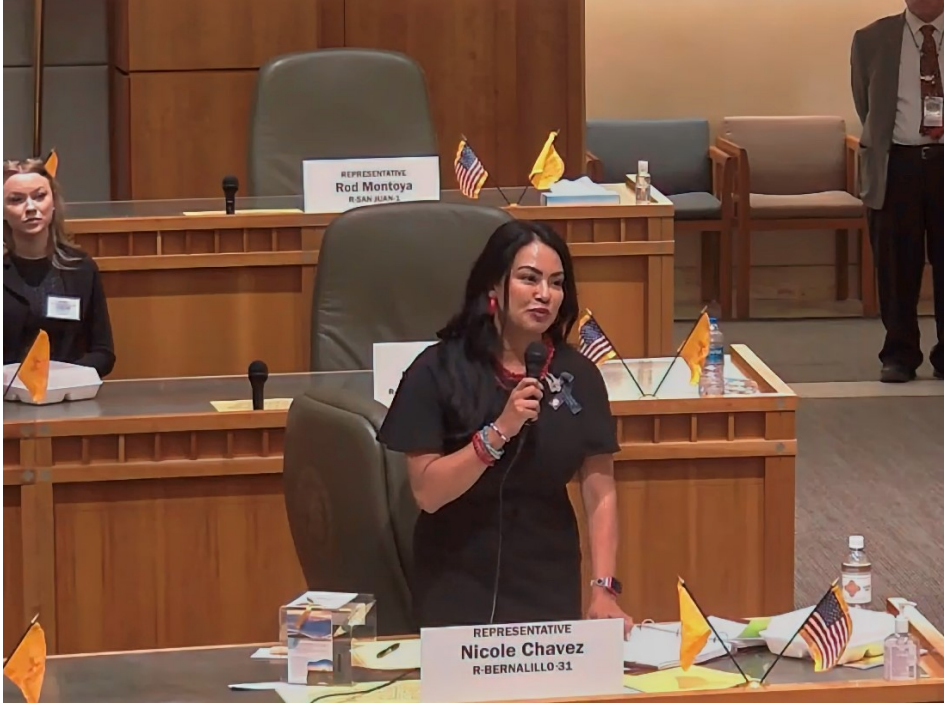
The Harrison Middle School rock band had the feet tapping and the heads bobbing as the performed for the House today. The school is located in Bernalillo County's South Valley. Rep. Pamelya Herndon (D-Bernalillo) introduced the group. As the Speaker said, they young folks have a very bright future - they're good students and good musicians!



Most Patriotic City in New Mexico

Rep. Patty Lundstrom (D-McKinley) kicked off Gallup/McKinley County day with a memorial in the communities' honor. As the home of a national cemetery, Gallup honors veterans in many ways. Gallup is also named the Adventure Capital of New Mexico as it is the gateway to many beautiful recreational opportunities along with wonderful art and cultural resources.

Valencia County was also honored today and threw a matanza complete with chicharones for members of the Legislature. The county is the second-fastest growing in the state and hosts the world's largest matanza.



Victims of Violent Crime Honored

Rep. Nicole Chavez (R-Bernalillo), who lost her son to murder, sponsored a memorial honoring victims of violent crime and their families, many of whom were in attendance in the House today. There were many tears. As Rep. Cathryn Brown (R-Eddy & Lea) observed, "Grief is love without a place to go," recognizing the deep pain experienced by losing a family member.

Rep. Rebecca Dow (R-Doña Ana, Sierra & Socorro) said that which is "predictable is preventable," vowing to fight for legislation that will help prevent these kinds of tragic crimes in the future.

SIGNING OFF FROM SANTA FE



It was a banner day for common sense. Let's hope it's catching - about every other virus known to mankind surfaces as the Capitol Crud every session. Anti-oil-and-gas industry legislation was defeated, while strong anti-crime measures got some traction. It's a good trend, let's hope it keeps up, but we have yet to face the two Judiciary Committees, and that's a challenge, especially in the Senate. Tomorrow is American Indian Day, which will be celebrated in a joint session at noon. The House revs up at 10:30 and the Senate at 11:00. The Speaker announced

today that likely starting next week we can expect to have both morning and afternoon/evening House sessions. As always, we'll be there to bring you all the news and views. Have a super evening.

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GREATER ALBUQUERQUE CHAMBER OF COMMERCE

Legislative RoundUp

2025 Regular Session | Friday, February 7, 2025

57th Legislature | Day Seventeen

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

GREENHOUSE EMISSIONS BILL IS A BRIDGE TOO FAR - YOUR HELP IS NEEDED



Sitting before the Senate Finance Committee is Senate Bill 4, Sets Statewide Greenhouse Gas Emissions Limits, sponsored by Senate President Pro Tempore Mimi Stewart. The measure would require statewide reductions, based on 2005 emission levels, to be set at:

- By 2030, a 45% reduction
- By 2040, a 75% reduction
- By 2050, a 100% reduction.

The scale and scope of the bill would affect all buildings, structures, modes of transportation, home heating fuels, virtually every nook and cranny of our economy. We are very concerned with the unintended consequences to our jobs base and overall economy with such an aggressive mandate. In particular, we believe the oil and gas industry will be negatively affected and the message to businesses wanting to come here and businesses trying to grow here will be negative - just the opposite of what all of us want and need. We need for you to email or call members of the Senate Finance Committee expressing your opposition. This link will take you to the list of **committee members**. It's easy to click on their name, then their email to send them a message.

When fully implemented, this bill could well mean all electric homes, all electric vehicles, all electric manufacturing and more. How will heavy-duty trucking be accomplished, especially over long distances? Same with our cars. Consumers are voting with their feet with unsold EVs stacking up on dealer lots. Many manufacturing processes require natural gas to heat boilers and fuel other processes. It's simply a bridge too far that could topple our economy.

This bill needs a realistic plan for implementation, which is difficult to achieve when the definitions lack clarity. We have many questions. How will all the new rules that will be issued be enforced? How many more staffers in the Environment Department and elsewhere have to be hired? The bill will affect virtually every sector of our economy: electric generation, transportation, home heating fuels, buildings, all forms of waste, manufacturing and extraction of raw materials, agricultural and forest products and, of course, oil and gas. We believe this transition is too

aggressive and lacks a necessary balanced strategy.

New Mexico has and is making significant strides in reducing greenhouse gas emissions, in no small part by voluntary actions of businesses across the state. Locking rigid rules, poorly defined, into our statutes is another matter. Goals and rules have to be well-defined and achievable. They also have to balance all the needs of our citizens, not just the environmental side of the equation. We very much hope the Senate Finance Committee will assess the likely economic and state revenue damage that will occur if SB 4 becomes law. We'll keep you posted.

UPDATING COMPETENCY STATUTES - A MUCH NEEDED BUT A HEAVY LIFT



Statutes governing competency evaluations for those accused of crimes haven't been updated since 1978. House Bill 4, sponsored by Reps. Christine Chandler (D-Los Alamos, Sandoval & Santa Fe), Marianna Anaya (D-Bernalillo) and Andrea Reeb (R-Chaves, Curry & Roosevelt), seeks to remedy several problems. Developing this measure has been a heavy lift.

Terri Cole, President and CEO of the Greater Albuquerque Chamber of Commerce, testified in strong support of the bill:

"This bill brings much-needed reform to the criminal competency statutes, something long in need of attention. At the core of the bill is significantly expanding the number of crimes to be considered for competency evaluation. That, coupled with improved evaluations by competent professionals, works to do two things: Protect the public from the most dangerous criminals and channel those people into the best mental health treatment for them. This creates a win-win situation.

"We're all familiar with the revolving door, and HB 4 is aimed exactly at turning that scenario around, which too often results in the accused being released back into the community only to be re-arrested on some other crime. District Attorney Sam Bregman has shared examples of a person who's committed 25 felonies; 16 cases were dismissed because the person was found incompetent and is back in custody for another crime. Similarly, another defendant has been charged with 30 offenses and at least 20 have been dismissed for incompetence. We need to slam the revolving door shut. We urge you to vote yes on HB 4. We believe it is a very needed and positive step forward."

The current system either results in defendants languishing in jail pending a competency hearing or having their cases dismissed, releasing them back into the community where some repeat various offenses. The chief of police of Las Cruces reports that in his city, the top five repeat offenders have had 1,247 charges dismissed. As Cole said, that revolving doors need to be slammed shut.

HB 4 also includes more serious crimes subject to dangerousness evaluations that could lead up to involuntary commitment, giving an additional tool to protect the public and force a defendant to receive treatment in the cases when they refuse to do so voluntarily. As Reeb said, there are two main goals: address those perpetrators that are dangerous and are charged with serious crimes and also expand pathways for treatment. HB 4 can only work, however, if other legislation funds and directs the restoration of the behavioral health system so that adequate resources are available. SB 1, 2 and 3 are aimed at doing that through creation of a behavioral health trust

fund, making appropriations to jump-start service delivery and establish measurements of results and accountability.

HB 4 was held in committee because it will be the vehicle for constructing an omnibus crime package, which may be presented on Wednesday. We'll keep you posted - this legislation matters.

HOUSE COMMITTEE GREEN LIGHTS HB 16, CRACKING DOWN ON FENTANYL DEALERS



This morning, the House Government, Elections and Indian Affairs committee advanced House Bill 16, sponsored by Rep. Charlotte Little (D-Bernalillo), on a vote of 6-3. The bill goes after fentanyl traffickers by giving judges and juries the ability to enhance existing penalties.

Terri Cole, President and CEO of the Greater Albuquerque Chamber of Commerce, stood in support of the measure:

"I come before you today to support HB 16. It's no secret that fentanyl is a major threat to the lives of New Mexicans. The good news is that, according to the New Mexico Department of Health's recent report, overdose deaths have declined slightly from the peak of 1,029 in 2021 to 948 in 2023, the latest data available.

"That's still almost 1,000 people. Mexican cartels are importing and peddling this dangerous drug nationwide. It often comes in the form of fake pills, laced with other dangerous drugs. We must do everything we can to stop the drug trade and punish those that are literally purveying death. HB 16 establishes enhanced penalties for those trafficking, not consuming, large quantities of fentanyl - from three to five years depending on the amount after findings of fact by a jury or a judge. This bill is targeted at those pushing, not the victims. That's exactly the right approach. We urge a 'yes' vote on HB 16."

Rep. Cynthia Borrego (D-Bernalillo) commented on news from Las Cruces today that a customer of a fast-food establishment had their drink spiked with fentanyl and ended up in the hospital. This is just how pervasive this drug is. Very unfortunately, it's cheap to make and cheap to acquire, despite its devastating effects. The bill now moves on to the House Judiciary Committee.

JUVENILE RECORDS BILL ENDS IN A TIE



The House Judiciary Committee voted 5-5 on House Bill 39, Juvenile Record in Firearm Background Checks, essentially stopping the bill, at least for now
HB 39, sponsored by Rep. Kathleen Cates (D-Bernalillo and Sandoval), sought to allow a small portion of juvenile records to be accessed to determine eligibility to purchase a firearm as an adult. The only portion of information to be disclosed is whether there was a firearm used in the juvenile offense. If so, then that individual wouldn't be able to purchase a gun for 10 years from the date they were sentenced.

Enrique C. Knell testified for the Chamber and supported the bill as a targeted action that can help keep guns out of the hands of people with a record of violence involving guns. Knell told members of the Committee:

"While New Mexico generally seals juvenile records, perhaps to help people get a fresh start when they've grown up some, there need to be exceptions when the threat to our communities is so great from guns used by people with a violent past. In other words, the greater good demands that we take this kind of action."

All Republicans on the panel were joined by Majority Floor Leader Reena Szczepanski (D-Santa Fe) in voting the bill down.

SENATE EDUCATION PASSES TEACHING READING BILL - UNANIMOUSLY



This morning the Senate Education Committee took up Senate Bill 242, Advancing the Science of Reading Act, sponsored by Senate President Pro Tempore Mimi Stewart (D-Bernalillo). The Chamber was there in strong support of the bill, which passed 7-0 and is headed to the Senate

Finance Committee.

D'Val Westphal, executive vice president of policy and programs for the Greater Albuquerque Chamber of Commerce, told the committee:

"I'm so happy to testify in favor of a smart idea coming straight from a career educator.

"SB 242 tackles a big proficiency problem New Mexico schools face: reading. It requires all current teachers seeking licensure renewal to complete coursework on the science of reading and establishes additional requirements for new teacher candidates. Its foundation is the LETRS program that was part of the Mississippi Miracle school turnaround, and which is part of training our PED has been scaling up.

"The bill's FIR lays out the studies that support this approach, and after Mississippi adopted it, their fourth-graders made the largest score gains in reading and math on the National Assessment of Educational Progress (the NAEP), and 64 percent of students performed at or above the basic level of proficiency – beating the national average of 61 percent.

"Once again, this is a bill that gives our teachers the training and tools they need – in this case, to give the gift of literacy to every student in their classrooms.

"We urge you to give it a do-pass. Thank you."

Joining the Chamber in support of SB 242:

- The University of New Mexico College of Education
- The senior director of teacher education at San Juan College
- New Mexico Kids Can
- The May Center in Santa Fe, a pre-school through eight-grade school specializing in those with learning differences such as dyslexia, ADHD, and language processing disorder
- A New Mexico college graduate teacher who learned the science of reading at the May Center
- Think New Mexico
- Parents of, and students with, dyslexia who said structured literacy made the difference for them.

Stewart, who was acknowledged by the committee for her years of work on this issue, emphasized that her bill puts in statute what is already a directive to the state's colleges of education. She also shared that Albuquerque Mayor Tim Keller, who frequently has shared he is dyslexic, told her he was diagnosed in second grade, but his parents did not tell him, and he didn't know why he had trouble reading until he was in his 20s. "Twenty years ago, we did not want to say the word 'dyslexia,'" Stewart said. "We still don't want to talk about it. Structured literacy is the answer."

She added that the science shows the method works with all students, be they dyslexic, English-language learners, children from poverty – and that it supports the requirements from the Yazzie-Martinez ruling.

The bill was amended with cleanup language as the hearing started.

SB 242 is a win for our teachers and for our students. We'll be in Senate Finance to let you know how it fares.

VETS PROPERTY TAX RELIEF HEADS TO FLOOR



This morning, the House and Taxation and Revenue Committee heard House Bill 47, Property Tax: Veteran Exemption Changes, sponsored by Rep. Art de la Cruz (D-Bernalillo) and Rep. Alan Martinez (R-Sandoval), and voted unanimously to pass it.

The bill enacts two veteran property tax exemption changes that New Mexicans voted on as constitutional amendments in the November 2024 general election. The first change is increasing the property tax exemption from $4,000 to $10,000. The second change expands the disabled veteran property tax exemption to include a proportionate exemption reflecting a veteran's partial disability. The current exemption only provides the exemption for 100% disabled veterans.

Tax was its final House committee, which means the bill now heads to the House floor for debate and a final vote in that body before moving over to the Senate.

J.D. Bullington testified for the Greater Albuquerque Chamber of Commerce in support of HB 47 by saying,

“New Mexico is home to 141,000 veterans who are proud of their service and defense of this country. The Greater Albuquerque Chamber is proud of them, too, and it wants to make New Mexico more attractive for veterans to serve here and stay in our great state.

“House Bill 47 is a good investment in New Mexico's economy. And for the many veterans who are business owners, consumers and contributors to our state success, we applaud the sponsors for bringing it forward. Thank you.”

IN THE HOUSE



American Indian Day

American Indian Day is a time-honored tradition complete with native customs and presentations by leaders of Indian tribes, pueblos and nations. All the presenters were thankful to the Legislature for the support given and stressed the need for ongoing collaboration and cooperation. Rep. D. Wonda Johnson (D-McKinley & San Juan) presided over the festivities. One interesting fact is that the All Indian Pueblo Council of Governors was started in -- wait for it -- 1598! Many distinguished people from among the 23 nations, tribes and pueblos were introduced. And lest we forget, we should remember and honor the Navajo code talkers that played such a critical role during WWII. Among those introduced and honored are students pictured below.



AROUND THE ROUNDHOUSE

Support Tourism



Tourism is important to us as business people and as citizens of New Mexico. It brings in huge revenue to our businesses and our states. Our friends at the New Mexico Hospitality Association are urging contact with the Legislature's two finance committees to support the Tourism Department's budget. That's a great idea.

A key component of our NMHA Legislative Agenda is a strong, fully funded Tourism Department that can continue to grow and support the industry. The Tourism Department budget is scheduled to be reviewed next week in House Appropriations on Monday and Senate Finance on Tuesday.

We've made it easy for you to show your support and let legislators know this is important to you and your business - just click on the link below, fill out the simple form, hit send, and your message will automatically go to key committee members. You also have the option to customize the message if you'd like to add personal comments or information. You are welcome to share this email and the link with others. Thank you for adding your voice to our message!

Support the NMTD FY 2026 Budget

SIGNING OFF FROM SANTA FE



Today was a good day for crime fighting. Several important bills moved forward, and we're soon to see what's in the omnibus crime package. Feels like progress; we'll see. Thanks for being with us today, and we'll be back tomorrow to cover several committee hearings, bringing you all the news and views. Have a Super Weekend and enjoy the game!

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

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GREATER ALBUQUERQUE CHAMBER OF COMMERCE

Legislative RoundUp

2025 Regular Session | Saturday, February 8, 2025

57th Legislature | Day Eighteen

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

$340 MILLION WORTH OF GREEN PROJECTS - GOOD VALUE or QUESTIONABLE RESULTS?



Senate President Pro Tempore Mimi Stewart (D-Bernalillo) is carrying a package of bills - Senate Bill 4, SB 48 and SB 49 - aimed at further reducing greenhouse gas emissions. We've recently written on what we perceive to be the economic risks of SB 4, which sets a goal of zero emissions by 2050 (as compared to what emissions were in 2005). Today, the Senate Conservation Committee gave do-pass recommendations to SB 48 and 49, which seek to appropriate $340 each year for community projects aimed at greenhouse gas emission reductions. The vote was a straight partisan vote 5-3, D's in favor, R's opposed.

Terri Cole, President and CEO of the Greater Albuquerque Chamber of Commerce, offered these observations:

"I appear today in opposition to SB 48 and 49. Where do I begin?

"First, the bills are so broadly drafted that it seems like a rudderless ship adrift. The number of project categories seem likely to allow almost anything to fit. Is that what the Legislature wants to do? Spend $340 million on projects that may or may not contribute anything to the goal?

"Second, as a consequence, the bill has no measurables, no way to know what the outcomes are and whether the taxpayers got their money's worth. These projects should have to go through the same rigorous examination and oversight as GRO projects.

"Finally, this bill comes with that $340 million price tag every year. This isn't a one-shot deal. With all due respect to the sponsor, this bill doesn't strike us as being anywhere near fully baked. This is a prime candidate for interim study. Thank you, and please vote no on SB 48."

Stewart defended her bill by saying she has identified $1 billion in projects that communities have asked for but for which no money has been appropriated. Her idea is to have communities and

organizations apply for grants to build these projects, which are far ranging, including electric grid modernization, green energy projects, training, electric vehicle infrastructure, recycling - in total 11 broad categories.

Committee members Sens. Larry Scott (R-Chaves, Eddy & Lea), Candy Ezzell (R-Chaves & Eddy) and Jim Townsend (R-Eddy & Otero) voiced skepticism about the projects being able to contribute much to the overall reduction in greenhouse gases. Being from the oil-producing part of the state, they also voiced concern about the negative impacts on oil and gas and, therefore, loss of revenue to state and local governments. Townsend voiced the concern the jobs created through this legislation would be minimal and couldn't pay for the cost of the programs.

The bill was supported by the Governor's Office and several environmental organizations. In addition to the Chamber, the Gallup/McKinley Chamber, the Independent Petroleum Producers Association, the New Mexico Oil and Gas Association and the New Mexico Business Coalition stood in opposition. The bill now moves to the Senate Finance Committee.

PREVAILING WAGE IMPOSED ON PRIVATE PROJECTS



House Bill 6, sponsored by House Majority Leader Reena Szczspanski (D-Santa Fe), seeks to impose prevailing wage rates on Industrial Revenue Bond projects even though they are privately funded. In New Mexico, prevailing wage rates apply only to publicly funded projects. The House Government and Elections Committee approved the bill on a 6-1 vote, sending it to the House floor.

So, are IRB projects public projects or not? That's the central question. Proponents say they are because the projects are built for a public purpose and end up belonging to a government entity. Opponents say that the money used for the projects is private capital and, therefore, not public funding.

Terri Cole, President and CEO of the Greater Albuquerque Chamber of Commerce, weighed in in opposition, saying:

"The Chamber opposes HB 6 because it will make New Mexico less competitive in attracting private investment for industrial development. We all know that New Mexico already has trouble attracting capital, so we shouldn't make the problem worse. We also know that raising the price of anything generally results in getting less of that thing - it's among the basic laws of economics. Increasing the cost of industrial revenue bonds will not defy that basic law.

"States around us don't put this kind of additional cost burden on their industrial revenue bonds. Developers are consumers like the rest of us - if they can get the same thing for a lower cost, they'll shop there instead of here. The more private-sector money we can attract for infrastructure development, the less public money is needed. And that stretches the amount of money available from the public sector. While perhaps well intended, we believe that HB 6 violates another immutable law: the law of unintended consequences. We ask for you to vote no. Thank you."

Also in opposition were New Mexico Idea (an economic developers organization), the Associated General Contractors Association, NAIOP (commercial real estate developers) and private developers. They also voiced concerns about making New Mexico less competitive, especially at a time when companies are still dealing with already higher labor and material costs.

In support were several labor unions including the Building and Trades Council, the AFL-CIO, IBEW (electricians) and Plumbers and PipeFitters. They assert that prices won't go up because union labor is more skilled, raising productivity, and there is less lost time due to injury. We'll keep you posted when the bill reaches the House floor.

MIXED BAG ON PUBLIC SAFETY BILLS

LAW ENFORCEMENT'S VICTIM RIGHTS PROTECTED



This morning, the House Consumer and Public Affairs Committee unanimously approved House Bill 104, Add Peace Officers to Victims of Crime Act, by a bipartisan vote of 6-0. The bill is sponsored by Reps. Andrea Reeb (R-Chaves, Curry & Roosevelt), Nicole Chavez (R-Bernalillo), Luis M. Terrazas (R-Catron, Grant & Hidalgo) and Gabriel Ramos (R-Grant, Hidalgo & Luna).

The Chamber was in the committee room to testify in strong support of HB 104.

J.D. Bullington told the committee:

“This bill is a simple but essential one. It is all about ensuring our law enforcement officers have the same rights as all other New Mexicans.

“These are the folks who put their lives on the line every day to keep the rest of New Mexicans safe, and they deserve to have the same rights the rest of New Mexicans have – if, and when, they are attacked, battered or assaulted.

“Law enforcement is a tough job on a good day. On a bad day, our officers and deputies need to have the same protections as other crime victims in our state.

“We thank the sponsors for bringing this bill, and we urge you to pass it. Thank you.”

Joining the Chamber in support of the bill were:

- The New Mexico District Attorneys Association
- District Attorney Thomas Clayton of the Fourth Judicial District
- District Attorney Marcos Montoya for the Eighth Judicial District
- District Attorney Barbara Romo for the 13th Judicial District
- New Mexico State Police Chief Troy Weisler
- Deputy Chief Ben Valdez of the Santa Fe Police Department
- Portales Chief of Police Christopher Williams, who is also vice president of the New Mexico Police Officers Association
- Las Cruces Police Chief Jeremy Story
- AFSCME, which represents five police and sheriff units across the state
- The New Mexico Crime Victims Reparations Commission.

Those testifying shared stories of officers assaulted or worse, shot, in the line of duty; said attacks on officers have significantly increased in the last two years; and emphasized HB 104 puts law enforcement officers on even ground with other crime victims, requires the courts to listen to officers who have been victims, and shows current and prospective officers the state “has their back like they have ours every day.”

The bill is now headed to House Judiciary, and we’ll be there.

FENTANYL TRAFFICKERS GET A PASS FOR NOW



The House Consumer and Public Affairs Committee also voted 3-2 this morning to table House Bill 107, Trafficking a Controlled Substance that Results in Death. The bill is sponsored by Reps. Andrea Reeb (R-Chaves, Curry & Roosevelt), Nicole Chavez (R-Bernalillo), Luis M. Terrazas (R-Catron, Grant & Hidalgo), Gabriel Ramos (R-Grant, Hidalgo & Luna) and Elaine Sena Cortez (R-Lea).

J.D. Bullington again testified in strong support for the Greater Albuquerque Chamber of Commerce:

“The illegal sale and use of fentanyl has rained down death on our state, and when it comes to trafficking fentanyl, it is past time to have the consequences match the crime.

“According to the CDC, New Mexico ranks among the top five states in overdose deaths - taking the lives of close to 1,000 people per year and boosting suicide rates. According to local DEA officials, fentanyl is the number one cause of drug overdose in Albuquerque. Fake pills, disguised to look like the real thing, often contain lethal doses of this dangerous drug.

“We need to attack the fentanyl traffickers from every angle we can. You may hear testimony that enhanced penalties don't work to deter crime. Here's what we think. If we arrest and convict only a few organized crime leaders and punish them severely, the word's going to get out that New Mexico is a bad place to peddle fentanyl, which is killing so many of our citizens.

“It’s time to stand up for New Mexicans being victimized by the trafficking of fentanyl. We thank the sponsors for bringing this bill, and we urge you to pass it. Thank you.”

Rep. Chavez shared she lost a nephew to a fentanyl overdose two years ago and said it is too often mixed into other drugs without the user knowing.

Also in support of HB 107 were:

- District Attorney Thomas Clayton of the Fourth Judicial District, who also spoke for District Attorney Marcos Montoya for the Eighth Judicial District. He said drug trafficking is a business, and there is a stark difference between users and traffickers. He shared his godson died of an overdose and so this “is personal.” And he said that they support increasing treatment options, “but we cannot allow people to traffic narcotics in our communities.”
- A mother who lost her son to an overdose and emphasized traffickers make money off “selling poison to our children.”
- Another mother who lost her 16-year-old son to a fentanyl overdose and said hours went by without 911 being called by those who provided the drug.
- New Mexico State Police Chief Troy Weisler, who shared he was on the Governor’s Overdose Council and that he fully supports the efforts at prevention and education to deal with the current drug crisis, but “we need to do more on the enforcement side.” He emphasized the reality is individuals with a pill or two do not face harsh consequences (a concern of some committee members) and the same traffickers are responsible for multiple deaths every year.
- Deputy Chief Ben Valdez of the Santa Fe Police Department, who said it’s important to look at the damage these traffickers are doing to the community and to punish those who are causing the most harm.
- Las Cruces Police Chief Jeremy Story, who shared that “fentanyl is on another level” than other narcotics, the big picture is overdose deaths are way up with it compared to heroin and other drugs, and it is at the root of many other crimes.
- Portales Chief of Police Christopher Williams, also vice president of the New Mexico Police Officers Association, who said fentanyl “is the most lethal thing we have ever seen

out there." He added his department can't keep enough Narcan on hand as the drug is coming in by the truckload and likened it to the COVID pandemic.
- Carla Sonntag of the New Mexico Business Coalition, who said the drug is ravaging the community.

The ACLU, New Mexico Public Defender Ben Bauer, family members of defendants and individuals in recovery from drug addiction testified against the bill, saying harsher sentences are not the answer to the drug problem, that stronger penalties will cause people to not seek help out of fear of prosecution, and that this is a public health issue that requires a public health response.

Rep. Stefani Lord (R-Bernalillo & Torrance) pointed out the federal trafficking penalties are much harsher than those proposed in HB 107. Rep. Elizabeth "Liz" Thomson (D-Bernalillo) voiced the concern users who are selling to support their own habit could be harshly prosecuted and so she could not support it.

HB 107 is now in a state of limbo; we'll let you know if it is amended and revived this session.

VIOLENT JUVENILE OFFENDERS GET A PASS AS WELL



Members of the House Consumer and Public Affairs Committee agreed to roll House Bill 134, Delinquency Act Changes, sponsored by Reps. Andrea Reeb (R-Chaves, Curry & Roosevelt), Nicole Chavez (R-Bernalillo), Art De La Cruz (D-Bernalillo) and Cynthia Borrego (D-Bernalillo), to give the sponsor time to address concerns via amendments.

J.D. Bullington spoke for the Greater Albuquerque Chamber of Commerce in support of HB 134, telling committee members:

"Reform of the juvenile justice system is much needed and long overdue. HB 134 is a big step in the right direction.

"The bill seeks to ensure that serious juvenile offenders face appropriate consequences while enhancing public safety through strengthened sentencing guidelines, closing legal loopholes, and equipping law enforcement with better tools for handling repeat offenders. According to the state Health Department, the state has one of the highest youth homicide rates in the United States, consistently exceeding the national average. Homicide ranks as the second leading cause of death among youth aged 15–24 in New Mexico, with firearms involved in 79% of cases. Additionally, New Mexico's youth suicide rate remains significantly higher than the national average.

"As District Attorney Sam Bregman has said in media interviews, 'The juvenile criminal justice system in New Mexico is broken.' He pointed out that currently, only 61 juveniles are detained despite there being 319 cases involving youth and handguns and 20 murder indictments over the past 18 months. Bregman highlighted an example where 'a 15-year-old could be driving around with his friends in a stolen car with 10 fentanyl pills and an AR-15 and likely wouldn't spend a single night' in detention.

Truly, the system is broken. With rising juvenile violence, we have to do better for the safety of our communities and the well-being of the youthful offenders themselves. Please vote yes on HB 134."

The Chamber was joined in support by:

- New Mexico State Police Chief Troy Weisler, who said the current juvenile code is failing the juveniles of our state and is “not addressing behavior until their lives are irrevocably shattered.”
- Portales Chief of Police Christopher Williams, who is also vice president of the New Mexico Police Officers Association, who recounted in his small community of 15,000 a teen severely beat a man, then was released only to supply a firearm to another juvenile who killed someone. “Violent juvenile crime out of control.”
- Deputy Chief Ben Valdez of the Santa Fe Police Department, who said it is essential to look at the level “of the violence these offenders are committing.”
- Las Cruces Police Chief Jeremy Story, who said the crimes his officers are dealing with today are far worse than what he saw when he was on the gang unit - drive-by shootings, attempted murder, aggravated assault – and there is no accountability. He shared that calls from juvenile detention are monitored, and they routinely hear defendants saying the system “is a joke” and they know their charges will be dismissed, there will be no consequences, or they will play the system to be found incompetent. “We have to have accountability, especially for very serious violent crimes.”
- The 10th Judicial District Attorney’s Office, the New Mexico Federation of Labor AFL-CIO, AFSCME, relatives of victims of violent crime and Albuquerque High School students who testified “we don’t feel safe. We go to school in fear of what could happen ... because people are not being held accountable” and there are no repercussions before you turn 18. “I constantly have to look over my shoulder – a kid might have a gun. … I might die, or my friends might be seriously injured. I know those individuals will never have repercussions, and they know they can get away with it.”

Numerous critics testified that the charges in HB 134 are too harsh for juvenile offenders.

Reeb said she appreciated all the feedback as the sponsors work to adjust the bill so it is more acceptable to all sides.

Rep. Stefani Lord (R-Bernalillo & Torrance) commented that what the state is doing now is not working as New Mexico has the highest rate of juvenile crime in the nation, and while treatment and diversion need to be increased with all the revenue coming in, we need to address “the worst of the worst” serious violent offenders.

Rep. John Block (R-Otero) said he was sick of our state being so lackadaisical about violent crime that victims are left running into their attackers at the grocery store or gas station, and it’s time to address the issue and reduce the recidivism rate. He said his “yes” vote would be the easiest of the day.

Reeb asked that her bill be rolled so all concerns can be heard, and it can be brought back with amendments. We’ll keep you informed on what happens with it.

MAKING FENTANYL EXPOSURE CHILD ABUSE TABLED



Finally, the House Consumer and Public Affairs Committee voted 3-2 to table House Bill 136, Exposure to Fentanyl as Child Abuse, sponsored by Reps. Andrea Reeb (R-Chaves, Curry & Roosevelt), Nicole Chavez (R-Bernalillo), Luis M. Terrazas (R-Catron, Grant & Hidalgo), Gabriel Ramos (R-Grant, Hidalgo & Luna) and Rebecca Dow (R- Doña Ana, Sierra & Socorro).

The Chamber stands in strong support to HB 136, and J.D. Bullington testified that:

“As we all know, fentanyl is an opioid that is prescribed as a pain reliever, but when a child accidentally ingests it (in its pill, powder or lozenge form) or is exposed to it (in its patch form),it slows and can eventually stop their breathing. But, here's the really shocking part: the smallest adult dose is enough to kill a child. Sometimes fentanyl pills look like candy to a child. Sometimes they pick up a fentanyl patch and stick it on themselves.

“Parents have the responsibility to protect their children from harm. To allow a child access to a substance that can kill them is at least child abuse if not worse. As the use of fentanyl has increased, so have the incidences of child poisoning via this awful drug. HB 136 may not solve the problem entirely, but it does hold accountable negligent adults. Please vote yes on HB 136.”

Joining the Chamber in support were New Mexico State Police Chief Troy Weisler; Las Cruces Police Chief Jeremy Story, who shared his department recently dealt with a 1-month-old who died from fentanyl exposure; Santa Fe Police Department Deputy Chief Ben Valdez; Maralyn Beck, founder and executive director of the New Mexico Child First Network; Carla Sonntag, founder and president of the New Mexico Business Coalition; and a mother who lost her son to a fentanyl overdose, who explained her son’s noncustodial father exposed him to and normalized the drug.

Reeb explained all that HB 136 does to the criminal code is add the word “fentanyl” and the addition has been endorsed by the Courts Corrections and Justice Committee. She added that fentanyl overdoses have increased dramatically, with 94% of pediatric overdose deaths in 2021 caused by fentanyl.

The calls to protect New Mexico’s children from exposure to fentanyl smoke, pills and patches failed to convince the majority, who expressed concerns about individuals with legal prescriptions, breastfeeding mothers and other fentanyl users being charged. Reeb and her expert witness from the Second Judicial District Attorney’s Office explained a jury would still have to be convinced the adult exposed the child, to no avail.

CAR THEFTS AND SCHOOL THREATS BILLS HELD FOR INCLUSION IN OMNIBUS CRIME PACKAGE



Rep. Joy Garrett (D-Albuquerque) says a fourth-grader in her district asked her last summer to do something about school shootings. “We’re afraid to go to school,” the 10-year-old told her. That’s why Garret introduced House Bill 31, Fourth-Degree Felony for Shooting Threat.

Her bill, along with House Bill 50, Penalties for Vehicle Thefts, were both heard in the House Judiciary Committee this morning. Both bills were held and not voted on so they could be included in a larger, comprehensive crime package.

HB 50 aims squarely at punishing repeat offenders by increasing penalties for multiple offenses. Enrique C. Knell testified on both bills before Judiciary members:

“Some say that increased penalties don't deter crime, rather it’s the swiftness of arrest and certainty of conviction. We agree that those two factors are very important,” Knell said about the stolen cars bill. “We don't agree that increased penalties don't work, especially for repeat offenders. The word will get out that if you get caught stealing cars, you're going to jail for quite some time.”

Law enforcement supporters of the bill pointed out that auto theft isn’t solely a “property” crime. Police officers say stolen vehicles are often used as vessels to commit violence crimes across our state. Additionally, cops know that they face a greater risk of an armed confrontation when pulling over a stolen vehicle.

HB 31 would increase the crime of making a shooting threat to a fourth-degree felony, the same as making a bomb threat.

Knell had this to say to committee members about that proposal:

"Nothing is more terrifying to a student, especially our youngest and most vulnerable. Making a threat is a very real form of violence and intimidation that can leave lasting emotional scars. For those that commit such crimes, a slap-on-the-wrist misdemeanor is not nearly enough of a consequence for perpetrating violence."

Several schools across New Mexico dealt with school threats last year. Those threats disrupt education, drain law enforcement resources, and leave lasting impressions on students and education professionals. We will keep you posted on the progress of both proposals and the expansive crime package lawmakers are assembling.

SIGNING OFF FROM SANTA FE



It was good to see some more progress on crime-fighting legislation, though, for the life of us we can't understand not including exposure to fentanyl as a form of child abuse. Mind-boggling. As we've been pointing out, legislation dealing with reduction of greenhouse gas emissions is very troubling. We see it as economy busters that will permeate every aspect of our lives - as time marches on and unrealistic goals aren't met, look for government mandates. Happy thought. What is happy is that we can all look forward to a good Super Bowl tomorrow. Relax and enjoy. We'll be back with you on Monday.

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GREATER ALBUQUERQUE CHAMBER OF COMMERCE

Legislative RoundUp

2025 Regular Session | Monday, February 10, 2025

57th Legislature | Day Twenty

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

CHAMBER ASKS BERNALILLO COUNTY COMMISSION TO REJECT IRB WAGE BILL

On Tuesday, the Bernalillo County Commission is scheduled to consider a resolution in support of House Bill 6, which would impose prevailing wages on Industrial Revenue Bond projects, raising the cost of IRBs and potentially diverting developer interests to other states. Here's the letter sent by Del Esparza, Chairman of the Board, and Terri Cole, President and CEO, of the Greater Albuquerque Chamber of Commerce:

GREATER ALBUQUERQUE CHAMBER OF COMMERCE

February 10, 2025

Subject: GACC's opposition to House Bill 6, Prevailing Wage and IRBs

Dear Bernalillo County Commissioners,

We're reaching out because the Greater Albuquerque Chamber of Commerce has grave concerns about House Bill 6 that's been introduced in the New Mexico Legislature, and it is on your meeting agenda this Tuesday.

The Chamber opposes HB 6 because it will make New Mexico less competitive in attracting private investment for industrial development. States around us don't impose prevailing wage rates on privately funded industrial revenue bonds. That's because they understand developers are consumers like the rest of us - if they can get the same thing for a lower cost, they'll shop there instead of here.

We all know that New Mexico already has trouble attracting capital, so we shouldn't make the problem worse. We also know that raising the price of anything generally results in getting less of that thing - it's among the basic laws of economics. Increasing the cost of industrial revenue bonds will not defy that basic law. These are the bottom-line reasons economic development organization, contractors, commercial real estate developers and private developers have all spoken out against the bill.

The more private-sector money we can attract for infrastructure development, the less public money is needed. And that stretches the amount of money available from the public sector, money from your budget.

While perhaps well intended, we believe that HB 6 violates another immutable law: the law of unintended consequences. We ask for you to vote no.

Thank you,
Sincerely,

Del Esparza
Chairman of the Board
Greater Albuquerque Chamber of Commerce

Terri Cole
President and CEO
Greater Albuquerque Chamber of Commerce

400 Tijeras Ave. NW, Ste. 100 Albuquerque, NM 87102 | (505) 764-3700 | greaterABQ.com

MEDICAID FOR EVERYONE? HERE COMES A POTENTIAL STATE BUDGET-BUSTER



The House Health and Human Services Committee gave a thumbs up today to House Bill 186 that would virtually allow every New Mexican to enroll in Medicaid (not Medicare) health insurance. The vote was 6-3, D's in favor, R's opposed. The bill now moves to the House Appropriations and Finance Committee.

Terri Cole, President and CEO of the Greater Albuquerque Chamber of Commerce, testified in opposition:

"We all know that the biggest share of the general fund goes to public education - nearly half. But, have we focused on the fact the second-largest piece of the budget is the current Medicaid program? It's grown astronomically, largely due to Medicaid expansion - from $5.6 billion in fiscal year '17 to $12.3 billion projected in fiscal year '26. And, now we want to extend Medicaid to virtually everyone? That promises to be the budget-buster of all time.

"First, we really have no idea about how the program will be structured and what the premium payments will be, so it's hard to get a handle on the actual budget impact. Second, the current mood in Congress is to reduce Medicaid support from the federal government, not increase it. So we can't necessarily count on the largess of the federal Treasury.

"Finally, Medicaid Forward could do irreparable harm to the private insurance market. Why should we care about that? Because private insurance reimburses health practitioners and hospitals at higher rates - which is key in attracting practitioners and investments in hospitals. The Legislature has been struggling to increase Medicaid reimbursement rates - a big factor in increasing budget costs - we shouldn't be discouraging private insurance. In fact, we should be doing the opposite in order to lessen the strain on the budget. Union-negotiated health care and other employer-provided plans could be in jeopardy if the private insurance market evaporates. HB 186 is a giant leap into budget uncertainty that could undermine the state's fiscal health. We urge a 'no' vote."

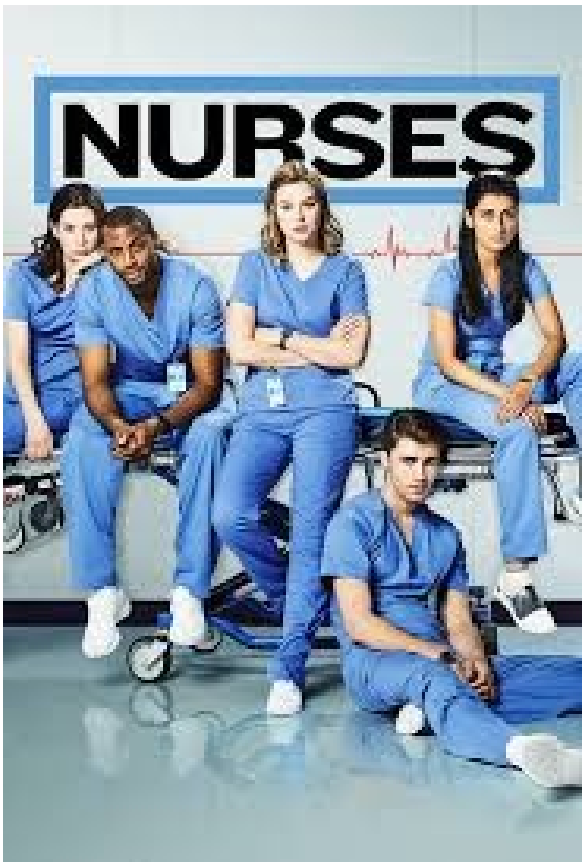
The Medicaid Forward Plan, as it's known, is designed to charge premiums on a sliding scale based on income, with premiums being capped at 5% of household income. So, what happens if the premiums don't cover the cost of care? What happens if the federal government significantly cuts Medicaid funding after New Mexico has gone down this path? Either the general fund will have to bail out the deficit or some kind of payroll tax will have to be imposed on employers. It's a potential budget-buster for sure.

Also, opening Medicaid to everyone likely spells doom for the New Mexico Be Well Program (our version of Obama Care or the Affordable Care Act). A study performed for the Legislature suggests that 56,000 out of 70,000 Be Well participants will move to Medicaid Forward, likely resulting in unaffordable premiums for Be Well participants and leading to the implosion of this program.

This is why America's Health Insurance Plans Association, Blue Cross/Blue Shield, the New Mexico Chamber of Commerce and the New Mexico Cancer Center also stood in opposition. Supporters argue that 10 years after Obamacare, there are still 200,000 people uninsured and it's a matter of affordability. Sure, we all want to see families have access to quality medical care. But the cure here seems worse than the disease. If the heart of the problem is the 200,000 uninsured, then why not increase financial support to make the Be Well program more affordable? This would be targeted and much less likely to become a budget buster. Also, it's likely that there are a significant number of people that won't accept insurance no matter what.

We also note that if this measure were to become law, Medicaid recipients would be getting better benefits than Medicare recipients, even though Medicare recipients paid into the Medicare fund all their working lives. This seems very inequitable. And, Medicaid wasn't designed to be, nor should it be stretched to be, health care for all. It's a program designed to cover low-income families. This is why it is very questionable whether the federal government, especially with the current attitude toward spending, would grant a waiver to New Mexico. There's simply too many rocks beneath the water to make for safe sailing.

WHEN YOU WISH UPON A BILL, THEN DO ALL OF YOUR DREAMS COME TRUE?



If House Bill 138, which seeks to mandate nurse and other health care professional staffing ratios in hospitals, passes into law, we're about to find out. The House Health and Human Services Committee gave Rep. Kathleen Cates' (D-Bernalillo) bill a do-pass on a 6-3 partisan vote, D's in favor, R's opposed. The measure now moves to the House Judiciary Committee.

We're all in sympathy with how hard our bedside nurses have to work due to staffing shortages. According to the Fiscal Impact Report, however, the state faces a huge nursing shortage. Chamber President and CEO Terri Cole's testimony nails the problem on its head:

"The Chamber stands opposed to HB 138. There's an old Scottish proverb dating from the 1600s that says if wishes were horses, then beggars would ride. HB 138, in our opinion, has a lot of wishes that we all wish could come true - more skilled health care professionals. But trying to mandate hospitals to hire that which doesn't exist won't get us there.

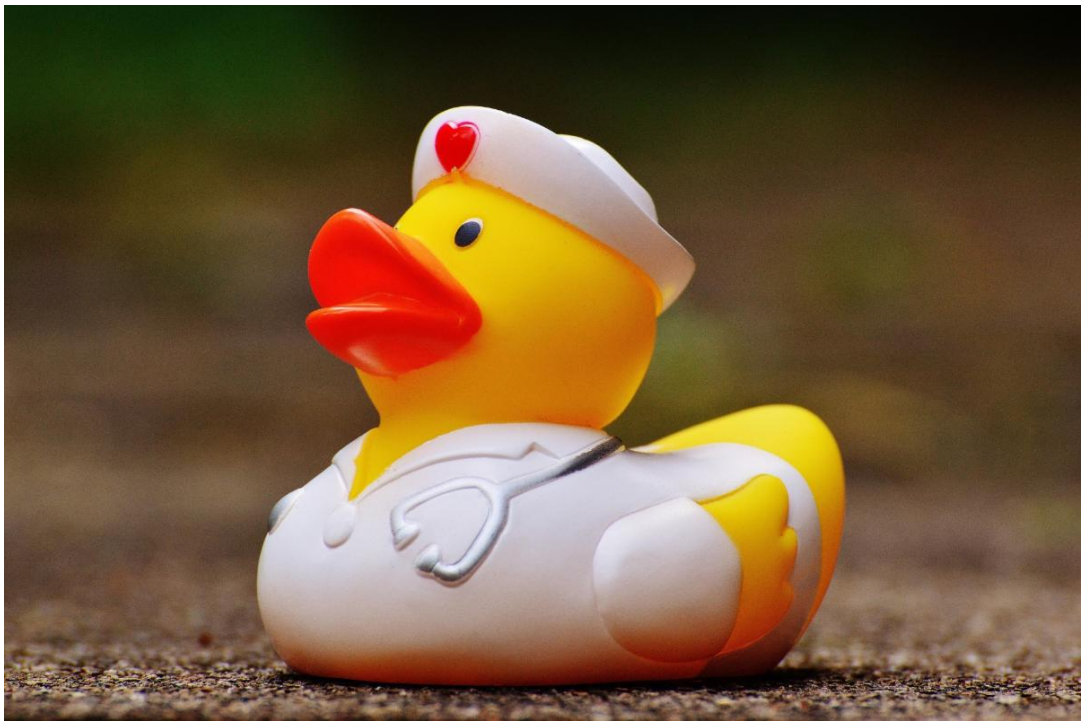
"As the FIR points out, 'an additional 5,353 registered nurses would be needed for all New Mexico counties to meet the national benchmark.' That's a gigantic gap to be closed. Getting there involves building the workforce pipeline that can improve staffing ratios. The Legislature in many ways is on the right track - increasing Medicaid provider reimbursement rates, providing tax and educational loan incentives, and joining compacts to attract professionals to our state are examples, and the Chamber continues to support these actions. A punitive approach of government mandates isn't the solution. We need positive, proactive steps to build the workforce and to retain the professionals we have here now. We urge a 'no' vote on HB 138."

Joining in opposition were several representatives of health care providers and hospitals. They pointed out that the unintended consequences of passage of this bill is actually less, not more, hospital beds available. Why? With the staffing shortages, the only way to meet staffing ratios is to limit the number of admissions and, therefore, the number of beds available. As the representative of a Las Cruces hospital pointed out, this forces sending patients to El Paso,

Tucson or Albuquerque, separating them from their families. What's needed is flexibility and building up the workforce pipeline, not imposing inflexible and unrealistic requirements.

In support of the measure were nurses and labor unions. The stories told by nurses are truly heart-rendering. We sympathize deeply with them. We just believe the better path is other approaches identified in Terri's testimony. We, too, want to improve patient care and safety, along with those of our providers. This bill just doesn't help get us there.

MISGUIDED NURSE-PATIENT RATIOS ROLLED



The final bill the Chamber followed in House Judiciary this afternoon was House Bill 72, sponsored by Reps. Eleanor Chávez and Elizabeth "Liz" Thomson (both D-Bernalillo), Rep. Joanne J. Ferrary (D-Doña Ana) and Majority Floor Leader Rep. Reena Szczepanski (D-Santa Fe) and Sen. Katy M. Duhigg (D-Bernalillo). D'Val Westphal, executive vice president of policy and programs with the Greater Albuquerque Chamber of Commerce, testified in strong opposition, telling the committee:

"While the Chamber appreciates the goals behind HB 72, striving to prevent nurse burnout and deliver higher quality care, the reality in our state, as in states throughout the nation, is a severe nursing shortage. According to testimony we've heard this session, thousands are needed. And the number one consequence of this legislation will be less care for more New Mexicans.

"What is a hospital to do when there are more patients than nurses in the ratio prescribed in HB 72? Turn them away? That's not allowed in emergency cases. Our hospitals should not have predetermined cut-offs for how many patients can be served. And expecting hospitals to be able to quickly hire more nurses – or any medical professionals - is not realistic. It's why we are seeing numerous bills this session, bills the Chamber supports, to join multi-state compacts so we can shore up our provider ranks.

"HB 72 also adds a new responsibility onto the Health Care Authority that is better managed at the hospital level. Our hospital directors of nursing are much better equipped to determine appropriate staffing for any given unit or facility as they know firsthand the many variables that go into providing nursing care: patient complexity and needs; the experience, education, qualifications, skills and competency of available staff; shift-to-shift variables; and patient turnover.

"For New Mexico's patients, mandating staffing ratios when you are facing a staffing crisis is the wrong move at the exactly wrong time. And turning staffing decisions over to someone miles away, or embracing a one-size-fits-all approach, disregards the complexity of these decisions.

"We respectfully ask you to vote against HB 72."

Also testifying in opposition were the New Mexico Hospital Association, University of New Mexico Hospital's chief nursing officer, Encompass Health Rehabilitation Hospital in Albuquerque and Three Crosses Regional Hospital in Las Cruces. They cited the nursing shortage and the lack of

flexibility the bill provides for those working in New Mexico's hospitals.

Those in support – nurses, an attorney who represents injured patients, a medical student and patients - said the bill would make nursing in New Mexico a more attractive career, thus increases the number in the profession, and increase safety for patients.

HB 72 was amended to clarify nurses will be on the committee that determines staffing and that each hospital will submit an annual report to the nursing advisory committee.

After committee debate, the bill was rolled to allow the sponsors to sort out issues.

We'll let you know if and when HB 72 returns.

HOSPITAL ACQUISITION - CURSE OR BLESSING?



Senate Bill 14, sponsored by Sen. Katie Duhigg (D-Bernalillo), seeks to require certain hospital acquisitions to receive regulatory approval from the Office of the Superintendent of Insurance (OSI) before the transaction can proceed. OSI can disapprove of a potential acquisition. There is a committee substitute that will potentially narrow the scope of the bill. Consequently, the bill was rolled over until Wednesday to give the committee and the public time to review the substitute.

J. D. Bullington testified in opposition to the measure on behalf of the Chamber:

"We are opposed to SB 14 because we're concerned that the bill will have exactly the opposite effect as intended. Why do we say that? Our hospitals, especially our rural hospitals, are often cash-starved because of the high percentage of patients not covered by private insurance. The only solution to their problems may be acquisition by an entity that can bring cash to the table. It's that or potential bankruptcy.

"SB 14 could potentially block or delay acquisitions that bring solutions, not problems. Our rural hospitals are the backbone of health care delivery in our smaller communities. We can't afford to put them at financial risk. We need them to be financially healthy in order to compete for medical professionals. We understand that SB 14 seeks to help, not hurt. Unfortunately, we don't see that as the case and respectfully ask you to vote 'no.' "

Also expressing opposition were the New Mexico Chamber of Commerce, Presbyterian HealthCare System, New Mexico Hospital Association, New Mexico Medical Society, the Greater Albuquerque Medical Association and Nurse Practitioners and the New Mexico Association for Home and Hospice Care. The New Mexico Chamber observed that the OSI is not the proper agency to regulate as they lack expertise in antitrust law but rather an independent agency with the right composition and expertise should be created instead. Presbyterian pointed out there are no guardrails on excessive regulation or for excessive regulatory delays. The Hospital Association voiced considerable concern over protection of confidential and trade-secret information. There generally is confusion about who's regulated and who's not.

Proponents, including the ACLU and trial lawyers, assert that New Mexico has one of the highest rates of private equity acquisitions, which they say reduces patient care and raises costs. In short, they believe that profits are placed over patient care, noting that the acquisitions are changing the face of healthcare delivery, resulting in its "corporatization." There's a lot to sort out in this complicated proposal. We'll look forward to diving into the committee substitute and will give you an update following Wednesday's hearing.

WATER QUALITY BILLS BACK ON WEDNESDAY



The Senate Judiciary Committee delayed action on two far-reaching water quality regulatory bills until Wednesday, given that both Senate Bill 21 and Senate Bill 22, sponsored by Senate Majority Leader Peter Wirth (D-Santa Fe) have committee substitutes to be considered.

The Chamber has been opposed to both, but we have yet to see and review the substitutes. SB 21 seeks to take over surface water regulation from the federal EPA because of a 2022 Supreme Court decision that restricts the waters of the United States that the EPA can control. SB 22 seeks to impose many new rules and regulations on regulation of water reuse, surface water permits and permit enforcement.

The economic effect on our oil and gas industry could be significant. We'll dive into the committee substitutes and be ready to testify on Wednesday. Of course, we'll keep you posted.

BILLS MIGHT BE HEADED TO CRIME PACKAGE

This afternoon, the House Judiciary took up two essential reforms in New Mexico's public safety laws. After public comment and committee discussion on each, votes were not taken on either bill; instead, Chairwoman Christine Chander (D-Los Alamos, Sandoval & Santa Fe) said HB 16 would likely be included in the omnibus crime package, and it's uncertain if HB 106 will be included in the crime package. Time will tell on that one.

PENALTY ENHANCEMENTS TO FENTANYL TRAFFICKING



The Chamber was in House Judiciary to testify once again in strong support of House Bill 16, Increasing Fentanyl Trafficking Penalties, sponsored by Reps. Charlotte Little and Cynthia Borrego, both (D-Bernalillo).

Little opened the discussion by saying, "every day is Survivors' Day for families of opioid overdoses."

D'Val Westphal, executive vice president of policy and programs with the Greater Albuquerque Chamber of Commerce, told committee members:

"It's no secret that fentanyl is a major threat to the lives of New Mexicans. The good news is that,

according to the New Mexico Department of Health's recent report, overdose deaths have declined slightly from the peak of 1,029 in 2021 to 948 in 2023, the latest data available. "The bad news is that's still almost 1,000 people. Mexican cartels are importing and peddling this dangerous drug nationwide. It often comes in the form of fake pills, laced with other dangerous drugs. We must do everything we can to stop the drug trade and punish those that are literally purveying death. HB 16 establishes enhanced penalties for those trafficking, not consuming, large quantities of fentanyl - from 3 to 5 years depending on the amount after findings of fact by a jury or a judge.

"This bill is targeted at those trafficking the drug, not the victims. That's exactly the right approach. We urge a yes vote on HB 16."

Speaking up in support of the bill were New Mexico State Police Chief Troy Weisler, who said he has seen the same traffickers arrested over and over again with no consequences; Carla Sonntag of Better Together New Mexico, who expressed grave concern over fentanyl use and deaths by people not even intending to use the drug and said the state needs to take a stand against it. And Stephen Sisneros, who lost his brother in 2014 to a fentanyl overdose and said the state should look and lowering the amounts in the bill because just "two milligrams is considered a deadly dose by the DEA."

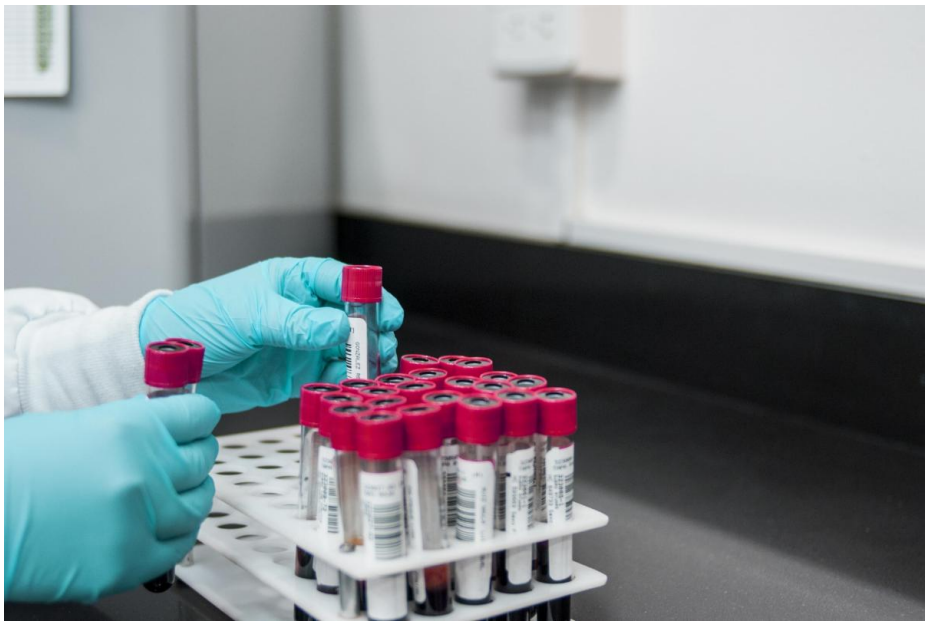
As written, the bill targets true dealers, not someone giving a pill to a friend or addicts selling a few to feed their own habit – you must have 100–500 pills for the three-year enhancement, or more than 500 pills for the five-year enhancement. Little and her expert witness also pointed out these are not mandatory sentences but enhancements that can be added on to a sentence.

The lone opposing voice in public comment came from the ACLU of New Mexico, which voiced concern the bill embraces a tough-on-crime policy that doesn't work and will lead to prison overcrowding and recidivism.

Speaker Javier Martinez, an attorney, said HB 106 "really goes to the heart of the problem," that this is a "terrible industry, and it is pretty scary," and while the legislation "is not perfect … it's certainly an important step in the right direction."

Chandler announced HB 16 will be rolled over for consideration into House Bill 8, which will be the vehicle for the omnibus crime bill and could be heard in House Judiciary on Wednesday.

BLOOD TESTS FOR ALL SUSPECTED IMPAIRED DRIVERS



The second crime bill up for consideration in House Judiciary today was House Bill 106, DWI Blood Testing, sponsored by career prosecutor Rep. Andrea Reeb (R- Chaves, Curry & Roosevelt). It was amended last week to remove references to cannabis amid concerns the testing for intoxicated driving regarding that drug isn't quite ready for prime time.

The Chamber supported HB 106 in its first iteration and its second. The Chamber's EVP D'Val Westphal testified:

"We greatly appreciate the sponsor's hard work in listening to all those who support and have concerns about this bill, and we commend her for crafting a compromise that gives law enforcement and prosecutors the tool they need to better target drugged driving in our state.

“Whether it’s beer, hard liquor, a prescription drug or illegal narcotic, these substances can impair the safe operation of a vehicle and lead to injury or death, and all should be treated as such. Providing the ability for a blood test after a valid arrest for controlled substances like methamphetamine, cocaine, opioids, fentanyl - all the harder drugs for which there is reliable testing – will help law enforcement and prosecutors make our streets safer.

“Currently drivers can refuse a blood test if there has not been an accident causing great bodily harm or death, or if they don’t have three prior DWI convictions. HB 106 will give officers the tools they need to deal with the various substances drivers could be under the influence of, and before drivers have had three bites at the apple.

“The primary standard for any DWI conviction in New Mexico is when the defendant is proven “impaired to the slightest degree.” And impaired is impaired, by it by beer, hard liquor, prescription drugs or illegal narcotics. A blood test is the best way to back up law enforcement’s observations of impairment. The Chamber respectfully asks you to vote 'yes' on HB 106.”

Joining the Chamber in support of HB 106 were New Mexico State Police Chief Troy Weisler, who said the state has a growing problem of DWI regarding drugs, and law enforcement needs the additional tool of a blood test to back up officer observations in order to get a conviction. He explained it is very difficult to get a conviction for drugged driving without it. The New Mexico District Attorney’s Association testified the organization has supported a version of HB 106 for 13 years, and it is much needed. And Better Together New Mexico said the state’s DWI laws are woefully out of date and the addition of drugs is necessary.

The sponsor and her expert witnesses shared that New Mexico is one of the few, if not the only, state that does not provide for a search warrant to get a blood test for misdemeanor DWI (the first three DWI charges an individual faces). They also laid out that officers are trained to differentiate between impaired driving and driving by someone who is elderly, tired, dealing with an injury or poor balance, etc., and that impairment is very clear.

The only opposition was voiced by the New Mexico Law Offices of the Public Defender, which said the current standard of a felony (a fourth DWI in New Mexico) is the appropriate time to get a warrant for an invasive blood test, and New Mexico should stick with that law.

Chander, who’s also an attorney, asked if the blood tests can be exculpatory and clear a driver, and Reeb and her expert witnesses answered with a resounding yes and that in such a case, the case is then dismissed. Chandler says in her view the bill simply provides the best evidence possible for all involved in a case.

As we said at the top of this article, time will tell if this bill gets included in the crime omnibus package or not. We’ll keep you posted!

ENERGY STORAGE BILL COULD BE OUT OF JUICE



The House Taxation and Revenue Committee heard House Bill 51 this morning, Energy Storage System Tax Credits, sponsored by Rep. Debra M. Sariñana (D-Bernalillo). Support for the bill on the committee was as dry as your cellphone battery at the end of the day. The biggest concern, expressed by several committee members, is that the tax credit benefited higher-income

taxpayers and provided no relief for low-income earners with no tax liability. The tax credit is meant to incentivize individuals to make an investment in energy storage.

Enrique C. Knell was there to support the bill on behalf of the Chamber, saying it “creates a cost-effective bridge for New Mexicans to make the financial leap into new energy options, as well as in shoring up the resilience of the electric grid.”

The bill was unanimously tabled. We don’t expect to see it again. But never say never up here!

SMALL-BUSINESS SATURDAY MIGHT STICK AROUND



Legislators were much more receptive to House Bill 179, which would extend the Small Business Saturday GRT exemption to 2030, avoiding a 2025 sunset. Small Business Saturday is the Saturday following Thanksgiving.

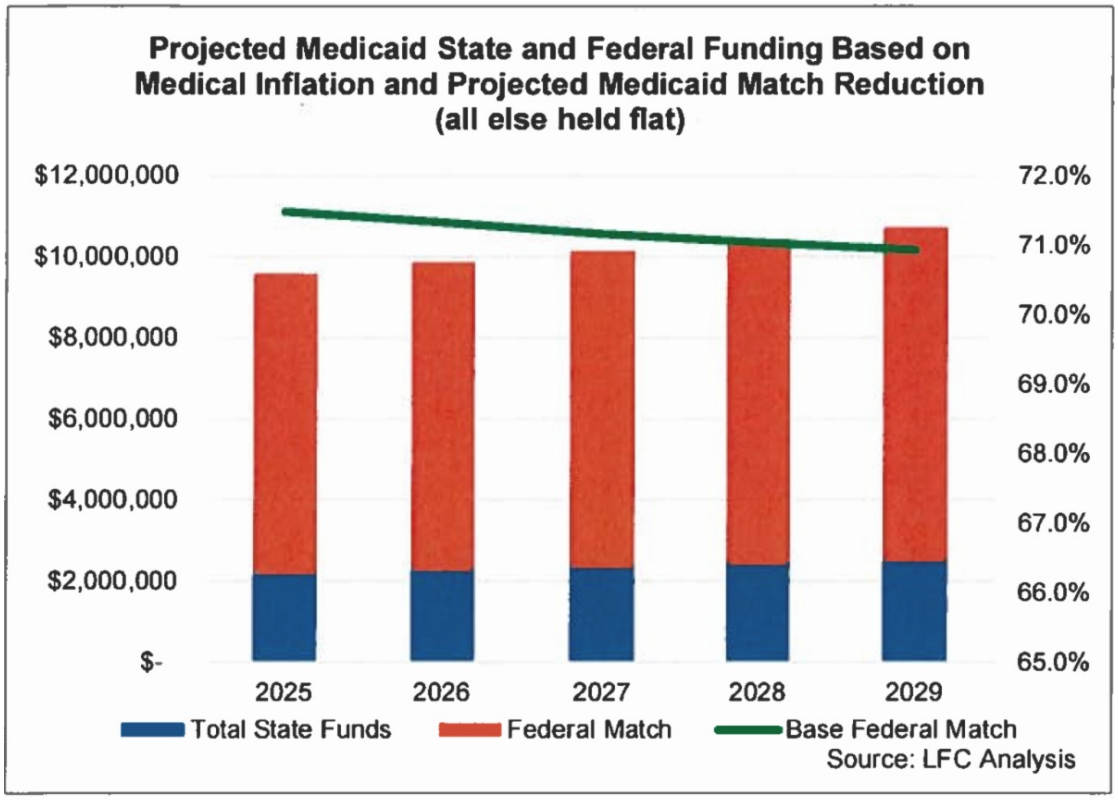
Enrique C. Knell again communicated the Chamber’s position, saying:

“Our overall goal for this session is to make New Mexico more competitive. The Small Business Saturday deduction helps us make local businesses more competitive during one of the busiest shopping weekends of the entire year. The tax holiday on gross-receipts tax is an effective tool for supporting our local small businesses. Encouraging people to buy local helps keep money in our community, supports small businesses and creates jobs."

Strong local businesses mean a stronger tax base overall for New Mexico. The exemption provides a nice little boost to small, locally owned companies, and we’re glad to see it extended. The bill, carried by Rep. Doreen Gallegos (D-Doña Ana), was tabled in the committee but is likely to be included in the larger tax package.

AROUND THE ROUNDHOUSE

Federal Medicaid Contributions



As Medicaid Forward is discussed, it's important to consider the impact of potential reductions in federal matching funds. A relatively small percentage reduction is hundreds of millions of dollars - dollars that the state budget could have to absorb on an ongoing basis. This is why we're concerned that the Medicaid Forward program could be a budget buster.

IN THE HOUSE



Rep. Harlan Vincet (R-Lincoln & Otero) honors law enforcement.

Rep. Randall T. Pettigrew (R-Lea) introduced House Memorial 19, which honors law enforcement and its members' impact with the community. Representatives spoke about their personal experiences, often with great emotion, and why they support the memorial. He was joined by many from both sides of the aisle.



House members recognized charter school students.

Representatives also marked New Mexico Public Charter School Day. New Mexico charter schools are coming up on their 25th anniversary. Speaker Javier Martínez (D-Bernalillo) spotlighted South Valley Academy because it's a school in his district that graduates 98% of each class, with 90% going to college. Among the schools recognized today were:

- Public Academy for Performing Arts
- Sun Mountain Community School
- Thrive
- Tierra Encantada
- South Valley Academy
- Gordon Bernell Charter School.



Rep. Andrea Reeb (Chaves, Curry & Roosevelt) applauds New Mexico cheese on the House floor.

Rep. Andrea Reeb (R- Chaves, Curry & Roosevelt) recognized the Southwest Cheese Plant as a cornerstone in the local economy. Reeb said Southwest Cheese Plant opened in 2006 and is key to dairy farmers in the state because it provides stable employment to thousands of New Mexicans.

SIGNING OFF FROM SANTA FE



Trying to fit the right pieces of the health care puzzle together is a complicated and delicate task. Everyone wants the same goal, but there's a widespread difference of opinion on how best to get there. This saga is far from over. Likewise with public safety measures. We're waiting anxiously for the omnibus crime package to emerge, apparently on Wednesday. And, just because we're the helpful sort, there's only three shopping days left until Valentine's Day. Thanks for joining us today, and until tomorrow we wish you a superb evening.

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

GREATER ALBUQUERQUE CHAMBER OF COMMERCE

Working to make our city and state a great place to start and grow a business and a safe, exciting place to work and raise a family.

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GREATER ALBUQUERQUE CHAMBER OF COMMERCE

Legislative RoundUp

2025 Regular Session | Monday, February 10, 2025

57th Legislature | Day Twenty-One

BREAKING NEWS
February 10, 2025

BREAKING NEWS: House Human Services Committee gives do pass recommendation to HB 186

Moments ago, the House Health and Human Services Committee gave a do pass recommendation to HB 186, known as the Medicare Forward Program. The vote was 6-4, D's in favor, R's opposed. In essence, the bill would allow nearly all New Mexicans to receive Medicaid health care coverage, a plan originally designed to help low income citizens. Terri Cole, President and CEO of the Greater Albuquerque Chamber of Commerce said, "This could be the budget buster of all time."

The estimated cost of this expansion is $1.2 billion, which, theoretically, might be covered by a sliding scale of premiums. Any deficits might have to be bailed out by the general fund or a payroll tax on employers. The bill lacks specifics on how all this might work and delegates a lot of authority to the Health Care Agency to figure out. Medicaid is already the second largest cost to the general fund behind only public education, consuming 30% of the budget. Stay tuned for more coverage in tonights Legislative Roundup

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GREATER ALBUQUERQUE CHAMBER OF COMMERCE

Legislative RoundUp

2025 Regular Session

Tuesday, February 11, 2025

57th Legislature

Day Twenty-One

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

LAWMAKERS DEBATE MORE OF THOSE (UNNECESSARY) OIL AND GAS REGS



The House Energy, Environment and Natural Resources Committee considered two bills today to slap more regulations on the goose that lays the golden egg. Both are sponsored by Committee Chair Matthew McQueen (D-Sandoval and Santa Fe). The first, House Bill 257, a measure to control well transfers, was rolled over at the sponsor's request in order to work out amendments that might remove some opposition. The second, House Bill 258, a bill to codify rules governing flaring and natural gas releases, was passed by the committee on a 7-4 partisan vote, D's in favor and R's opposed.

HB 257

HB 257 seeks to give the Oil Conservation Division (OCD) the authority to probe into the financial records of private companies to determine if they have the financial capacity to close wells at the

end of well life when the wells are being transferred from one set of owners to another. The goal is to reduce the number of abandoned and orphaned wells, which require the state to step in and complete closure. The OCD can place conditions on the transfer or block the transfer entirely.

Terri Cole, President and CEO of the Chamber, had this to say:

"We understand the legitimate interest the state has in minimizing the number of orphaned or abandoned wells that could potentially become a taxpayer burden. However, putting the state in the position of prejudging winners and losers is never a good idea. This bill would especially work a hardship on small, independent producers who extract the maximum value from wells that contribute significantly to state and local treasuries and provide hundreds of jobs. Also, the open-ended requirement for up-front financial assurance simply may hinder small operators from acquiring wells, thereby reducing production. We urge a "no" vote on HB 257."

Rep. Mark Murphy (R-Chaves), himself an independent oil producer, drilled down on this bill. One of Murphy's main concerns was authorizing the OCD to obtain confidential information that could become public through the Inspection of Public Records Act (IPRA). Ben Shelton, legal counsel for the New Mexico Energy and Minerals Department, of which OCD is a part, said there are exemptions from IPRA but that he'd have to research if those apply in this situation. Murphy also pointed out that producers pay a fee for abandoned well closures that goes into an OCD fund. According to Murphy, last year the fund was at a balance of $137 million and only $27 million was spent, leaving a current balance of $110 million. He questioned why this wasn't enough to take care of the abandoned and orphaned wells, all paid for by the industry, not state taxpayers.

Proponents argue that they're trying to head off more problems by stopping ownership transfer up front that are being proposed by "bad actors" or those lacking the financial resources to ensure subsequent well closing. They also said that much of the OCD fund for well closures has been diverted to the general fund. In other words, the producers aren't getting what they paid for. Supporters of the legislation include the Western Environmental Association, New Energy Economy, Earthcare, Environmental Defense Fund and the Center for. Biological Diversity.

Speaking on behalf of the New Mexico Oil and Gas Association and in opposition to HB 257 was Ashley Wagner. She emphasized that this bill sets a dangerous precedent, interjecting the state government into private property sales and transfers, allowing OCD to dictate to whom and under what circumstances transfers can be made. . This sentiment was reflected by other Oil and Gas producers, including the Independent Petroleum Producers Association and the Permian Basin Petroleum Producers Association. McQueen requested the bill be rolled over to address some of the opposition concerns.

HB 258

This bill proposes to codify existing OCD rules regarding flaring and releasing natural gas. However, it turns out it isn't quite that simple. Because of the language in the bill, several representatives, including Rep. Rod Montoya (R-San Juan) and Mark Murphy (R-Chaves) assert that pneumatic equipment would be prohibited, placing at least half of the operators in noncompliance immediately on the bill becoming law. Pneumatic equipment is needed because electricity is not available at many well sites, and running generators would contribute to increased air pollution. The sponsor does not believe the bill would terminate the use of such equipment and that the bill merely codifies existing rules. The committee gave the bill a "do-pass" recommendation on a straight partisan 7-4 vote, D's for, R's against.

Terri Cole had these observations:

"As we read the legislation, this bill codifies what's pretty much in OCD rules already. Chiseling those rules into statute reduces the ability to adapt to changing technology and operating conditions. The industry has been very successful at capturing natural gas, and we have every reason to believe that innovation will continue, as it improves profitability.

"This seems to us to be a solution in search of a problem and potentially puts a heavy regulatory thumb on the scales that should balance regulation versus innovation. Inflexible or excessive regulation can be job killers, to say the least. This bill's purpose appears to be more of a way to protect existing rules against the possibility of changes by a future administration than it does solving an obvious problem.

Support for the measure came from environmental organizations, while opposition came from the oil and gas industry and business organizations. According to the industry, 88% of operators have achieved the goal of a 98% level of gas capture. Venting and flaring have been reduced by 77% since 2018 even though production has increased. The bill heads to the House Judiciary Committee next.

STRATEGIC WATER ACT EKED ITS WAT TO NEXT STOP



Although nearly every member of the House Agriculture, Acequias and Water Resources Committee voiced serious concerns about portions of the amended House Bill 137, Strategic Water Supply Act, sponsored by Reps. Susan K. Herrera (D-Rio Arriba, Sandoval, Santa Fe & Taos) and George K. Muñoz (D-Cibola, McKinley & San Juan), it's on its way to the House Energy Committee. The bill is a priority of Gov. Michelle Lujan Grisham, who is seeking to establish a strategic water plan and fund.

Chamber President and CEO Terri Cole testified in opposition to HB 137 when it first appeared before the committee (it was rolled then as the sponsors worked to craft amendments to assuage opponents):

"The Chamber generally supports the goal of creating a strategic water supply in order to improve the state's drought resilience and for use in developing green energy. However, we're concerned about what the funding mechanism will be and that it will place a tax on our oil and gas production. Therefore, we reluctantly must oppose HB 137 at this time."

Joining the Chamber in opposition this morning were Acoma Pueblo, the Independent Petroleum Association of New Mexico, the New Mexico Oil and Gas Association, the Permian Basin Petroleum Association, Defend New Mexico Water, New Energy Economy, the Center for Biological Diversity and numerous others online. Concerns about the burden HB 137 will place on the oil and gas industry, if the tax is even constitutional, as well as the reliability of the science behind and the safety of produced water dominated the comments.

As we have written before, it's not every day that you see environmental advocates and businesses stand in opposition to the same bill.

To recap with the amended language, the funding to figure out how to use produced and brackish water for industrial purposes, thereby saving fresh water, would come from a new, now 3-cent-per-barrel tax, on produced water from the oil and gas industry. (Produced water rises to the surface as a result of drilling oil wells. About 60% of produced water is used for fracking wells, often with chemicals added.)

And while Herrera and her expert witness from the Governor's Office are correct, that "there's no snow on the mountains (and we need to work to) preserve every kind of water we can get," there's no equity in placing the financial burden solely on the backs of our oil and gas industry. There are questions about the release of toxic materials from produced water and the lack of scientific evidence that there is a feasible way to treat the water while still protecting groundwater and, more generally, the environment.

And there are the concerns, voiced by Rep. Randall Pettigrew (R-Lea), that no other state has assessed such a tax, and by Rep. Marian Matthews (D-Bernalillo), that enough progress can be made under this administration to justify the tax and the investment given that the next governor could scrap it. Pettigrew said he knows of one producer who will be hit with an $8 million tax bill

as a result of HB 137. The Permian Basin Petroleum Association testified the 3-cents-a barrel tax will rake in $82 million annually.

Despite the majority of committee members expressing the opinion HB 137 is “putting the cart before the horse,” it received a 5-4 “do-pass” vote along party lines, with Rep. Angelica Rubio (D-Doña Ana) joining Republicans because she said she can’t philosophically support produced water.

HB 137 has three committee assignments, a tough slog. Should it make it through House Energy, it will then head to House Appropriations and Finance.

TOURISM HELPS DRIVE N.M. ECONOMY

The New Mexico Tourism Department presented in the Senate Finance Committee today; the executive budget is recommending more than the Legislative Finance Committee, and the accompanying graphic breaks down where the differences are:



	Executive Recommendation	LFC Recommendation	Difference	Context
General Fund	$26,602,100	$25,943,900	-$658,200	LFC recommendation does not authorize 2 requested FTE's intended to support administrative and programmatic scale-up of TEGS program.
Special - national and international marketing	$16,000,000	$16,000,000	Even	
Special - Destination Forward Program	$1,900,000	$1,900,000	Even	
Special - Marketing Center of Excellence Bureau	$2,000,000	$0	-$2,000,000	LFC recommendation does not appropriate any funds for the statutorily-established Bureau to function.
Special - Beautification and litter eradication campaign	$2,000,000	$0	-$2,000,000	$1M of the LFC national/ international special appropriation earmarked for beautification campaign.
Special - Special Olympics	$300,000	$300,000	Even	

The executive budget includes around $600,000 more for Tourism in the coming fiscal year compared to LFC’s, with that funding focused on additional staff. The department has also established a Marketing Center of Excellence Bureau to streamline the state’s marketing across departments (the bureau is codified in statute) and is continuing with the governor’s anti-littering campaign as well.

The Chamber supports our state’s tourism economy, and President and CEO Terri Cole sent this letter to the committee members laying out exactly why, as well as which projects are top priorities:

GREATER ALBUQUERQUE
CHAMBER OF COMMERCE

February 11, 2025

Dear Senate Finance Committee members,

We at the Greater Albuquerque Chamber of Commerce love our city and our state, and we want more people to come and enjoy all that it has to offer.

We also understand that tourism is a key part of our state's economy – in 2023, 8% of all jobs and $11.6 billion in total business sales, according to the Tourism Economics study prepared for the state.

That is why we are supporting two key budget items this session for the New Mexico Tourism Department:

1. $16 million for national marketing to continue to get the word out about all that our Land of Enchantment has to offer visitors.

2. $2 million for beautification to help ensure we put our best foot forward to our guests.

As you weigh the many important priorities put forth to your committee, we ask that you remember the huge economic impact tourism has on our state. It's an investment that truly delivers.

Sincerely,

Terri L Cole

Terri Cole
President and CEO
Greater Albuquerque Chamber of Commerce

400 Tijeras Ave. NW, Ste. 100 Albuquerque, NM 87102 | (505) 764-3700 | greaterABQ.com

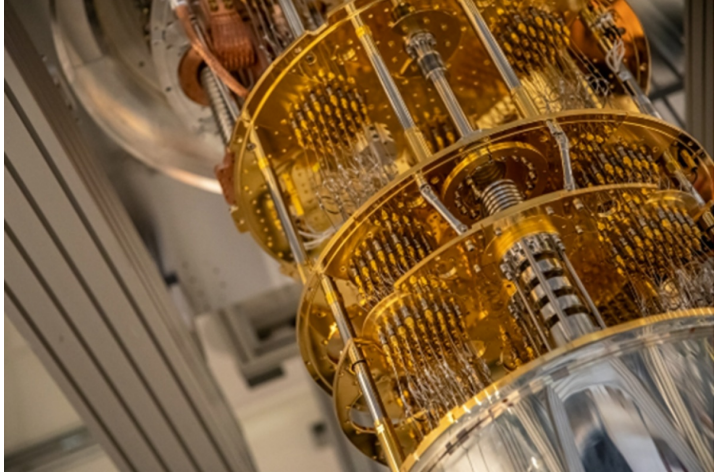
Acting Secretary Lancing Adams laid out that the vision of the department is to "be the primary destination for venturesome travelers" and the mission is to "grow New Mexico's economy through tourism." In response to Committee Chairman George Muñoz (D-Cibola, McKinley & San Juan)'s question of what attracts the most tourists, Lansing said that's still the Albuquerque International Balloon Fiesta, along with Santa Fe and Taos, but the Air Races coming to Roswell promise to bring in 50,000 visitors.

Adams also shared efforts to market New Mexico nationally and internationally, to promote the New Mexico True-certified line of products (now at 470 partners!), and to get editorial features in earned media, such as a recent magazine feature in Nat Geo.

The 2023 numbers have tourism bringing in $8.6 billion in direct visitor spending and $810 million to the tax base, supporting 93,200 jobs and delivering $11.6 billion in total economic impact.

As Cole said, tourism is an investment in New Mexico that really delivers. We'll be watching to see how the Tourism Department's budget – and many others – fare in the session.

N.M. COULD LEAD THE COMPUTER WAY



So what's this a picture of? Is it from the set of Star Wars? Maybe the insides of a missile guidance system? Good answers, but this is actually a peek at a quantum computer. A what? So here's the layman's explanation (that's as good as we can do). These are supercomputers not using semiconductors like today's computer but using tiny particles that can store and process information so fast that problems can be solved that lead to revolutionary discoveries. To give you an idea of how fast is fast, a conventional computer would take 720 trillion times the age of the universe to solve a problem that a quantum computer did in five minutes. Can you imagine the impact on mankind to have this kind of problem-solving capability?

Senate Bills 211 and 212, sponsored by Senate Majority Whip Michael Padilla (D-Bernalillo), would give tax breaks to keep New Mexico in a leadership position as this new technology, really a new economy, emerges. We missed the huge wave of the semiconductor revolution when Bill Gates moved to Seattle. We don't want to miss this one. The Senate Tax and Business Committee is holding these two bills for consideration in the overall tax package to be developed later in the session.

Specifically, SB 211 would, according to the FIR: provide for "the quantum facility infrastructure income tax credit for individuals and the quantum facility infrastructure corporate income tax credit for corporations —to encourage investment in quantum technology infrastructure. Taxpayers who invest at least $3 million in qualified expenditures, such as land, rent, buildings, and infrastructure for quantum facilities, can receive a tax credit worth 30% of their investment, up to $50 million per facility. The total lifetime statewide cap for these credits is $75 million, increasing to $150 million if New Mexico receives a National Science Foundation award for quantum technologies." Bottom line? This bill is about attracting capital investment.

J.D. Bullington had prepared testimony in support:

"Frankly speaking, trying to understand quantum physics and quantum computing is above my pay grade. What we do know is that New Mexico is well-positioned to be a national leader in this mind-boggling and exciting new frontier. Quantum computing could revolutionize computing capability that can lead to astonishing discoveries in, for example, cures for awful diseases like Alzheimers.

"This bill provides what really is a modest tax credit to help keep New Mexico as a leader of the pack. This leadership will contribute more than 10,000 new jobs and the education of as many as 30,000 workers. Already, the U.S. Department of Commerce has unlocked $127 million in federal and state funding that could drive as much as $2 billion in private capital investment in the Mountain West.

"New Mexico can claim a big slice of this pie if we lead. As you can see, there's a lot at stake, and this bill simply seeks a relatively small tax credit. UNM and Sandia Labs have formed the New Mexico Quantum Institute at the university as a premier research facility. We're really in this game - it's exciting and the kind of advanced industry we so much need. Please vote yes on SB 211."

There was absolutely no opposition either to this measure or SB 212 but plenty of support from our universities, national labs and private companies developing this technology. SB 212 focuses on GRT tax credits for building the equipment and support structures needed. Again, according to the FIR, the bill "establishes the quantum testing and evaluation gross receipts tax credit, allowing national laboratories in New Mexico to claim a tax credit against their state gross receipts tax liability for federally funded quantum research, testing, and device fabrication. The credit matches the amount of federal funds received, with a $15 million annual cap and a total aggregate $60 million cap through July 1, 2035."

J.D. Bullington also prepared testimony on this bill:

"As we said in our testimony on SB 211, quantum computing is an exciting and revolutionary development of computing capacity, allowing for the fast processing of huge amounts of data. There's a lot of work to do to bring the promise of this computing to life.

"New Mexico, in cooperation with Colorado, has formed a consortium recognized by the federal government as a national leader awarding a substantial grant. The GRT exemption sought in this bill has caps and time limits to constrain the impact on the general fund and is vital to attracting investment, training a new workforce and creating thousands of jobs. We're at the point of inflection that decides whether we continue to lead - we missed Bill Gates and Microsoft - let's don't miss this opportunity. Please vote yes on SB 212."

Of all the things we, as a state, spend money on, this surely should be at the top. It could transform New Mexico's economy and contribute to national security as well. Let's catch this wave!

TAX CREDIT BOOST FOR RURAL MEDICAL PROVIDERS GETS UNANIMOUS 'DO-PASS'



This morning the House Rural Land Grants and Cultural Affairs Committee made headway in tackling our state's shortage of medical professionals, giving a bipartisan 5-0 "do-pass" vote to House Bill 226, the Rural Health Care Practitioner Income Tax Credit, sponsored by Minority Whip Alan Martinez (R-Sandoval).

The Chamber was there in strong support of the bill, one of many the GACC believes are needed to get more doctors, nurses, therapists and other health care providers practicing in New Mexico.

D'Val Westphal, executive vice president of policy and programs for the Greater Albuquerque Chamber of Commerce, testified that:

"One of the big talking points this session has been the severe shortage of health care providers in our state, and rural New Mexico feels that shortage acutely.

"That's why it's important to increase the value of the rural health care practitioner tax credit – so we can attract, and keep, more physicians, dentists, psychologists, podiatric physicians, optometrists and other medical providers.

"Our amazing state is not the only one in great need of medical professionals – that's why it's going to take a whole bag of carrots to get the health care providers New Mexicans so desperately need to come to, and stay in, our state. This tax credit is an important one. We urge you to vote yes on HB 226. Thank you."

Joining the Chamber is support were:

- The New Mexico Medical Society, which pointed out we are competing with Texas (no income tax) and Colorado (lower income tax) for medical professionals, and we need to do everything possible to be on par with them.
- The New Mexico Nursing Association and the New Mexico Nurse Practitioners Council, which said the current tax credit has improved the number of providers and the increase will do even more.
- The New Mexico Behavioral Health Provider Association.

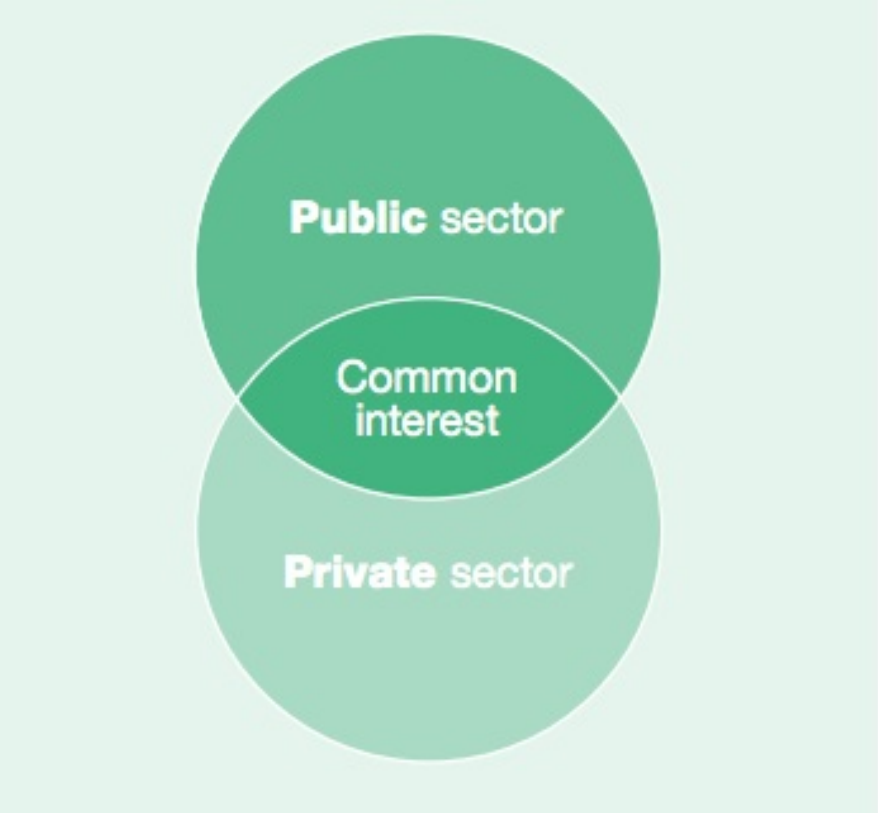
- The Southwest Bone and Joint Institute in Silver City, which said the current tax credit is insufficient to retain and attract health care professionals. And
- The New Mexico Optometric Association, which said the increase will help attract more providers and keep those already here.

There was no opposition in public comment or on the committee. Both Reps. Jimmy G. Mason (R-Chaves, Eddy & Lea) and Catherine Cullen (R-Sandoval) commented that “every little bit we can do to support our doctors and nurses we need to do. … Whatever we can do.”

According to the bill’s Fiscal Impact Report, “HB 226 triples the value of the rural health care practitioner tax credit, increasing the credit from $5,000 to $15,000 for physicians, dentists, psychologists, podiatric physicians and optometrists and from $3,000 to $9,000 for many other types of medical practitioners practicing in rural areas.”

HB 226 is now headed to House Taxation and Revenue, where it could be included in the omnibus tax bill. We’ll keep you updated on it.

P3S: PUBLIC-PRIVATE PARTNERSHIPS ADVANCES



A majority of states throughout the United States allow state and local governments to partner with private businesses to complete public projects. It’s time to do that in New Mexico, and we’ve been trying for over a decade.

Rep. Patricia Lundstrom (D-McKinley) presented her bill, House Bill 276 Public-Private Partnerships Fund & Program, in the House Transportation Committee today. The legislation creates the “public-private partnership program” to be administered by the Local Government Division of the Department of Finance. The program is meant to evaluate and provide grants to fund transportation and broadband projects.

Enrique C. Knell spoke at this morning’s committee hearing on behalf of the Chamber of Commerce. He said, “P3’s will help us start and complete critical infrastructure projects throughout the state, and will help create and secure jobs along the way. In New Mexico, these partnerships will especially help our rural areas with critical projects like access to broadband, as well as repairs to bridges and highways.”

It doesn’t seem particularly controversial, as it passed this morning unanimously. In fact, the bill has passed several committees and even the entire House over the last few years. It always achieves a bipartisan, near-unanimous vote in that Chamber.

So why isn’t it law yet? The answer is somewhere in the Senate Judiciary Committee. The last two sessions, 2023 and 2024, the bill passed out of the House, went to the Senate, and has been assigned to Judiciary. At least in those two years, the bill hasn’t received a hearing in that

committee and therefore just dies.

We feel it's time to allow state and local governments to partner with private businesses to complete public projects. Thirty-six states, the District of Columbia and Puerto Rico have laws that allow P3s for certain projects. It varies by state.

We'll keep an eye on this bill as it makes its way through the process. Will a Senate committee once again mark its end? We'll let you know.

IN THE HOUSE



Acequia Day

Say the word "*acequia*" to a New Mexican, and it conjures images of families and neighbors working hard, of good food, of a nostalgic way of life dedicated to agriculture and cooperatively sharing water. Its roots are deep, going back to the 1500s when the art and skills of *acequia* construction and management were brought to this country. Moors in the Iberian Peninsula of Spain perfected the art now handed down to us centuries later.

Rep. Joseph Sanchez (D-Colfax, Mora, Rio Arriba, San Miguel and Taos) sponsored House Memorial 21 naming today as "Acequia Day." Guests were introduced, and many legislators spoke about their personal memories of working and playing in *acequias*. Also, the centennial of the Middle Rio Grande Conservancy District was recognized. The celebrations concluded with also naming the day for "lowriders." Several people brought lowriders to the Capitol to celebrate the occasion.

IN THE SENATE



Sen. Pete Campos and his *la bandera de los trabajadores.*

Acequia Day 2.0

As in the House, the Senate also celebrated Acequia Day. Sen. Pete Campos (D-Colfax, Guadalupe, Harding, Mora, Quay, San Miguel & Taos) sponsored the resolution, which highlights the historical and cultural significance of *acequias*, their role in local agriculture and their contributions to the state's economy. Campos said *acequias* have been a way of life for centuries in New Mexico — helping keep the agricultural industry strong. Campos pulled out a blue bandana — which he called *la bandera de los trabajadores* — which is often seen by workers in the fields to keep cool.

Celebrating Asphalt Paving Day

So believe it or not, we're celebrating asphalt. It's taken for granite (bad pun). Sen. David M. Gallegos (R-Eddy & Lea) introduced a resolution recognizing the economic and infrastructure contributions of the asphalt industry, including job creation and road maintenance. Sen. Michael Padilla (D-Bernalillo) also expressed his support for the asphalt industry and its role in New Mexico's economy. “Asphalt is a safe way to travel the roads and is huge economic development for us,” Padilla said. “The folks that provide these jobs aren’t simply doing their work, they are beautifying their areas.”

JOINT SESSION OF THE HOUSE AND SENATE



Las Flores de Valle performs for joint session.

Hispanic Culture Day Celebrated

Thanks to late Senate President Pro Tempore Bennie Altimirano, Hispanic Culture Day is an event everyone looks forward to each year. We've always liked the emphasis on the culture that so vividly enriches our state - the language, the art, the music, the traditions and the values.

Speaker Javier Martinez (D-Bernalillo) emphasized this in his comments. He spoke of the "tapestry" of Hispanic (and indigenous) culture, which emphasizes kindness, respect and "always having your back." Senate Majority Whip Michael Padilla (D-Bernalillo) also spoke to the culture that emphasizes "locking arms and getting things done." He estimates that 95% of the time people pull together to find solutions that work for the people.

Representatives of the National Hispanic Cultural Center (the only national center) pointed out that it's been 25 years since the center was founded, providing a place for artists of various kinds to display their work on a national level. Moreover, the center has brought in world-class performers, and it serves as a resource for Hispanic history and genealogy. Hispanic leaders from around the state were introduced and recognized.

SIGNING OFF FROM SANTA FE



From oil and gas to quantum computing to strategic water supplies and more, it's been quite a potpourri today. Bills are now reaching the floors of both Chambers. The Senate is back in session at 11 and the House at 10:30. The House Judiciary Committee is scheduled to roll out the public safety package tomorrow afternoon, and we can't wait to see what's in and what's not. And, don't forget, only two shopping days left until Valentine's Day. Until tomorrow, have a great evening.

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

GREATER ALBUQUERQUE CHAMBER OF COMMERCE

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GREATER ALBUQUERQUE CHAMBER OF COMMERCE

Legislative RoundUp

2025 Regular Session | Wednesday, February 12, 2025

57th Legislature | Day Twenty-Two

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

PUBLIC SAFETY PACKAGE ADVANCES TO HOUSE FLOOR



This afternoon, the House Judiciary Committee voted 6-4 along party lines to advance House Bill 8, referred to as the Public Safety Package, to the House floor. The package is an amalgamation of six bills previously considered by the Judiciary Committee. Since they were previously heard, no public testimony was allowed today. Here's a summary of the bills included in the package:

1. HB 4, sponsored by committee Chair Rep. Christine Chandler (D-Los Alamos, Sandoval and Santa Fe), is a major overhaul of the criminal competency statute aimed at institutionalizing the truly violent criminals and placing others in behavioral health programs, including court-ordered treatment, if necessary.
2. HB 38, sponsored by Rep. Kathleen Cates (D-Bernalillo), would create the crime of unlawful possession of a weapon conversion device that can convert a semiautomatic weapon into a fully automatic weapon. The devices are commonly known as "Glock switches."
3. HB 31, sponsored by Rep. Joy Garratt (D-Bernalillo), would increase the penalty for making a shooting threat.
4. HB 16, sponsored by Rep. Charlotte Little (D-Bernalillo), would enhance drug-trafficking sentences by up to three years if fentanyl is involved in trafficking.
5. HB 106, sponsored by Rep. Andrea Reeb (R-Chaves, Curry and Roosevelt), would increase blood testing when there is probable cause that an individual is driving under the influence of intoxicating substances of any kind. Does not include cannabis at this time as there is not a reliable test yet.
6. HB 50, sponsored by Rep. Cynthia Borrego (D-Bernalillo), would increase penalties for different forms of auto theft. A person could be guilty of a fourth-degree felony for a first offense, a third-degree felony for a second offense, and a second-degree felony for a third or subsequent offense.

The Chamber is supportive of HB 8; however, we were disappointed that increased penalties for

felons using firearms, pretrial detention and the definition of harm to self or others were not included.

Reeb and Nicole Chavez (R-Bernalillo) expressed disappointment that nothing is in the package concerning juvenile crime, the largest growing source of violent crime. Reeb said juvenile crime is up 150% in her community. And, while criminal competency reform is important, only 4% of people committing crimes are involved in competency determinations. Chandler said that it's a very complicated area of law - as complicated as criminal competency - and that it's going to require a lot of study and analysis to get changes right. Reeb countered by saying that she's developed a strong bill but can't get the bill heard.

Rep. Matthew McQueen (D-Sandoval and Santa Fe) was displeased with a package approach. There is at least one bill in the package that he would not vote for if it was a stand-alone measure. He voted for the package but said he might change his vote on the floor. Others also expressed a concern about packaging all the bills.

This package is a vehicle for expedited action on more or less consensus legislation, the goal being to get this over to the Senate so the Legislature can demonstrate that it took action in the first month of the session. Of course, the Senate may have its own ideas of what needs to be included in this package as well. And, there are many other bills dealing with a variety of public safety topics, and passage of HB 8 doesn't mean these other bills can't move forward also. We expect that HB 8 will be on the House floor soon, likely on Saturday from what we've heard, but Friday could also be possible. We'll certainly keep you posted.

BEHAVIORAL PACKAGE HEADS TO SENATE FLOOR



A package of bills - Senate Bills 1, 2 and 3 - seek to make a major impact on rebuilding the state's behavioral health system. The Senate Finance Committee approved all three measures this morning, sending them to the Senate floor. The Chamber supports all three measures. Here's a rundown on what they do, and for clarity, we'll discuss them in reverse order.

SB 3

SB 3, sponsored by Senate Majority Leader Peter Wirth (D-Santa Fe), is the linchpin of the package. This bill establishes the structure of regional planning areas coordinated by the Administrative Office of the Courts (AOC), which will be responsible for establishing the process whereby regions will develop plans, prioritize actions to be taken and report results. The AOC's role is one of facilitator, not to run or manage programs outside the court's responsibility.

J.D. Bullington gave the following testimony:

"*SB 3 is the road map for the implementation of SB 1 and SB 2. It lays out how the AOC will oversee the establishment of behavioral health care regions and the standards that must be met.*

"This is a sizable task, but SB 3 ensures that the best data is made available and that the key stakeholders have a seat at the table as the plans are developed and rolled out. The very smart approach is to identify the gaps in providing behavioral health services and then to identify the top five actions that need to be taken to close those gaps.

"This is an iterative process so that every year gaps are reassessed and a new 'to do' list is established with relevant actions to be taken. Rebuilding the behavioral health system is essential to improving public safety and offering the appropriate care to those in need. It takes collaboration of all three branches of state government as well as all levels of government and providers throughout the state. We urge a 'yes' vote on SB 3."

All stakeholders will build plans from the regional level, thereby incorporating the unique needs of each region. Each branch of government - judicial, legislative and executive - has a role. The idea is to encourage what Wirth calls "de-siloing," i.e. collaboration across branches of government and service providers. It is a tailored approach, not a one-size-fits-all dictated from Santa Fe.

There was considerable discussion about whether the guardrails in the bill are sufficient and whether the legislation is being rushed. As Committee Chair George Muñoz (D-Cibola, McKinley and San Juan) pointed out, the state has spent $3.4 billion over the last four years with zero results. Senate Minority Leader Bill Sharer (R-San Juan), a cosponsor of the bill, said that there hadn't been any results for the last 10 years, and we shouldn't wait another 10 years to get no results. There was no public opposition and, therefore, SB 3 was given a "do-pass" recommendation on a vote of 10-1.

SB 2

SB 2, sponsored by Sen. Benny Shendo Jr. (D-Bernalillo, McKinley, Rio Arriba, Sandoval & San Juan), is referred to as the "down payment" on rebuilding the behavioral health system. The bill would appropriate $200 million to jump-start the rebuilding. The bill appropriates money to 24 areas to ensure there are resources to complete the purposes of SB 3 and to fund specific agencies or programs.

J.D. Bullington provided the following testimony:

"This bill targets 200 million dollars, most of which will be used by local agencies to tackle behavioral health issues from Assisted Outpatient Treatment to housing and much more. This is a really smart approach - it puts the money where the rubber hits the road - in courts and local agencies that are the backbone of providing services. It also fosters fresh thinking about how to solve problems through innovative techniques.

"Rebuilding the behavioral health system is multifaceted. It takes collaboration and adopting best practices. Let's face it, we're behind the eight-ball on this issue, and it's time to provide the resources necessary to accelerate giving the help to people trapped by addiction or struggling with mental health challenges. The targeted approach of this bill should lend itself to measurable outcomes, allowing successes to be shared statewide. We would appreciate your support for SB 2."

Once again, there was no opposition. SB 2 was given a "do-pass" recommendation on a vote of 10-1.

SB 1

SB 1, sponsored by Sen. George K. Muñoz (D-Cibola, McKinley & San Juan), seeks to create a $1 billion behavioral trust fund to ensure a long-term, stable source of funding for behavioral health services. The Legislature has established several trust funds, for example the Early Childhood Education Trust Fund, that have grown significantly through investment and from which distributions can be taken annually. The entire $1 billion may not be achieved this year, but it is expected that level can be reached within the next two to three years.

Terri Cole, GACC president and CEO, provided the following testimony:

"While there's a lot of disagreement over what the best path to greater public safety is, it seems there's a lot of consensus that we need to strengthen and rebuild the behavioral health system in our state.

"SB 1 takes a bold, swing-for-the-fences approach, seeking a $1 billion permanent fund that would generate ongoing funding for behavioral health. Providing support for those suffering from addiction and other mental health issues doesn't come cheap, but neither do crimes that are sometimes committed in pursuit of drugs, nor the devastation to families when loved ones are no longer capable of functioning, perhaps even devolving into neglect or abuse.

"A billion dollars is for sure a lot of money. But it's a matter of priorities. We can't afford to wait, and we urge the committee to vote yes on SB 1 while the state has the cash to make this important investment. Thank you."

With little discussion and no opposition, SB 1 was given a unanimous 11-0 "do-pass" recommendation.

HARSHLY CRITICIZED HOSPITAL SALE ACT PASSES



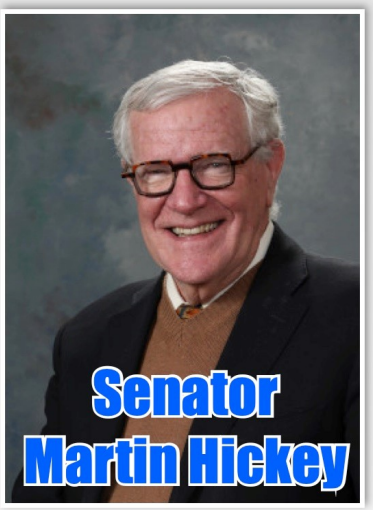
"In the long run, this bill is going to be harmful to New Mexico and the people. We will do more harm in quality and access to care."
-Sen. Martin Hickey (D-Bernalillo), a physician and former CEO of Lovelace

This afternoon, the Senate Health and Public Affairs Committee resumed discussion of Senate Bill 14, the Health Care Consolidation and Transparency Act, sponsored by Sen. Katie Duhigg (D-Bernalillo) and House Majority Floor Leader Rep. Reena Szczepanski (D-Santa Fe). The bill, which was rolled over so the committee could review the substitute version, seeks to require certain hospital acquisitions to receive regulatory approval from the Office of the Superintendent of Insurance (OSI) before the transaction can proceed. OSI can disapprove of a potential acquisition.

J.D. Bullington provided the following testimony at the last hearing in strong opposition to the bill:

"We are opposed to SB 14 because we're concerned that the bill will have exactly the opposite effect as intended. Why do we say that? Our hospitals, especially our rural hospitals, are often cash-starved because of the high percentage of patients not covered by private insurance. The only solution to their problems may be acquisition by an entity that can bring cash to the table. It's that or potential bankruptcy.

"SB 14 could potentially block or delay acquisitions that bring solutions, not problems. Our rural hospitals are the backbone of health care delivery in our smaller communities. We can't afford to put them at financial risk. We need them to be financially healthy in order to compete for medical professionals. We understand that SB 14 seeks to help, not hurt. Unfortunately, we don't see that as the case and respectfully ask you to vote 'no.' "



There were serious, bipartisan concerns expressed about the bill today.

Sen. Martin Hickey (D-Bernalillo), a physician and former CEO of Lovelace, shared with the committee and audience that he ran for re-election because “no-one in this Legislature has had the experience I’ve had in health care – not even close.”

From a faculty practice at UNM, to the first rural VA clinics in the country, Hickey said that in his experience all private equity firms and for-profit institutions that purchase hospitals are not evil, and that private equity is essential to growing New Mexico’s health care system, especially in rural areas. “We couldn’t grow without them.”

Hickey said the vagaries and broad components in the bill are concerning, and that he doubts Duhigg’s goal of ensuring quality and access to care is achievable with SB 14 because that “depends on so many other variables that we have no control over.”

“You aren’t going to get people, just like malpractice insurance, to (come to New Mexico to) lose money,” he said, and the bill’s preordained goal “doesn’t fit the economic reality of America – you can’t demand services be provided” when there isn’t sufficient supply or demand.

Hickey said SB 14 will “end up closing rural hospitals” and “needs a lot more time.” He recommended adding another year to the current law so acquisitions are examined in collaboration with outside experts, as well as Medicaid funding is figured out to keep our state’s hospitals going.

Sen. Jay Block (R-Bernalillo & Sandoval) shared that he has spoken with the CEOs of the hospitals in his area – Lovelace Westside, Presbyterian Rust and Sandoval Regional Medical Center – and all are opposed to SB 14. He agreed the bill needs more work and time.

Duhigg says she sees the bill as a provider protection and said there is an emergency clause so if a hospital is on the verge of closing because of a requirement they can request a waiver from the insurance superintendent.

Also expressing opposition in the prior hearing were the New Mexico Chamber of Commerce, Presbyterian HealthCare System, New Mexico Hospital Association, New Mexico Medical Society, the Greater Albuquerque Medical Association and Nurse Practitioners and the New Mexico Association for Home and Hospice Care. Supporters included the ACLU and trial lawyers.

Hickey said the bill is missing “the input of people who loan money to hospitals and what kind of oversight makes it attractive” and is instead relying on “anecdata” – anecdotes. He added that he anticipates a real crisis with pending federal action on Medicaid.

He proposed passing the bill with no recommendation, with the hope of crafting a plan to roll it for one more year to get that insight.

That motion passed 6-4, and SB 14 heads now to Senate Judiciary. Stay tuned.

COMPLEX WATER QUALITY BILLS APPROVED



A 2023 U.S. Supreme Court decision, known as the Sackett Decision, has narrowed the definition of waters of the United States, which proponents of Senate Bills 21 and 22, sponsored by Senate Majority Leader Peter Wirth (D-Santa Fe), claim leaves 95% of New Mexico's waters now unprotected by federal regulations adopted in 1972 pursuant to the federal Clean Water Act. Today, Wirth combined the bills into one, the Senate Judiciary Committee Substitute for Senate Bills 21 and 22, which received a "do-pass" recommendation on a party-line 6-3 vote, D's in favor, R's opposed.

Testimony was taken just on SB 22 because SB 21 had received public testimony at an earlier hearing. GACC President and CEO Terri Cole stood in opposition:

"Senator Wirth's goal of wanting to ensure we have clean water is one that we don't dispute. We're not arguing about that. Both the new rules and regulations are what concern us. It appears to us that passage of this bill will lead to an increased regulatory burden and unnecessarily complicated process. We could drive producers to Texas or to federal land rather than state leases, losing revenue for New Mexico. We are also concerned about shifting regulation for oil field water discharges from the Oil Conservation Division to the Environment Department. This could result in inconsistency and delay. OCD has the expertise, and we don't see any reason for that changing."

SB 21 seeks to have the Environment Department take over regulation that used to be performed by the federal EPA. The estimated cost is $7 million annually and 50 new staff. New rules and regulations would have to be written to issue permits for surface and groundwater discharge, to investigate violations and to enforce regulations. SB 22 would require new regulations controlling water reuse, surface water permits and permit enforcement, increase the regulatory expectation of the Water Quality Control Commission (WQCC) on water quality impact, increase groundwater protections, and clarify rules related to potable water reuse. To say the least, this is a major undertaking. It's a lot to bite off, maybe too much at one time.

Supporters include an array of environmental organizations. Opposition came from the Dairy Producers, AMAFCA (Albuquerque flood control), New Mexico Farm and Livestock Bureau, New Mexico Mining Association, the San Juan Water Commission and the construction industry. Sen. Crystal Brantley (R-Catron, Doña Ana, Grant, Hidalgo, Luna, Sierra & Socorro) expressed a number of concerns. First, she is unconvinced that the Environment Department is equipped to handle permitting without significant delays. Second, she believes that existing laws and regulations do protect New Mexico waters and such an extensive overhaul is unnecessary and an overreach. Third, there is no cap on the fees that can be charged, which could result in excessive amounts.

Sen. Wirth disagrees and says his bill is a mirror of regulations that we've been living with for 50 years and everyone has been comfortable with that. The state doesn't have a program for regulating surface water discharges, and we need to have that to protect water quality. New Mexico has a lot of "ephemeral" water resources like arroyos that only have water in them when it rains or from storm water discharges. These sources need to be covered.

The bill now goes to the Senate floor.

SCHOOL HEALTH PROTECTION ZONES ADVANCE



We've already reported to you several bills that seek to slap more unnecessary regulations on New Mexico's oil and gas industry. It's like hunting the goose that lays the golden eggs, without realizing the harm to jobs and the state treasury.

House Bill 35, Children's Health Protection Zones, was introduced by Rep. Debra Sariñana (D-Bernalillo) and presented today in the House Health and Human Services Committee. The bill creates "children's health protection zones," restricting oil and gas operations within one mile of the property line of schools." It defines schools to include public schools, private schools, daycare facilities, and any parks, playgrounds and recreation facilities associated with a school.

Enrique C. Knell relayed the Chamber's position on HB 35:

"While the title of the bill shows the good intentions behind it, the fact remains that there are already local setbacks in place in the Permian and San Juan Basins in all oil producing municipalities and counties. These setbacks have been determined through the local ordinance processes that include community feedback, and all oil and gas companies adhere to the ordinances. Oil and gas companies go through extensive environmental siting practices to determine where a well will be both safe and economical. And it is important to note that schools and communities in the basins have not requested additional setbacks – this legislation was devised outside of our oil-and-gas-producing communities."

The Superintendent of Schools for Carlsbad also opposed the bill and spoke about the children who attend the schools he's in charge of:

"They are our heart and our soul, and keeping them safe is important. Our communities, our elected officials, our school boards have worked tirelessly for decades in leading any county to address these issues. We do not feel like this bill adds anything to what those representatives do, and for that reason, I would respectfully ask you to vote in opposition."

The Chamber supports an all-of-the-above approach to energy and understands that we need a reliable bridge to make the Energy Transition Act work. New Mexico's responsible oil and gas producers are at the heart of that, and HB 35 disregards all the checks and balances already in place that are integral to their operations.

Debate got pointed, and the sponsors of the bill got a little defensive when faced with questions by Rep. Elaine Sena Cortez (R-Lea), who lives in the heart of the Permian Basin and is raising her daughter there.

Sena Cortez asked, "Why are you doing this now, and regulating five hours away, when this impacts my district the most and people in my area are fighting against this and we're alive, we're healthy, we're well."

Before the sponsor could answer, Chair Elizabeth "Liz" Thomson (D-Bernalillo) cut off the conversation and directed Rep. Sena Cortez to move on, telling her she was getting "too personal" in her questioning. Sena Cortez then asked what local leaders were consulted. Sponsors responded that they tried to get hold of local officials but were unable to. Sena Cortez's follow-ups were once again cut off by the chair.

Sena Cortez went on to say, "I also have a list of the moms and the grandmas that this would impact the most in the southeastern part of the state, and they feel offended that you've portrayed our kids are getting poisoned or that we have poisoned our children. And I guess my biggest question is, no one is paying attention to the local leaders, the city officials, the county officials, the mommas and the grandmas that this impacts the most."

A request was made for Deborah Kaden, a toxicology expert from MIT, to provide a factual presentation on toxicology:

"My name is Dr. Deborah Caton, and I stand in opposition to House Bill 35. I'm a Ph.D. toxicologist with over 40 years experience… I would like to speak to claims of health risks

resulting from schools being located within a mile of oil and gas development sites, or OGD… These studies evaluated multiple chemicals individually and the combined risk posed by exposure to all the chemicals at once. Most only examined distances greater than half a mile, and those found no significant health risks. The few studies that examined distance closer to OGD sites were too flawed or inconsistent, even within the study itself, to generate valid risk estimates. The bottom line is that when examining the body of scientific literature, the rate of evidence does not support a conclusion that living or going to school within one mile of an oil and gas development site will result in adverse health effects."

The bill ultimately received a lukewarm reception, getting passed out of committee with no recommendation on a partisan 6-4 vote. It now goes to the House Judiciary Committee for further consideration.

COUNSELING COMPACT ON TO HOUSE JUDICIARY



The House Health and Human Services Committee this morning unanimously passed House Bill 217, Counseling Compact and Mental Health Services. The bill now heads to the House Judiciary Committee.

It's no secret we have a dire shortage of all medical professionals in New Mexico. Making it easier for licensed providers in other states to practice in our state – in person or in a telehealth setting – is a real way to get more New Mexicans the care they need. It's also a way to address the lack of providers here while at the same time encouraging them to practice in, perhaps even move to, our state.

Enrique C. Knell addressed the committee and advocated for New Mexico to enter the Counseling Compact:

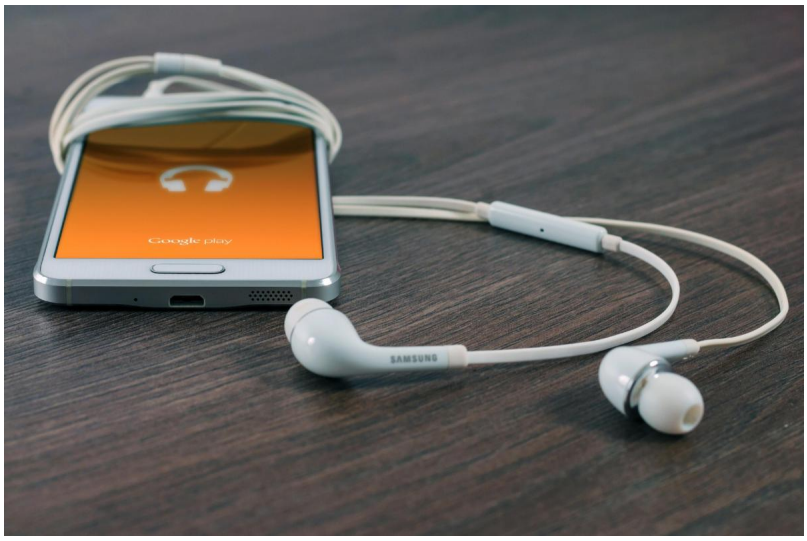
“We all know how important attracting mental health professionals is as we wrestle with rebuilding the state's behavioral health system. HB 217 offers one answer to how we attract these professionals to New Mexico.”

We’ve told you about several bills that enter New Mexico into various interstate health care compacts, each designed to bring health care professionals to our state and ease the licensing burden for those already licensed in other states.

This specific bill addresses the interstate practice of licensed professional counselors, with the goal of improving access to professional counseling services. Other bills in the legislative pipeline include compacts for audiology and speech-language pathologists, occupational therapists and physical therapists.

We’ll keep tracking them all for you.

SENATE ED OKs SCHOOL CELL PHONE BAN



They are ubiquitous – accounts and videos of students distraught over cyberbullying, of violent campus fights, of cheating on classwork and tests.

This morning the Senate Education Committee voted 5-3 to “do-pass” Senate Bill 160, Student Use of Wireless Communication Plans, sponsored by Sen. Antonio “Moe” Maestas (D-Bernalillo), to begin to address the problem. The Chamber was there to advocate for the important reform.

D’Val Westphal, executive vice president of policy and programs with the Greater Albuquerque Chamber of Commerce, testified that SB 160:

“Wisely allows PED to set a uniform policy regarding cell phones, tablets, laptops, and gaming devices in classrooms. It has fair and smart carve-outs for teacher discretion and student accessibility needs, and allows students to use their devices during non-instructional hours.

“The Chamber advocates for policies that support teachers, raise student academic performance and support healthy social development of our students. We support this bill because it will align with all those policies that we believe will improve our education system.

“Specifically, the bill will help teachers do their already difficult jobs and will help students focus academically and even socially.

“And it’s needed. A recent survey showed that 97% of 11- to 17- year-olds use their phone in some way during school hours. The FIR cites multiple studies that have shown the negative effects of cellphones in classrooms on mental health, bullying, and teaching and learning. We urge your support of SB 160. Thank you.”

Maestas made it clear his bill as amended establishes a baseline policy on wireless communication devices during instructional time, giving school districts something to build on and preserving their local control to determine specifics and training. Removing a state mandate for training, he explained, also removed the need for an appropriation. The amendment also added

smart watches to the list of devices enumerated in the bill.

Joining the Chamber in support of SB 160 were:

- The New Mexico School Superintendent Association, which shared a recent survey shows 74% of superintendents support a ban given the prevalence of bullying, cheating, filming fights or students and teachers without permission and the data that shows student outcomes improve under bans, and they are more engaged.
- New Mexico Kids Can, which shared that Ohio, Minnesota and Virginia have similar policies to SB 160 and Louisiana, South Carolina and Florida go further with all-out bans.
- Teach + New Mexico.
- Public Charter Schools of New Mexico, which said many charter schools already have a similar policy in place and adopting SB 160 will make it the norm.

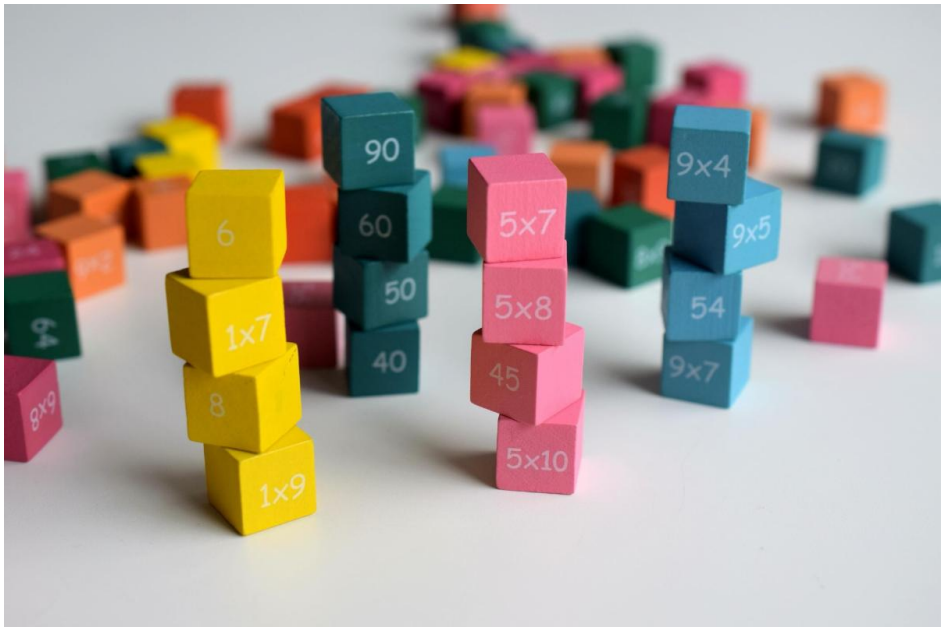
Opposition was voiced by the New Mexico School Board Association and the New Mexico Coalition of Educational Leaders and focused on SB 160 wresting local control from districts and being an unfunded mandate, both addressed by the sponsor and the amendment.

If codified into statute, SB 160 would take effect this fall for the coming school year.

Committee member Sen. Martin Hickey (D-Bernalillo), a physician, emphasized this is a statewide mental health issue and the Legislature is right to act.

SB 160 is headed to Senate Health and Public Affairs next – we'll let you know what happens in that committee.

MATH EDUCATION BILL GETS 9-0 'DO-PASS'



Senate Education Committee Chair Sen. William Soules (D-Doña Ana), a career educator, shared in committee last week that while math might not be as popular as reading when we talk about proficiencies and intervention, the fact is we all pay a "math tax" in this life. We pay it when we get someone else to do our taxes, he explained, and when we are taken advantage of or swindled.

Today the committee heard his proposal to address not only the "math tax" issue but also that math education was a larger focus of the landmark Yazzie-Martinez education ruling that reading. (Senate Bill 235, Math and Science Education Improvements had been rolled until today for a committee substitute that adjusts language and sets a take-effect date of 2026 to provide adequate lead time. The substitute was quickly amended to remove stray references not caught as it was being crafted.)

The Chamber stood in strong support of SB 235, with EVP D'Val Westphal testifying:

"I'm here to happily testify in favor of a really smart bill, sponsored by a career educator, designed to not only establish statewide math requirements in K-12, but employ screening and interventions for students struggling with math, as well as math coaches.
"Given our state's abysmal math proficiency rates – less than one in four students can do math at grade level, and it gets worse in the later grades according to the LESC analysis - this bill is

long overdue, and we applaud the sponsor for bringing it forward.

“We at the Chamber believe every New Mexico child can learn, and SB 235 will ensure our schools and teachers have the tools they need to help all children learn math.
“We heartily endorse this bill and encourage you to vote yes. Thank you.”

There was zero opposition to the bill this morning. Joining the Chamber in support were:

• New Mexico Higher Education Secretary Stephanie Rodriguez, who said the fifth-grade screenings are especially important as she has dyscalculia (she described it as dyslexia with numbers) and struggled for 15 years until being diagnosed in college – something she says SB 235 can save our students from.
• Stan Rounds, executive director at New Mexico Coalition of Educational Leaders.
• The New Mexico School Board Association.
• The Albuquerque Federation of Teachers union.
• Think New Mexico.
• The division director of curriculum and instruction for the Public Education Department, who said it is time to do for math what we do for English.
• New Mexico Kids Can, which highlighted the parental notification portion so families can be engaged with their student’s progress.
• Teach + New Mexico, which lauded the early intervention.
• The New Mexico Partnership for Math and Science Education.
• NM MESA, which stands for Math, Engineering and Science Achievement.
• The Math and Science Advisory Council.

With that kind of support and zero opposition, the bill quickly received a unanimous 9-0 “do-pass” vote and is also headed to Senate Health and Public Affairs. We'll keep you up to date on what happens next with this popular bill!

SPECIAL EDUCATION REFORM ADVANCES



First up in Senate Education this morning was Senate Bill 38 as amended, simply titled Special Education Act, that builds on makes important changes in this field. It’s sponsored by Senate President Pro Tempore Mimi Stewart (D-Bernalillo).

The Chamber again testified in support, with D’Val Westphal saying:

“This bill is designed to make sure New Mexico’s special education students receive the care and attention they need and deserve, starting when they are in preschool. In great part this codifies work already being done by the Office of Special Education.

“It creates the Office of Special Education within the Public Education Department and includes students with disabilities and gifted students in the definition of special education.

“That’s important – our special education students deserve a uniform standard of education no matter what district they attend – that’s why it’s essential OSE not only continue with its oversight and enforcement of state and federal special education law, but also train all school boards and governing bodies, school administrators, and school personnel on specific topics related to the education of students with disabilities.

“This bill is about putting special ed students first. Please support it. Thank you.”

Stewart explained the bill honors the governor’s executive order on special education from several years ago along with subsequent legislation to “ensure we have the right people working

on these issues." She said currently, the Special Education ombudsman works with students and parents, but because they are not part of the Public Education Department, they are not readily a part of any solution and are unable to use the "powers of PED" to improve things.

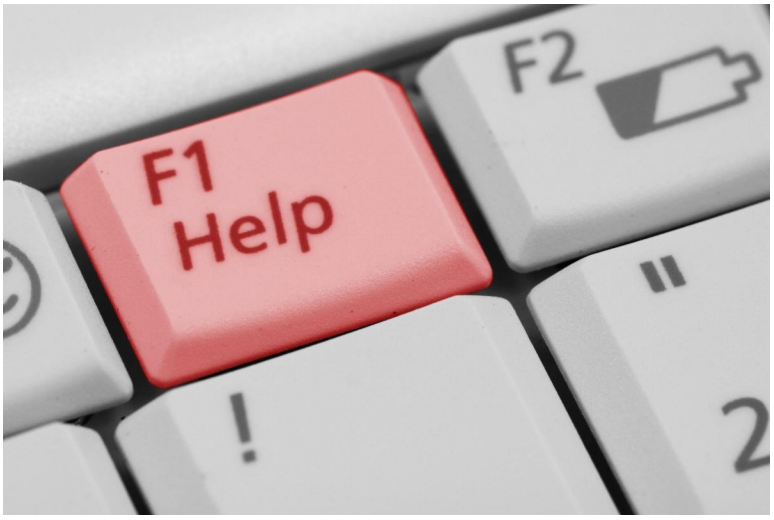
Joining the Chamber in support was an impressive list of professionals in the field: Disability Rights New Mexico, Albuquerque Sign Language Academy, the Office of Special Education, the New Mexico Commission for the Blind, the National Education Association teachers union, Teach+ New Mexico and the Developmental Disabilities Planning Council. They applauded the transparency and accountability the bill provides, and the bridge for the ombudsman to find solutions and meet the needs of students.

As an experienced special education teacher herself, Stewart shared she is excited about the improved statewide IEPs (individualized education programs) as the ones she has dealt with are "pretty miserable." Committee Chair Sen. William Soules (D-Doña Ana), also a career educator, agreed, saying in his experience they take hours.

The lone voice in opposition was Stan Rounds, executive director at New Mexico Coalition of Educational Leaders, who said SB 38 is unnecessary as current laws cover what's needed.

The majority of the committee sided with the majority of public commenters and voted 5-3 to send SB 38 it on to Senate Finance. We'll be there to let you know where this important bill goes next. Kudos to the sponsor!

K-12 MENTAL HEALTH SUPPORT ON MOVE



The last bill up in the busy Senate Education Committee this morning was Senate Bill 238, Youth Behavioral Health Prevention Act, sponsored by Senate President Pro Tempore Mimi Stewart (D-Bernalillo). The Chamber testified in strong support of SB 238 as well.

D'Val Westphal, executive vice president of policy and programs with the Greater Albuquerque Chamber of Commerce, testified that:

"According to the state Department of Health, our suicide rate is the fourth-highest in the nation. While the causes are individual, common characteristics include alcohol and substance abuse, mental illness, trauma or abuse, family health history, easy access to lethal means and the stigma or sense of isolation associated with asking for help.

"SB 238 tackles this head-on, appropriating funding to PED to establish a digital platform that provides our students with
online behavioral health education resources, pre-moderated peer-to-peer support services, and online private sessions with state-licensed behavioral health professionals.

"The CDC has established that student mental health is a key contributor to a student's academic success. Research has found that mental health conditions like anxiety and depression are linked to reduced academic performance. Students struggling with their mental health are more likely to contemplate or engage in suicide or self-harm, experience disciplinary issues, and be chronically absent.

"SB 238 will help ensure our students have access to the mental health support they need to succeed both academically and in life. We commend the sponsor for bringing this to bill forward, and we urge your support. Thank you."

Joining the Chamber in support of SB 238 were Stan Rounds, executive director at New Mexico Coalition of Educational Leaders, the National Education Association teachers union, and the mother of a five-year-old who tried to take his life last year. Her emotional testimony put a spotlight o the struggle families face in trying to find services and support for their students.

There was no opposition to the bill, and with a 7-2 “do-pass” vote, SB 238 is headed to Senate Finance – we’ll be there to let you know what happens.

PROTECTING THOSE WHO PROTECT AND SERVE



Let’s face it: Being a cop is not the easiest job. Every single day, they choose to run toward danger to protect us. “Protect and serve” isn’t just a slogan. It’s what law enforcement officer do day in and day out. With that in mind, Rep. Andrea Reeb (R-Chavez) presented House Bill 10, Battery on Peace Officer Penalty, before the House Judiciary Committee. The committee passed the bill unanimously, and it heads to the House floor next.

The bill increases the penalty for assaulting a police officer from a third-degree to a second-degree felony. What this means in practical terms is that the statute of limitations for prosecution is increased from five to six years, the basic sentence is increased from three to nine years, and the potential fine is increased from $5,000 to $10,000.

“They often have to face violence in the course of their daily duties. It’s a tough job,” said Terri Cole, President and CEO of the Greater Albuquerque Chamber of Commerce, as she asked the committee to support the effort to protect police officers. “We need to signal that assaulting a police officer is a serious offense, and offenders will be punished accordingly. Let's support our officers by passing HB 103.”

The New Mexico Attorney General’s Office points out in its written analysis that the law currently imposes a steeper penalty of nine years for attempting but failing to shoot a peace officer than it does for successfully shooting a peace officer with a firearm. That only carries a sentence of three years. Increasing the penalty as proposed by HB103 brings the “penalty in line with and equal to the penalty for aggravated assault on a peace officer with intent to commit a violent felony."

The only testimony opposing the bill came from the Law Office of the Public Defender, which argued that prosecutors and judges already have sufficient tools to ensure that violent batteries receive appropriate penalties. We disagree and, thankfully, so did the members of the House Judiciary Committee. On to the full House next!

PUBLIC SAFETY COMES IN MANY FORMS



Stop, Look and Listen - that's the mantra of House Bill 160, sponsored by Rep. Patty Lundstrom (D-McKinley). Currently at railroad crossings, only trains have the right-of-way over all other traffic. The bill would add “other on-track equipment” at all railroad-highway grade crossings.“Other on-track equipment” is “any car, rolling stock or other device that alone or coupled to another device is operated on stationary rails.” The bill would require all drivers, including school bus drivers and drivers carrying hazardous materials, to abide by certain stopping distance requirements when approaching “other on-track equipment,” not just trains.

Chamber President and CEO Terri Cole voiced support for the measure. "This is common-sense legislation to help protect both the public and train equipment operators. There has been an increase in accidents and injuries resulting from failure to stop, look and listen for any equipment operating on the rails. This measure should help improve safety."

The bill received a "do-pass" from the House Judiciary Committee and will now move to the House floor.

IN THE HOUSE



Rep. Rebecca Dow Presents HM 22 - Family Day.

New Mexico Family Day Celebrated

New Mexico families are the backbones of our communities, and House Memorial 22 recognized the importance of families in strengthening our state. Many members rose to recount stories about the importance of their families in providing support, safety and love. Also honored today were young folks participating in the YMCA students in government program. And, the Boy Scouts of the Conquistador Council (Southeast New Mexico) were recognized and introduced.

SIGNING OFF FROM SANTA FE



Some very major legislation saw movement today, from behavioral health to public safety and water quality. The legislative wheels continue to pick up momentum. Very shortly, we will see these bills reach the floors of both chambers, which will result in lively debate. In fact, we expect the public safety package to be on the House floor before the week is done. We also expect that beginning next week, the House will begin to hold both morning and afternoon/evening sessions. The Senate does not usually do split sessions but rather conducts long morning/afternoon sessions, pushing committee meetings into late afternoon/evening time slots. On Friday, a joint session will honor African American Day, and on Monday, a joint session will hear from both of New Mexico's U.S. senators and one U.S. representative. The House will hold a Saturday floor session along with committee meetings. We're uncertain about the Senate at this time. The House convenes at 10:30, the Senate at 11:30, tomorrow. And, lest we forget, you're down to one shopping day until Valentine's Day, not counting this evening, which we hope you are enjoying with your family. We'll see you tomorrow.

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

GREATER ALBUQUERQUE CHAMBER OF COMMERCE

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GREATER ALBUQUERQUE CHAMBER OF COMMERCE

Legislative RoundUp

2025 Regular Session | Thursday, February 13, 2025

57th Legislature | Day Twenty-Three

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

A LOOK AT WHAT'S IN, AND WHAT'S NOT IN, THE HOUSE PUBLIC SAFETY PACKAGE



House Bill 8, the "public safety package" was approved Wednesday and will likely be before the House either tomorrow or Saturday. It has some good things in it, like reforming the criminal competency laws, cracking down on auto theft and adding a three-year enhancement to sentences for drug trafficking. Here's the complete list of bills that make up what's in HB 8:

1. A major overhaul of the criminal competency statute aimed at institutionalizing the truly violent criminals and placing others in behavioral health programs, including court-ordered treatment, if necessary.
2. Creation of the crime of unlawful possession of a weapon conversion device that can convert a semiautomatic weapon into a fully automatic weapon. The devices are commonly known as "Glock switches."
3. An increase in the penalty for making a shooting threat to the same level as making a bomb threat.
4. Enhancement of drug-trafficking sentences by up to three years if fentanyl is involved in trafficking.
5. Increasing blood testing when there is probable cause that an individual is driving under the influence of intoxicating substances of any kind. Does not include cannabis at this time as there is not a reliable test yet.
6. Increased penalties for different forms of auto theft. A person could be guilty of a fourth-degree felony for a first offense, a third-degree felony for a second offense, and a second-degree felony for a third or subsequent offense.

Some good things, but if that's all that was done in this session about fighting crime, would you

come away saying, "Wow, I really feel safer."? We don't think so.

The fact that we have a public safety bill at all is because the governor called a special session and has shined a bright light on making our communities safer as soon as possible. So, good for you, governor. That should be everyone's common goal, and it takes an "all-of-the-above" approach - tougher penalties for egregious crimes, rebuilding the behavioral health system and slamming the revolving door shut. The session is only half over - there's plenty of time to add critical but so far missing pieces. Here are our top five recommendations:

1. Juvenile justice reform - serious violent crimes committed by youthful offenders is the fastest growing category in our communities. We must find a way to take violent offenders off our streets. Murder is murder regardless of age. It's serious, and we need to treat it seriously.
2. Racketeering - the scope of crimes that can be prosecuted using racketeering laws in New Mexico is very narrow. We need to add many additional crimes to break human trafficking, drug dealing and other organized crimes.
3. Felons using firearms - substantially increase sentences for convicted felons who commit subsequent crimes using a firearm.
4. Increased penalty for drug trafficking resulting in death - impose second-degree felony penalties for this crime and first-degree sentences if the death of a minor is committed.
5. Pretrial detention - require that felons who have committed a subsequent violent crime be held in custody pending trial and not be released back into the community.

These are our top five, but there's even more that could - and should - be done. This is the session to truly make us safer. Our legislators should not leave Santa Fe until the job is done.

HOUSE LABOR OKS MINIMUM-WAGE HIKES



This afternoon, the House Labor, Veterans and Military Affairs Committee heard, and approved, two bills that will raise the minimum wage in New Mexico that have far-reaching, unintended and negative effects. Both are sponsored by Rep. Patricia Roybal Caballero (D-Bernalillo), and both are opposed by the Greater Albuquerque Chamber of Commerce.

Increase to $17 an hour for all employees

The furthest-reaching bill, House Bill 246, would increase the state's minimum wage to $17 per hour beginning Jan. 1, 2026; eliminate the tipped minimum wage and tip credits, requiring employers instead to pay tipped employees at least the new minimum wage with no reliance on tipped credits; annually adjust the state's minimum wage using the consumer price index; repeal exemptions from the definition of "employees" including registered apprentices, seasonal employees and certain agricultural workers.

An amendment to include all workers in the increase passed 6-3.

J.D. Bullington testified for the Chamber that the increase amounts to a shocking 42% jump in labor costs while margins in restaurants are almost always in single digits, making this simply unaffordable.

We'd point out that just two years ago, New Mexico increased its hourly minimum wage to $12. HB 246 will increase that exponentially to $17 and toss in all tipped employees, apprentices, seasonal employees and agricultural workers to boot. And there's that annual increase based on the Consumer Price Index that ignores what the economy is doing. If you think $1 up-charges for items with eggs is hard for consumers to swallow, add this and watch them stay home in droves.

The Chamber's concerns are the same as in 2023: When labor rates aren't affordable, businesses have three choices:

1. Go somewhere else
2. Replace people with machines
3. Reduce employee hours or cut positions.

Let's be clear: Small businesses, the backbone of our private sector, are usually relegated to the third option. Instead of bringing more people into the workforce, HB 246 promises to put unmanageable financial burdens on our small businesses, reduce the number of jobs available and make goods and service less affordable to all New Mexicans. That's a trifecta nobody needs.

Among the many joining the Chamber in opposition were:

- Bill Lee, president and CEO of the Gallup McKinley County Chamber, who said those who will suffer most under HB 246 will be those seeking gainful employment and experience in the job market, and increased prices will negate any wage increase.
- Carol Wight, CEO of the New Mexico Restaurant Association, which represents 3,600 restaurants in New Mexico. She provided the shocking statistic that a small restaurant with 20 full-time employees will have an unabsorbable annual increase of $395,000 to its payroll.
- Deborah Douds, executive director and CEO of the Ruidoso Valley Chamber of Commerce, who shared businesses there are still struggling after fires and floods last year and this increase will be the final straw, closing doors and eliminating jobs.
- David Galloway, a 27-year-old newly married New Mexican, who said he is feeling the weight of rising costs and this will drive them up more, and the idea that someone with no experience could make what he makes now after years of hard work "is downright offensive."
- Larry Sonntag of the New Mexico Business Coalition, who said the bill will increase expenses, and higher wages won't stretch further as cost of essentials, such as food and housing, also climb.
- Bridget Dixson, president and CEO of the Santa Fe Chamber of Commerce, who said the bill will place immense financial strain on small business, especially those in the restaurant and hospitality area. "This isn't a policy change, it's a breaking point."
- Angie Smith, whose friend runs the Courthouse Café in Portales and already is not taking profit for herself as she struggles to keep her doors open for her employees. She shared there are already not enough jobs there and "this will have a devastating effect on our community."
- A restaurant owner with 171 employees who fears the unintended consequences of raising prices and closing doors. He added that his employees make well over $17 an hour with tips.
- The New Mexico Chile Association, which said farmers, processors and consumers will feel the burden.
- A rancher from Stanley on behalf of the New Mexico Cattle Growers Association who called it an "attack on agriculture."
- CARC, a Medicaid provider in Carlsbad, which said the minimum increase they face will be $176,000 annually, and they will have to either close some homes, cancel programs or go out of business.
- The National Federation of Independent Business, which said one-size-fits-all does not work for New Mexico and because the CPI has no cap, there could be 6% increases annually.
- Jerry Schalow, president and CEO of the Rio Rancho Chamber of Commerce, who said local businesses already operate on thin profit margins and will have to reduce staff, raise prices or close, leading to higher unemployment rates. He said look no further for the effect of higher minimum wages than the fact a Big Mac combo is $5 more in Santa Fe than Clovis.
- Kelly Fajardo, representing the New Mexico Farm and Livestock Bureau, who said this will place an enormous strain on small farms across New Mexico.
- The New Mexico Chamber of Commerce, which said that when labor costs rise, jobs and hours are cut, hurting workers, especially in small and rural communities.
- A man who now works in restaurant management but was a tipped server and bartender for years. He said that in Seattle, a similar increase resulted in job cuts, with some restaurants now having no hosts, no busers and sometimes no servers.
- The New Mexico Healthcare Association and New Mexico Center for Assisted Living, which raised the concern of the impact on those businesses that rely heavily on Medicaid.

Supporters were primarily employees and advocates of low-income residents who advocated for a living wage.

Rep. Luis M. Terrazas (R-Catron, Grant & Hidalgo) said he doesn't like this type of bill because "what it does is put everybody at odds." He decried its size and massive impact, said it actually

cuts the pay of tipped workers, and that it will increase inflation while punishing those who have put their entire lives into their businesses. Only 19 states have a higher minimum wage, he added, and if the bill passes, the state will have increased the minimum wage by 230% since 2019.

"We're making slaves out of our business people. We're making them slaves to their own businesses because they can't afford the cost of living, and the cost of doing business is high."
-Rep. Luis M. Terrazas

Roybal Caballero, a community economic developer, said it is a matter of pride for our state to take such a huge step forward to break the cycle of poverty, and businesses that would stay away because of the $17 minimum wage are looking for "a cheap labor force" and are not the kind of companies she wants here.

Ultimately, the committee voted 6-4 to give the bill a "do-pass." It's headed to House Appropriations and Finance.

Increase to $15 an hour for state and higher education employees

The committee also heard House Bill 264, Minimum Wage, Institutions of Higher Learning. J.D. Bullington again testified for the Chamber in opposition, saying the increase tied to the CPI puts the state in a bad place in the event of another economic downturn, and the mandated 12 weeks of paid family medical leave for parents of a new child is way out in front of House Bill 11:

"The Chamber believes that these types of salary increases should not be tied to inflationary measure like automatic COLA increases, and the Legislature should revisit increases in state employee salaries with caution and care and keep them isolated from other employee benefit programs."

Supporters testifying today included members of various unions and state employees, who said they cannot afford necessities including housing in Santa Fe, their responsibilities far outstrip their salaries, that many of their colleagues have left their jobs and the state for better pay elsewhere, and that the state is not competitive regarding annual leave. HB 264 also directs state agencies to implement a remote work program 'to enhance recruitment and retention of a diverse workforce from rural areas of New Mexico.' "

Roybal Caballero said the state is dealing with vacancy rates around 20-25%, that 36% of new employees don't complete their first year on the job, and turnover cost the state around $42k per employee - in 2021 the 2,121 employee turnover cost over $90 million.

Terrazas offered the only debate. He had the sponsor and her experts confirm no state worker should be making less than $15 now, and he questioned why vacancy savings aren't being used to provide raises for employees to reward and retain them. He also said he has "heartburn" over remote work given all the challenges experienced with it during the COVID-19 pandemic and asked if that could be removed.

Roybal Caballero said remote work is an integral part of her bill.

HB 264 received a unanimous "do-pass" on a bipartisan 9-0 vote. It's also headed to House Appropriations and Finance. We'll be there to keep you informed on what happens with these misguided and damaging bills.

BILL SUPPORTING CRIME VICTIMS BEING REVISED



Victims of crime took center stage in the House Consumer and Public Affairs committee this morning.

Rep. Dayan Hochman-Vigil (D-Bernalillo) presented HB 190, Victim of Crime Act Changes. The bill makes changes to the existing Victims of Crime Act, which ensures that those affected by violent crime are treated with dignity, respect and sensitivity at all stages of the criminal justice process.

The act lists the crimes that qualify someone for protection. HB 190 adds victims of human trafficking to the list, along with health care workers who are battered or assaulted in the course of their duties. It also provides enforcement mechanisms to ensure victims' rights are protected. This means that if a victim's rights are not complied with, they may have the ability to sue the entity that violated their rights, whether that's the courts or the prosecutor.

New Mexico Attorney General Raúl Torrez supports the effort and held a press conference last October announcing the proposed legislation. At the time he said,

"Victims deserve to be at the forefront of our judicial system, and this legislation is a critical step toward ensuring their rights and safety are prioritized. For too long, our system has focused on the rights of the accused, while victims and their families have been left behind. It's time to change that and put victims first by providing them with the protection and support they deserve."

Enrique C. Knell presented the Chamber's full support of the bill, saying, "First of all, we agree with Attorney General Raúl Torrez when he says that victims should be at the forefront of our judicial system. We are also especially supportive of adding health care workers to the group of workers protected by the act, as well as victims of human trafficking. Both are groups of people that we should zealously protect."

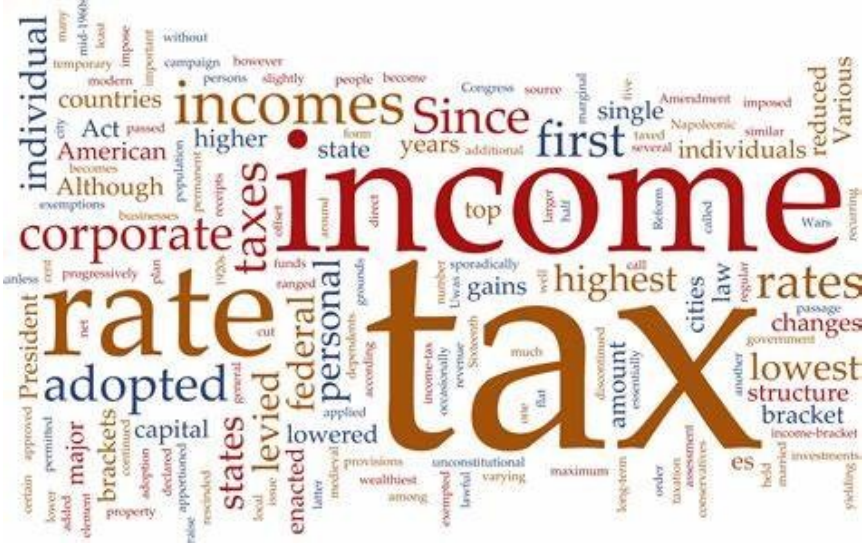
The only opposition to strengthening victims rights came from the public defender's office.

Hochman Vigil says we have seen systemic violations of victim's rights in New Mexico, to make statements and to face the perpetrator at the time of certain hearings. Court officials or DA's offices were failing to provide notice to victims about upcoming hearings.

Several legislators did express some concerns with the need for clear procedural guidelines. Rep. Andrea Romero (D-Santa Fe) said she'd like to see more specificity in the bill with regard to processes. Rep. Stefani Lord (Bernalillo & Torrance) says she's inclined to support the bill but needs to understand it better.

Hochman Vigil ultimately asked for more time to address concerns from the panel and said she will return to the committee with amendments. The bill was rolled over, and no vote was taken.

WHO'LL FOOT BILL TO HELP SMALL BIZ?



This afternoon, the Senate Tax, Business and Transportation Committee considered SB 141 sponsored by Senate Majority Leader Peter Wirth (D-Santa Fe) and temporarily tabled the bill pending development of an overall tax package. The principal goal that Wirth is after is trying to level the playing field between small businesses in New Mexico and out-of-state companies. Out-of-staters don't pay GRT on the first $100,000 of gross receipts, whereas local businesses do. Wirth's idea is to give New Mexico companies a $100,000 GRT deduction. The rub? It'll cost state and local governments over $300 million in lost revenue per year. The solution? Raise corporate income taxes to offset the loss.

And that's where the Chamber parted ways with the bill. We firmly oppose any tax increases, as J.D Bulllington explained:

"The basis of our concern is that this bill increases corporate income tax. While an attempt is made to help our small businesses, the bill unnecessarily raises taxes on some of our largest employers and revenue-generators like oil and gas and manufacturing.

"The Chamber has long advocated for GRT relief and, with the state treasury overflowing with cash, there's no reason why all New Mexicans shouldn't have tax relief paid out of the surplus. Lowering the GRT rate is a simple, across-the-board move that would contribute to lowering the prices of goods and services for all families. We would urge a 'yes' vote to tax reductions but a 'no' vote on SB 141."

Wirth pointed out that even small rate reductions in the GRT cost the treasury a lot of money and, in his opinion, provide little tax relief to individuals. He asserts that his approach is more targeted, delivering a benefit to small businesses that will actually make a difference in their competitiveness visa-a-vis out-of-state companies. There's some pretty good logic to that. And, that could be done from the large surpluses without raising taxes on other businesses and without hitting local governments in their pocket books.

Along with the Chamber and numerous business organizations, the Municipal League registered opposition. It points out that cities are highly dependent on GRT revenue and can't take a big hit. This concern registered with committee members.(Nice to be on the same page with you, A.J. Forte!) Sen. Natalie Figueroa (D-Bernalillo) raised good questions about how the effectiveness of giving a deduction would be measured. She wants to see a five-year sunset provision and a definitive standard for measurement of results.

While the bill was temporarily tabled, the discussion was robust, and we were very pleased to see David Abbey, former director of the Legislative Finance Committee, providing his assistance and thoughts on this issue. But, as long as a tax on business is in the bill, we cannot support it.

IN THE HOUSE



The late Rep. Eliseo Alcon had a tradition of handing out red chile chips every year. These chips are locally manufactured in Milan. After his passing and because his seat is still vacant, Rep. Patty Lundstrom assumed the duty of dealing out the chips. Trust us, she is a very popular lady today (and most other days, too).

United New Mexico soccer team president Peter Trevisani was recognized for his contributions to our state. He lives in Santa Fe and is very dedicated to community service.

Kairos Power

Kairos Power was recognized for bringing a new engineering center to Mesa del Sol. Its specialty is advanced nuclear energy development, but the New Mexico facility will be involved in non-nuclear initiatives. The center is expected to generate $450 million in economic impact, bringing 100 new jobs and also opening opportunities for interns from UNM and CNM. In case you're wondering, kairos means at the right or opportune moment. It's Valentine's Day tomorrow - that would be kairos moment.

SIGNING OFF FROM SANTA FE



A somewhat less hectic day for us today, but stand by, the pace picks up tomorrow through

Saturday. It's very disappointing to see bills pass committee proposing to drastically increase the state's minimum wage. We wonder what part of "small businesses are struggling" don't people get? Raising labor costs simply ends up fueling inflation. Whatever wage increase one gains is quickly lost in higher prices or even job loss. Maybe we need to extend those financial literacy classes to some other folks...just sayin'. We hope you all have a fab evening, and we'll see you tomorrow.

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

GREATER ALBUQUERQUE CHAMBER OF COMMERCE

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GREATER ALBUQUERQUE CHAMBER OF COMMERCE

Legislative RoundUp

2025 Regular Session | Friday, February 14, 2025

57th Legislature | Day Twenty-Four

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



Ever wonder about the history of Valentine's Day? Here's the CliffsNotes version extracted from Wikipedia:

Valentine's Day, also called Saint Valentine's Day or the Feast of Saint Valentine, is celebrated annually on Feb. 14. It originated as a Christian feast day honoring a martyr named Valentine, and through later folk traditions it has also become a significant cultural, religious and commercial celebration of romance and love in many regions of the world. The 8th-Century Gelasian Sacramentary recorded the celebration of the Feast of Saint Valentine on Feb. 14. The day became associated with romantic love in the 14th and 15th centuries, when notions of courtly love flourished, apparently by association with the "lovebirds" of early spring.

So to all your lovebirds, Happy Valentine's Day!

ELECTED STATE SCHOOL BOARD? GOING BACK TO THE FUTURE IS ***NO*** FUTURE



Senate Joint Resolution 3, sponsored by Sen. Bill Soules (D-Doña Ana), proposes a constitutional amendment that would take us back to the future minus the DeLorean. If approved by the Legislature, the proposal would be placed on the November 2026 ballot for voter consideration and, if approved, would go into effect in 2028. The bill would re-institute a partly elected and partly appointed State School Board, which, in turn, would select a State Superintendent of Education.

Terri Cole, Chamber President and CEO, was in the Senate Rules Committee this morning to oppose the measure:

"We respectfully oppose this legislation because it would inject more politics into public education, and that's the last thing we need. Putting a large, partially elected group of people in charge of our state's education system is a recipe for more division and acrimony. Local school boards across America are under fire for governance issues – many local boards are hotbeds of political chaos – and they routinely lose focus on student needs and outcomes. Why would we want a similar situation at the state level?

"Please recall, New Mexico once put an elected body in charge of utility regulation in our state – and for many of the same reasons we're talking about a state school board today, we ended up with a daily cocktail of dysfunction and poor decision-making. And, rightly so, we retreated from that model.

"We also want to emphasize that this resolution does NOT adequately protect public charter schools. It would eliminate the current state charter school authorizer, which is performing VERY WELL.

"Finally, the number of adult decision-makers is not driving students' unacceptably low academic performance. This resolution is not going to fix what's broken. Let's not advance a so-called solution that hasn't worked before and won't again."

In fact, in 2003 New Mexico voters threw out the old system of an elected state board of education precisely because it was political, sluggish, ineffective and dysfunctional. Why we would want to go back to this model that didn't work is difficult to fathom. Supporters point to the turnover in appointed secretaries of Public Education, and while that is unfortunate, there is no evidence that this model works better in terms of improving student success. For example, both Mississippi and Louisiana have made giant strides in improving student outcomes. They have different governance models. It's not the governance model that makes a difference; it's the focus on students by providing appropriate intervention and support. Legislation being carried by Soules to improve math outcomes and by Sen. President Pro Tempore Mimi Stewart (D-Bernalillo) on literacy are good examples of what needs to be done to support students. Bottom line: It should be all about the kids, not the adults.

Also in opposition were representatives of the Public Education Department, NewMexicoKidsCAN, Public Charter Schools of New Mexico and the Public Education Commission. The latter is responsible for governing state-chartered charter schools and is doing a very good job. This commission would be eliminated if SJR 3 were to pass, which would dilute the focus on the success of charter schools, not a desirable outcome.

Because Soules was chairing the Senate Education Committee meeting at the time this bill was heard, the Rules Committee chose to take public comment in support, then roll the measure over until next week so Soules could participate. Apparently, many supporters of the measure left because they thought the constitutional amendment was not going to be heard today. Whether

they might be allowed to testify later is unknown. We'll keep you posted.

Below is a letter sent to the committee by Del Archuleta, who chaired the old elected State Board of Education. Del is also a past chair of the Chamber's Board of Directors and is currently the chair of the Chamber's Education Bold Issues Group. He has unique insights into the problems of the old elected board very worth considering.

Here's what Archuleta has to say:

> Honorable Senate Rules Committee Members:
>
> I sincerely appreciate the opportunity to address SJR3, which you will be hearing tomorrow morning (Friday, Feb. 14). I am unable to testify tomorrow morning, but I wanted to share my thoughts with you.
>
> The subject matter of the joint resolution is something that is near and dear to my heart. In fact, I had the opportunity to serve on – and chair – New Mexico's previous state board of education before it was dismantled in 2003. Even as the chairman of that board, I believed then – as I continue to believe today – that the state school board model is a poor form of education governance, especially for a state as diverse and large as New Mexico. This was confirmed by my experience on the board, which I will elaborate on in this letter, as well as in my study of how the model has been used elsewhere in the country as part of a "blue ribbon task force" commissioned by the Greater Albuquerque Chamber of Commerce in 2000.
>
> I understand how one might think that a state school board made up of representatives from individual districts would be effective in reflecting strategic input from all corners of the state to shape and implement state educational policy. However, my experience was that it was very difficult to get such a large board to tackle the important statewide issues; narrow and parochial interests dominated. As such, very little meaningful progress was made by our state school board in the past. And as a result, our students suffered under this form of governance.
>
> In my experience, the individual board members I served with were perfectly nice people, all serving with good intention. But when we convened as a board, we were highly ineffective and did not meet the high purpose and responsibility given to the institution. When it was time for us to consider state education policy, many of our meetings devolved into political infighting, and it was very difficult to get some board members to focus on statewide issues or strategies – as opposed to their own "district" needs or issues. In fact, the state superintendent was often compromised by board members who sought to micromanage the process. We had little or no ability to move quickly on important issues because of the many stalemates that developed. To say that the state school board was "sluggish" and "ineffective" compared to many other boards I have had the pleasure to serve on in my career would be a major understatement.
>
> In our education system, we need responsiveness, agility and the stamina to deliver opportunity to every single child in this state. What we do not need is to inject more politics into public education, which is exactly what SJR3 would do.
>
> The Public Education Department needs to be in the governor's Cabinet, no matter who sits on the fourth floor. The PED needs the flexibility to do what is right to serve our kids and partner across agencies to deliver innovation and progress.
>
> The Greater Albuquerque Chamber and I believe every child in this state deserves a chance to achieve their dreams, and our chance of doing that is much better under the current model of governance. Please do not let SJR3 on the ballot. It will be a setback for our students for generations.
>
> I'd like to close with a quote from an impressive principal who met with our blue ribbon task force when we were visiting Philadelphia during our studies. She said to us:
>
> *"We finally started to achieve educational success when we started doing what was right for our kids instead of what was convenient for the adults."*
>
> In retrospect, that's all we really need to know about doing the right thing for our children.
>
> Thank you for your service and consideration.
>
> Respectfully,
>
> Adelmo (Del) Archuleta

Former member and chairman of the New Mexico board of education

SENATE OKS BEHAVIORAL HEALTH PACKAGE, SENDS IT ON TO THE HOUSE



A major step in rebuilding the state's behavioral health system was taken today when the Senate passed Senate Bills 1, 2 and 3 to the House. Here's a quick rundown on what the bills do:

- SB 1 establishes a $1 billion trust fund that will receive contributions over the next two to three years to bring the corpus to $1 billion. The fund will be invested by the State Investment Council and should produce at least 5% Return on Investment, thereby spinning off $50 million per year that can help sustain behavioral health services. With the 3-1 match ratio from Medicaid funds, the $50 million can be leveraged to produce $200 million per year. Passed Senate 37-5
- SB 2 provides $200 million from the general fund to jump-start 23 program areas and projects for substance abuse treatment, homelessness assistance and other services. Money for developing regional plans is also included. Passed Senate 37-4.
- SB 3 provides for establishing regional districts that will be responsible for project planning, implementation and reporting measurable results. The plans must include five projects that are most important to closing the gap between community needs and service delivery. The Administrative Office of the Courts (AOC) will coordinate standing up the regional districts, and then an executive committee will oversee implementation and reporting. Passed the Senate 37-5.

There was significant debate on SB 3, which is the bill that establishes guardrails and accountability. The framework established in the bill is a bottom-up approach so that plans and programs are reflective of the unique needs of each regional district. Initially, the districts will likely be the 13 judicial districts, but this could be modified and reshaped as experience is gained. All three branches of government collaborated in developing these bills and will continue to do so as the plans and programs are rolled out. As Minority Leader Bill Sharer (R-San Juan), cosponsor with Majority Floor Leader Peter Wirth (D-Santa Fe) on SB 3, observed, what we have now is a rudderless ship. SB 3 installs the rudder.

Sen. Jay Block (R-Bernalillo and Sandoval) said that in 2013 the state's behavioral health system was decimated, and the state has never been the same, it's worse. Having had family with substance-abuse issues, Block opined that the state must make huge investments and provide treatment to people who are hurting. "People on the streets have value, and I hope this helps get their lives back on track." We're pretty sure that's a widely held sentiment.

Sen. George Muñoz (D-Cibola, McKinley & San Juan), chair of the Senate Finance Committee, pointed out that over the last three years, the state has spent $2.4 billion and the needle hasn't moved, and so a different approach is needed. Wirth agreed, saying "We can pass all the bills (on crime) that we want, but we have to have places to send people that need help." Currently, for nonviolent offenders, their cases are usually dismissed and they're placed back on the street with no assistance, in part contributing to the catch-and-release dilemma.

Sharer agreed with that; however, in a subsequent press release, he said, "Make no mistake, this investment alone does not solve our state's rampant crime crisis. Addressing behavioral health is one small piece of our otherwise broad and increasingly worse crime crisis; it is imperative that we also pass accompanying legislation that directly focuses on holding criminals

accountable for their actions." He announced that Senate Republicans would soon be announcing a "major crime package."

There was limited debate on SB 1 and zero debate on SB 2. Wirth acknowledged that there might be some further "tweaking" of the bills on the House side in response to the governor, House members and a friendly amendment that Block wishes to have included in SB 3. We'll continue to track this legislation and keep you posted.

SCHOOL TEST RESULTS SHOULD BE TIMELY – SENATE ED AGREES, PASSES SB 247 9-0



If you take a test, you want the results quickly, right? That's because results determine what you do next, whether the test shows you need medication for an illness, a new battery for a hard-starting vehicle, or less salt in a recipe.

And getting results for how our students are doing in reading, math and science is no different. Their test results let them, their parents and especially their teachers know where they are academically, as well as what needs to be done to get/keep them on a path to success in college, career and life.

This morning the Senate Education Committee took up Senate Bill 247, Publication of School Assessment Results, sponsored by Sen. Gabriel Ramos (R- Grant, Hidalgo and Luna) and Rep. Rebecca Dow (R-Doña Ana, Sierra & Socorro). The bill is a simple one that "requires the Public Education Department (PED) report on specific performance and trend data from department-approved summative assessments for science, math, and English language arts, by Sept. 1 of each year. It also requires these results to be published on a website in a user-friendly format."

Education is one of the Chamber's Bold Issue Group initiatives, and D'Val Westphal, executive vice president of policy and programs, testified in strong support of the bill:

"There's a well-known idiom that 'you can't really know where you're going until you know where you've been.' That's especially true when it comes to our students' academic progress.

"And yet every fall we expect our school administrators, teachers, parents and students to fly blind into the new school year, going months without proficiency results. That's patently unfair and sets everyone up to fail – students who need extra help don't receive it, students who are excelling hurry up and wait to advance, and the months go by.

"And we would point out the Legislative Education Study Committee analysis shows many states don't just meet, but beat, the proposed Sept.1 deadline to publish statewide summative assessment results for English Language Arts, math and science. If Florida, Tennessee, Texas, Indiana, Louisiana and Georgia can release test results before August, there should be no excuse for New Mexico not to as well.

“To improve student proficiencies, our educators, parents and students need this information. They deserve it. It’s being done in other states, and it should be done here. Please pass SB 247. Thank you.”

FYI, PED released last year's test results on Dec. 19, just in time for winter break.

Amanda Aragon, executive director of NewMexicoKidsCAN, served as Ramos’ expert witness during the hearing, which saw zero opposition to the measure in person, online or from the committee.

Joining the Chamber in support were:

1. Public Charter Schools of New Mexico. Lobbyist Carrie Robin Brunder said “assessment data is no good if it’s late” and it allows our leaders to make better decisions at schools and in the Legislature.
2. Stan Rounds, executive director at New Mexico Coalition of Educational Leaders, who said “data is important. Timing is important also. We’ve been frustrated as districts do not have testing results for months and months and months and months. This is a step in that direction, and we think it’s something we need to look at.”
3. Eli Casaus with Teach+, who shared teachers “need data to respond more efficiently and effectively to student needs and provide families with a clearer picture of their child’s academic progress. Timely and transparent assessment data is critical for educators, families and policy makers.”

The committee clearly agreed, giving SB 247 a unanimous 9-0 “do-pass” vote. It’s headed to Senate Health and Public Affairs next, and we’ll be there to let you know all about the testimony, discussion and vote.

HOSPITAL PRICE TRANSPARENCY BILL SIMPLY DUPLICATIVE, INFLEXIBLE



Health and Human Services Chair Elizabeth "Liz" Thomson (D-Bernalillo) sat on the other side of the dais today and presented House Bill 263, the Hospital Price Transparency Act.

HB 263 would require hospitals to post information on their public websites to disclose pricing, billing codes and other detailed information for all items and services provided in inpatient and outpatient settings. It also provides penalties on New Mexico hospitals for violating the act and allows patients to bring civil action against hospitals.

The Chamber opposes this legislation, as there are already federal requirements in place. The proposed methodology in HB 263 is very different from the federal rules, overlapping federal procedures and creating new burdens without generating any new tangible benefits for New Mexicans. At the same time, the legislation threatens to increase health care and hospital costs by establishing new hoops to go through.

J.D. Bullington relayed the Chamber’s opposition to the legislation, saying,

“The new price posting framework in HB 263 is more strict than federal policy, and it does not adequately accommodate our economic, regional and local market pricing flexibilities afforded through federal rules. And the analysis points out that there are numerous technical, logistical and definition issues throughout HB 263 that will complicate compliance and enforcement at the state level.”

As if to underscore the Chamber’s concerns about increased litigation and unnecessary costs for hospitals, the only supporter in the room represented the New Mexico Trial Lawyers association.

The bill passed unanimously 8-0 and heads to House Judiciary next.

STOP, LOOK & LISTEN FOR RAILROAD EQUIPMENT SURVIVES HIJACKING ATTEMPT



Hijack - verb
hi·jack ˈhī-ˌjak
hijacked; hijacking; hijacks

2 a: to take or take control of (something) as if by hijacking
-Merriam-Webter.com

This afternoon the House Judiciary Committee heard House Bill 160, Stop, Look and Listen for Railroad Equipment, sponsored by Reps. Patricia A. Lundstrom (D-McKinley), D. Wonda Johnson (D-McKinley & San Juan), Tara L. Lujan (D-Santa Fe), Raymundo Lara (D-Doña Ana) and Art De La Cruz (D-Bernalillo). The bill was almost a victim of a Great Train Robbery in the form of an unfriendly committee amendment/substitute from committee member Rep. Matthew McQueen (D-Sandoval & Santa Fe). That effort was thankfully tabled on an 8-3 vote. The bill in its original form, which the Chamber supports as a common-sense public safety measure, received a “do-pass” 10-1 vote, with McQueen the lone “no.”

First, here’s what this smart bill does:

Currently at railroad crossings, only trains have the right-of-way over all other traffic. HB 160 would add “other on-track equipment” at all railroad-highway grade crossings.“Other on-track equipment” is “any car, rolling stock or other device that alone or coupled to another device is operated on stationary rails.” The bill would require all drivers, including school bus drivers and drivers carrying hazardous materials, to abide by certain stopping distance requirements when approaching “other on-track equipment,” not just trains.

Chamber President and CEO Terri Cole voiced support for the measure when it was heard in its first committee:

“This is common-sense legislation to help protect both the public and train equipment operators. There has been an increase in accidents and injuries resulting from failure to stop, look and listen for any equipment operating on the rails. This measure should help improve safety."

Now, here’s what that substitute version wanted to add:

A requirement that all on-track equipment blow its horn a quarter of a mile out from a crossing.

That might seem like a simple request, right?

It's a lot more complicated than you might think. Lundstrom had an expert in the field on hand to explain why, Jeff Joines, director of government affairs for the Brotherhood of Maintenance Way Employees (a national union representing the workers who build and maintain the tracks, bridges, buildings and other structures on the railroads of the United States). He explained that 39 other states have adopted the language in HB 160, and railroad operators need continuity across the country to operate safely.

"We haven't varied in this at all," he shared. "That's why it's important to have a clean bill" without such amendments.

In addition, Lundstrom's original bill "legislates the responsibility of vehicle operators" (drivers on the road should stop, look and listen before approaching/crossing railroad tracks) whereas the substitute legislates the responsibility of the locomotive or equipment on the track. Joines said expecting train and equipment operators to keep track of different rules for different states is a recipe for confusion.

It's also a recipe to put liability on the train crews in the case of an accident – forget to blow the horn, and you're on the hook.

There's no question that virtually anything coming down a train track, be it a locomotive or a maintenance vehicle, is much bigger than any vehicle on the road and guaranteed to win in a collision. And that's why the Chamber supports the common sense in HB 160 in its original form and as passed, something we've all been taught since an early age, and that is to stop, look and listen before approaching or crossing a railroad track.

HB 160 is headed to the House floor – here's to it avoiding further hijacking attempts and making to the governor's desk.

MORE HEALTH CARE COMPACTS MOVING IN HOUSE



We have reported to you several times on the various health care licensing compacts that are moving through the House and Senate. Today, House bills 243 and 242 cleared the House Health and Human Services Committee on unanimous votes, passing 9-0. HB 242 addresses psychologists, and HB 243 addresses medical doctors. Both bills now move on to the House Judiciary Committee.

J.D. Bullington spoke on behalf of the Chamber, telling legislators, "We all know how important attracting mental health professionals is as we wrestle with rebuilding the state's behavioral health system. Both of these bills offer answers to how we attract these professionals to New Mexico."

There are nine different bills that would make it much easier for healthcare professionals licensed in other states to care for New Mexico patients, including via telehealth. All bills together cover these medical professionals:

- physicians,
- physician assistants,
- psychologists,
- counselors,
- dentists and dental hygienists,
- emergency medical personnel,
- audiologists and speech therapists,
- physical therapists

- and occupational therapists.

Fred Nathan, founder and executive director of Think New Mexico, has spearheaded an effort this year to get New Mexico into these various medical and health care compacts. He and others say approving these nine compacts is the single most impactful thing we can do to address our state's health care shortages. The results of an existing compact prove it works.

According to Think New Mexico, since 2003 New Mexico has been one of 40 states in the Nurse Licensure Compact, which grants nurses a multi-state privilege to practice in other compact states. As many as 80% of the nurses at some New Mexico hospitals, especially in rural and border areas of the state, would not be practicing here but for this compact.

Yet New Mexico is one of only five states that has joined two or fewer interstate compacts. By contrast, our closest neighbors have adopted five or more interstate compacts — Arizona, six; Colorado, 10; Oklahoma, eight; Utah, nine; and Texas, five.

Nathan told legislators today that this makes New Mexico a donut hole in the region. And not one of the good donut holes, either.

Rep. Jenifer Jones (R-Doña Ana, Hidalgo & Luna) is a retired oncology nurse, and she pointed out that New Mexico is a net exporter of medical professionals. She supported both bills, but she cautioned that New Mexico has more work to do to keep doctors in our state. These compacts work both ways, and doctors from our state could continue to leave to other states. But that's not a new problem!

You can get involved by **sending a message to your own legislators** by using this link from Think New Mexico's website. With it, you can easily send e-mails to the governor, lieutenant governor and your senator and representative. The system will figure out who they are for you and help you write an e-mail supporting these nine major health care worker interstate compacts.

IN THE JOINT SESSION



African American Day Celebrated

Both chambers gathered today just after noon to recognize and celebrate African American Day. Rep. Pamelya Herndon (D-Bernalillo) served as the presiding officer for today's special events. Rep. Janelle Anyanonu (D-Bernalillo) delivered the opening remarks, observing the significant contributions of African Americans in our state, dating back to 1539.

Today's event marks the 25th anniversary of African American Day at the Legislature.
The keynote speaker was Dr. Carissa Colbert, a dynamic leader who has had an impact locally, nationally and even on an international level. She told the Chamber about Estevan de Moore, an African American who was among the first non-indigenous people to step foot in New Mexico and who played a significant role in early interactions between Zuni and Spanish people.

And the Buffalo Soldiers contributed to American expansion in the Southwest, finding hope in New Mexico amidst deep racism elsewhere.

The afternoon was topped off with a beautiful and touching musical performance by sisters Kendra and Tasha Crawford, fourth- and third-graders at Cochiti Elementary School. Rep. Herndon closed the ceremonies, saying “We’ve learned many things, but most of all that inclusivity must be at the forefront of all our work.”

SIGNING OFF FROM SANTA FE



A little bit of everything today. We're very pleased to see the behavioral health package on track. If/when the criminal competency passes, then it's vital to have a strong behavioral health system so there are tools for the judiciary to use other than putting people back on the street. Tomorrow, we expect the House will take up House Bill 8, the public safety package (which contains the criminal competency piece of the puzzle). House committees meet in the morning and the House in the afternoon at 2. The Senate is off until Monday. So, no football (are you having withdrawals?) BUT a plethora of President's Day sales (oh yippee). Shop 'til you drop. We'll see you tomorrow evening, and you have a wonderful evening yourself.

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

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Legislative RoundUp

2025 Regular Session | Saturday, February 15, 2025

57th Legislature | Day Twenty-Five

BREAKING NEWS
February 15, 2025

BREAKING NEWS: House Government, Elections and Indian Affairs Committee tables bill to re-establish elected state school board

Moments ago, the House Government, Elections and Indian Affairs Committee tabled HJR 4 which sought to re-establish an elected state school board. The model of governance was once used unsuccessfully in New Mexico and was replaced by voters in 2013.

"The problem isn't how we govern public education," said Chamber President and CEO Terri Cole. "The problem is lack of focus on student success. The number of adult decision makers is not driving students' unacceptably low academic performance. This resolution is not going to fix what's broken. Let's not advance a so-called solution that hasn't worked before and won't again."

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GREATER ALBUQUERQUE CHAMBER OF COMMERCE

Legislative RoundUp

2025 Regular Session | Saturday, February 15, 2025

57th Legislature | Day Twenty-Five

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

HOUSE PASSES PUBLIC SAFETY PACKAGE 48-20



Rep. Andrea Reeb, left, discusses her floor substitute for HB 8 with Rep. Nicole Chavez, right, whose son was killed in a drive-by shooting.

House Bill 8, the "public safety package," gained House approval 48-20 after three hours of debate and attempts to amend the bill. To quickly recap, HB 8 revamps criminal competency statutes, creates a crime for converting weapons to fully automatic, makes a shooting threat the same level of crime as a bomb threat, enhances sentences by up to three years for trafficking fentanyl, allows blood testing for DWI involving drugs (not cannabis) and imposes stiffer penalties for auto theft.

Good, but More Needs to be Done

While we believe that all these are good things, we think there are many important steps that need to be taken to make this a really complete crime-fighting proposal that genuinely responds to the public outcry for getting tough on criminals and making our communities a lot safer. Let's not forget that our violent crime rate is double the national average, and we have the second-highest number of violent crimes in the nation.

The fact that we have a public safety bill at all is because the governor called a special session and has shined a bright light on making our communities safer as soon as possible. So, good for you, governor. That should be everyone's common goal, and it takes an "all-of-the-above" approach - tougher penalties for egregious crimes, rebuilding the behavioral health system and slamming the revolving door shut. The session is not quite half over - there's plenty of time to add critical but so far missing pieces.

Here are the top actions that we are advocating for:

1. Juvenile justice reform - serious violent crimes committed by youthful offenders is the fastest-growing category in our communities. We must find a way to take violent offenders off our streets. Murder is murder regardless of age. It's serious, and we need to treat it seriously. In Albuquerque, there are 1,048 cases of juvenile crime pending, 890 involving firearms. There's been a 57% increase in juvenile crime, and 33 offenders are charged with murder.
2. Racketeering - the scope of crimes that can be prosecuted using racketeering laws in New Mexico is very narrow. We need to add many additional crimes to break human trafficking, drug dealing and other organized crimes.
3. Felons using firearms - substantially increase sentences for convicted felons who commit subsequent crimes using a firearm.
4. Increased penalty for drug trafficking resulting in death - impose second-degree felony penalties for this crime and first-degree sentences if the death of a minor is committed.
5. Pretrial detention - require that felons who have committed a subsequent violent crime be held in custody pending trial and not be released back into the community.
6. Clarify the definition of "harmful to self or harmful to others" so judges can keep violent offenders in custody. Currently, the definition is vague, and too often judges release bad guys back into the community.

Amendments Offered on the House Floor

Rep. Andrea Reeb (R-Chavez, Curry & Roosevelt) was the district attorney of Curry County and a longtime prosecutor. In other words, she knows of what she speaks. Her biggest concern is the rapid increase in serious, violent juvenile crime. Her belief is that failure to address this issue will result in the Legislature needing to come back again and again until this is fixed.

Consequently, she offered two floor substitutes (amendments) to HB 8. The first deleted two elements of HB 8 (shooting threat and gun conversion devices because she thinks they need clarification) and added items including changes to the delinquency act (juvenile crimes) to broaden the number of crimes in which a serious youthful offender could be charged as an adult and lower the age from 15 to 14, toughen sentences for felons using a firearm, and establish a first-degree felony for distributing fentanyl to a minor. This substitute was tabled on a party line vote of 42-26, D's in favor of tabling, R's opposed.

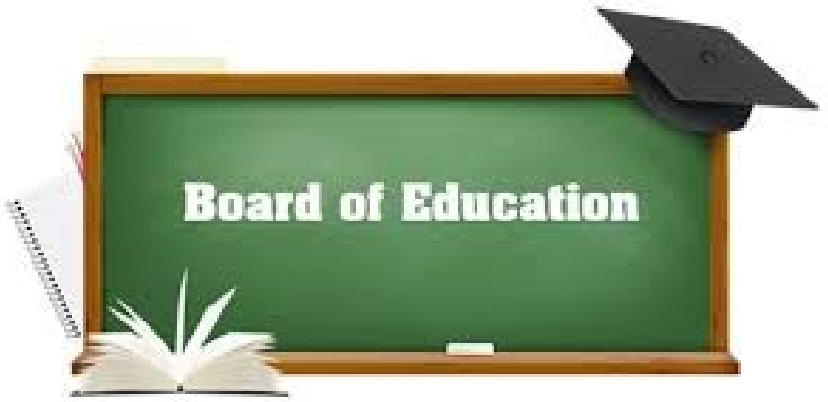
She then made another attempt at a compromise. She left the current HB 8 as-is and simply added the provisions of the delinquency code proposed above. That was also tabled on a nearly partisan vote of 41-27. Rep. Charlotte Little (D-Bernalillo) crossed party lines.

Finally, after a full three hours of debate, HB 8 passed the House on a vote of 48-20. Nine Republicans, including Reeb and Minority Leader Gail Armstrong (R-Catron, Sierra, Socorro & Valencia) voted in favor. Two Democrats, Matthew McQueen (D-Sandoval and Santa Fe) and Angelica Rubio (D-Doña Ana) voted no. Both representatives were opposed to some provisions in HB 8 and objected to the six bills ultimately being bundled together.

Whither from Here?

The session is not quite half over. There's plenty of time to modify HB 8 in the Senate or to move separate pieces of legislation. In either case, it's clear more needs to be done. Reeb's HB 134, which deals with juvenile crime as she proposed in the floor amendments, is apparently finally going to be set for hearing in the House Consumer and Public Affairs Committee. This will be a crucial litmus test on whether moving additional public safety measures forward can happen in the House. Meanwhile, we'll also be advocating for Senate bills that deal with many of these subjects. While we appreciate HB 8's many good features, we also can't let that be the last word in fighting crime this session.

HOUSE COMMITTEE TABLES PROPOSED ELECTED STATE BOARD OF EDUCATION



Earlier this week, we reported on Senate Joint Resolution 3, a mirror image of House Joint Resolution 4, which was considered today by the House Government, Elections and Indian Affairs committee. Both propose a constitutional amendment to re-establish a state board of education, which was dismantled by voters in 2013 because public schools were not producing student success (and they're still not). That's why the Chamber and others say that the governance structure isn't the problem - it's the lack of focus on student success. Today HJR 4, sponsored by Rep. Alan Martinez (R-Sandoval), was tabled by the committee on a 5-3 party-line vote, D's for tabling, R's opposed.

Terri Cole, president and CEO of the Chamber, offered these comments to the committee:

"We respectfully oppose this legislation because it would inject more politics into public education, and that's the last thing we need. Putting a large, partially elected group of people in charge of our state's education system is a recipe for more division and acrimony. Local school boards across America are under fire for governance issues – many local boards are hotbeds of political chaos – and they routinely lose focus on student needs and outcomes. Why would we want a similar situation at the state level?

"Please recall, New Mexico once put an elected body in charge of utility regulation in our state – and for many of the same reasons we're talking about a state school board today, we ended up with a daily cocktail of dysfunction and poor decision-making. And, rightly so, we retreated from that model.

"We also want to emphasize that this resolution does NOT adequately protect public charter schools. It would eliminate the current state charter school authorizer, which is performing very well.

"Finally, the number of adult decision-makers is not driving students' unacceptably low academic performance. This resolution is not going to fix what's broken. Let's not advance a so-called solution that hasn't worked before and won't again."

Also appearing in opposition were the Department of Public Education, the Public Education Commission (responsible for state charter schools), Excellent Schools of New Mexico and NewMexicoKidsCan. The Public Education Commission by all accounts has been doing a good job in overseeing and encouraging charter schools. HJR 4 would wipe out this commission and place charter schools under the state board of education. The concern is that attention to charter schools would be diluted at best.

Amanda Aragon of NewMexicoKidsCan pointed out that the 49 other states above us in educational achievement all have different forms of school governance. So, it can't be the form of governance that matters. Rather, the problem is the lack of focus on instruction (math and reading, particularly). The Public Education Department (PED) points out that public education also includes early childhood learning and higher education, all sitting at the governor's Cabinet table. Removing PED from that structure could reduce collaboration, especially if a state board of education takes off in a different direction than the governor. The governor is the one point of coordination and accountability.

We understand the frustration of public education failure. We're just as frustrated. Billions of dollars and half the state's general fund budget with huge increases in spending over the last five years with minimal results. We get it. But trying to go forward with a back-to-the-future answer just doesn't work.

The mirror SJR 3 is in Senate Rules on Monday morning. We will be there and will let you know what happens.

LEADERSHIP MATTERS: NEW STANDARDS FOR SCHOOL PRINCIPAL TRAINING, DEVELOPMENT



This morning, the House Government, Elections and Indian Affairs Committee gave a unanimous "do-pass" recommendation to House Bill 157, sponsored by Reps. Joy Garratt (D-Bernalillo), Brian Baca (R-Valencia) and Raymundo Lara (D-Doña Ana). The goal is to raise the standards for principal training and development through mentoring and other support. Terri Cole, president and CEO of the Greater Albuquerque Chamber of Commerce, provided the following testimony:

"I'm here today to support HB 157 because to improve education in New Mexico, it's helpful to think about turning things around one school at a time, which, at its core, is a leadership challenge. There are no documented instances nationally of a school turning around its academic performance in the absence of a dynamic, effective leader at the helm. Stronger, better-prepared principals are essential to driving change.

"The final few pages of this bill significantly raise the standards for how we train principals in New Mexico, which we've been urging the Legislature to adopt for several years. Things like:

- *Rigorous on-the-job training*
- *Aggressive recruitment of top teaching talent into school leadership training, and*
- *Improved tracking of graduates from principal prep programs*

"We urge your support of this bill because better-prepared leaders in our schools will build stronger students. Thank you."

The goal is to achieve nationally recognized best practices because the principal must lead a culture of learning. With the right training and support, there will be a consistency of leadership. Turnover among principals is very high due to a number of factors, including lack of preparation for leadership and local support.

The Chamber has long advocated for exactly this kind of change. Through a grant from the Thornburg Foundation and Los Alamos Laboratory Foundation, the Chamber engaged Education Research and Development, a nationally recognized group of experts, to prepare a report on school leadership, and many of those recommendations are included in HB 157. The report leads off with this statement:

"I can tell you a good principal is worth their weight in gold. They make everything work. And when you have a principal that is not good, teachers leave."

– Mimi Stewart, Senate President Pro Tempore

The report underscores the importance of principals (click **here** to access the entire report):

Principals play a critical role in school improvement and student success. Studies have shown that strong school leaders are second only to teachers as a strategy for improving student
achievement.

We couldn't be more pleased that HB 157 received a ringing endorsement and now heads to the House floor. We'll keep you posted.

HOUSE ENERGY STOPS CONFLICTING, OVERBROAD CHEMICAL BAN IN ITS TRACKS



Can you say per- and poly- fluoroalkyl three times fast? Heck, can you say it once? How about PFAS - that's better. These are "forever" chemicals used in thousands of consumer products and as an enhancer for oil recovery. House Bill 222 seeks to ban the use of PFAS in enhanced oil recovery, despite the fact that there is little scientific evidence of that use causing harm to human health or the environment. The House Energy and Natural Resources Committee rolled the bill over this morning. Whether further amendments can revive this bill is unknown. J.D. Bullington stood in opposition on behalf of the Chamber:

"Mr. Chair and members of the committee. I'm J.D. Bullington appearing on behalf of the Greater Albuquerque Chamber of Commerce in opposition to HB 222. The bottom line in our view is that there are just too many uncertainties to make this legislation viable.

"First, the impact on production in our state is unknown. No other state has done this, and we're thinking it's not good to be a first adopter. Secondly, there's legal jeopardy, well stated by the attorney general. Third, there's a rulemaking going on right now to address this subject that would be completely derailed if this bill passes.

"Perhaps, the statement in the Fiscal Impact Report by Energy, Minerals and Natural Resources says it all, '...too broad, not connected to science-based human health or environmental concerns and negatively affects oil and gas recovery.' We ask for a 'no' vote on HB 222."

Also in opposition are the New Mexico Oil and Gas Association and the New Mexico Chamber of Commerce. In support are environmental organizations, the Sierra Club, the Center for Biological Diversity and the New Energy Economy (the chair allowed only three people on each side of the issue to testify).

Supporters claim that PFAS are harmful to human and animal life, that the effects of PFAS' use in the oil and gas industry is unknown but oil and gas uses billions of gallons of water unlike any other industry, and so banning their use in oil and gas recovery makes sense, as well as forcing more disclosure.

According to the EPA's website, "There are thousands of PFAS chemicals, and they are found in many different consumer, commercial and industrial products. This makes it challenging to study and assess the potential human health and environmental risks." The EPA goes on to discuss what is not known and what requires more scientific study, saying EPA's researchers and

partners across the country are working hard to answer critical questions about PFAS:

- How to better and more efficiently detect and measure PFAS in our air, water, soil and fish and wildlife
- How much people are exposed to PFAS
- How harmful PFAS are to people and the environment
- How to remove PFAS from drinking water
- And how to manage and dispose of PFAS.

The short translation: We don't know a whole bunch of stuff. The New Mexico Legislature rightfully prides itself, quite appropriately, on crafting legislation that is "evidence-based." House Bill 222 is far, far away from evidence-based. Despite claims from proponents that California and Colorado already ban PFAS, their laws are focused on the whole range of consumer products - clothing, cooking utensils, carpets, makeup, etc. - not just one industry (and both states do have oil and gas production, though in decline).

The largest known PFAS presence in New Mexico groundwater is near Holloman AFB in Clovis. This is not the result of enhanced oil recovery but rather from the use of fire suppressants. PFAS are particularly resistant to heat, oil, grease and water, making an ideal suppressant. The Water Quality Control Commission has rulemaking ongoing that will deal with many of the issues raised in HB 222. This important rulemaking, based on a wide range of expert testimony, would be completely upended with passage of this bill.

Too much uncertainty, too many unknowns, too many complications - it's not a formula for success. We hope this bill does not come back to life.

MORE HEALTH CARE COMPACTS CLOSER TO LAW



This morning, the House Judiciary Committee heard testimony on three health-care provider compacts sponsored by Rep. Elizabeth "Liz" Thomson (D-Bernalillo). The Chamber supports these as well as their counterparts moving through the Legislature this session as a means to increasing access for New Mexicans to medical providers. The Judiciary Committee passed one compact bill unanimously and appears poised to do the same with the other two next week when their amendments are folded into committee substitutes for “clean bills to send to the House floor.”

As we have written before, the compacts allow providers who are in other states to move here and practice, or provide telehealth services from another state, without having to jump through the hoops of applying for, paying for, and waiting for a license to practice in New Mexico. The goal in joining these compacts and providing reciprocity is to make more providers available to New Mexicans for everything from care to education to second opinions.

As an example, the audiology and speech-language pathologist compact has 34 states and U.S. Virgin Islands as members. That promises to exponentially increase access to care for New Mexicans.

All three bills - House Bills 79, 81 and 82 - previously sailed through the House Health and Human Services Committee with unanimous 8–0 votes. Today there was zero opposition testimony in person, online or from the committee.

House Bill 82, regarding physical therapists, passed on a 9-0 vote and heads to the House floor. House Bill 79, regarding audiology and speech-language pathologists, and House Bill 81, regarding occupational therapists, had amendments approved today to clean up language and incorporate background checks that are required for compliance with the multi-state compacts.

Judiciary Chair Rep. Christine Chandler (D-Los Alamos, Sandoval & Santa Fe) said she wanted clean bills to send to the House floor and preferred committee substitutes to several pieces of paper; Thomson agreed.

J.D. Bullington testified in support of the three bills for the Chamber. Here are the highlights:

- *"It's no secret we have a dire shortage of all medical professionals in New Mexico. Making it easier for licensed providers in other states to treat New Mexicans – be it in person or in a telehealth setting – is a real way to begin to get more New Mexicans the care they need, and address the lack of providers here while at the same time encouraging them to practice in, perhaps even move to, our state."*

- *"Anyone who has had an injury or a surgery knows how essential high-quality physical therapy is to a full recovery, and how hard it is to get an appointment when you really need it. HB 82 is an important part of the solution."*

- *"This bill will allow licensed medical professionals from all states in the compact to practice in New Mexico without jumping through more licensing hoops. HB 81 targets occupational therapists, which will help everyone from children with developmental delays and adults with conditions that make daily activities more difficult, to veterans. And there are 31 states in this compact, including Arizona and Colorado, so it has real potential to increase care options for New Mexicans."*

Thomson, a retired physical therapist, shared that our state is short 600 physical therapists and the University of New Mexico graduates 31 or 32 a year. "At that rate, if no one retires or leaves the state, we'll catch up in 20 years." A Santa Fe physical therapist testified that at her six-provider practice it "takes months or years to hire" someone, and not being in the compact "is a deal-breaker" for many applicants. They now have a three-month waiting period for an appointment and are not accepting new patients.

Joining the Chamber in support of one or all the bills this morning were:

- The Department of Defense, which highlighted the military members and their spouses who would be able to provide care to New Mexicans under the compacts. Thomson said without the compacts, DOD could pull or reject additional missions in our state.
- Think New Mexico, which has this and the other compacts being introduced as the single most impactful thing the Legislature can do this session to address the shortage of health care professionals in our state.
- A representative of the physical therapy compact
- A representative of the occupational therapy compact
- The New Mexico Speech and Hearing Association
- The New Mexico Military Base Planning Commission
- The New Mexico Conference of Catholic Bishops
- The University of New Mexico
- The Occupational Therapy Association
- The National Alliance on Mental Illness
- Voices for Children
- Los Alamos County
- Desert States Physical Therapy Network
- The New Mexico Chapter of the American Physical Therapy Association
- The League of Women Voters
- AARP
- And therapists in the respective fields mentioned in the bills.

Currently, New Mexico is part of one health care compact – for nurses. Think New Mexico says by comparison, Colorado is part of all 10 that are in place, Utah is in nine, Oklahoma is in eight, Arizona is in six and Texas is in five.

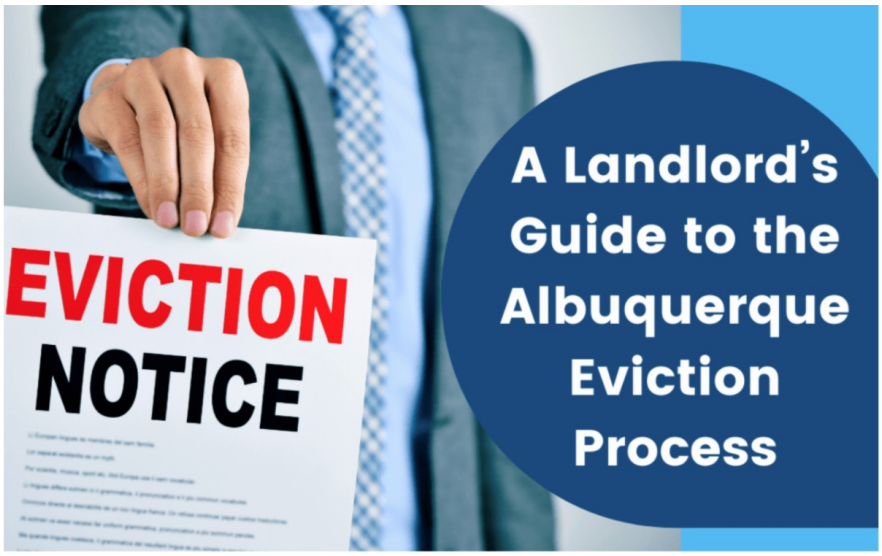
It's also important to point out that the state gives up no oversight in any of these compacts, according to the bills' analyses, and preserves "the regulatory authority … to protect public health and safety through the current system of state licensure." Chandler pragmatically asked how we'll know if the compacts actually deliver on their promise of more providers, and Thomson and her expert witnesses shared compact licenses will be a good indicator, as will the number of graduates who get N.M. licenses.

Thomson explained the compacts are one piece of a more comprehensive answer that includes increasing Medicaid reimbursements, adopting incentives such as tuition and housing assistance, and other measures, and she said if anyone has a proposal to help attract and keep medical professionals she'd "be happy to carry that bill."

Additional compacts will be heard this session (Thomson said she believes a dozen are in the works), and the Chamber will follow HB 79, 81, 82 and all the others with the goal of getting them signed and into law. Hats off to Fred Nathan from Think New Mexico. He's provided some terrific

leadership on these health-care compact bills, and we are very pleased to follow his lead. We'll keep you informed along the way.

HIDING EVICTION RECORDS UNFORTUNATELY ADVANCES



House Bill 253, Sealing of Certain Court Records, is well-intentioned legislation. Rep. Andrea Romero (D-Santa Fe) presented her bill this morning before the House Consumer and Public Affairs Committee. Her bill seeks to increase housing stability for all New Mexicans by shielding renters from their own eviction court records. The bill passed the committee on a 3-2 vote and heads next to the House Judiciary Committee.

Enrique C. Knell was there on behalf of the Chamber to respectfully oppose the legislation, saying, "There are always two sides to a story, and one important side is that landlords have bills to pay, too. Landlords are in the service business. It's an expensive business, requiring a large capital commitment and the expenses associated with ongoing maintenance and repair. Eviction is not a simple process - Landlords don't want to go through the hassle of eviction if they can avoid it."

Knell also made the point that a great number of landlords aren't giant, faceless, corporate conglomerates. Rather, they are small business people striving to make ends meet just like most New Mexicans.

Several organizations lined up with the Chamber to oppose HB 253, including the New Mexico Association of Realtors and the Apartment Association of New Mexico.

Rep. John Block (R-Otero) noted that the legislation made no distinction between reasons for eviction, from non-payment to serious property damage or even running a meth lab. Any eviction for any reason would be shielded after three years.

VETERANS PROPERTY-TAX BENEFITS SAIL THROUGH HOUSE



House Bill 47, sponsored by Rep. Art De La Cruz (D-Bernalillo) and Minority Whip Alan Martinez (R-Sandoval), was sent to the Senate on a unanimous 62-0 vote (a few members recused themselves because their households will benefit). The bill enacts two veteran property tax exemption changes that New Mexicans voted on as constitutional amendments in the November 2024 general election. The first change is increasing the property tax exemption from $4,000 to $10,000. The second change expands the disabled veteran property tax exemption to include a proportionate exemption reflecting a veteran's partial disability. The current exemption only provides the exemption for 100% disabled veterans.

AROUND THE ROUNDHOUSE



Aw, come on...

Okay, we've got a burr under our saddle, and we think many folks do as well - even the veteran capitol pros. It's about transparency in the Legislature's way of doing business. To set the context, the Legislature has come a long way in being more transparent. Meetings are webcast, online testimony is commonplace, legislation and reports are posted online, conference committees are open, and more. All good stuff - but timely scheduling of committee agendas and start times and committee testimony rules are undermining some of that terrific transparency - despite the fact that legislators, staff and leadership are working hard to make all this work better.

What's the beef? In the name of efficiency, public comments by most committees are being limited to a handful of people, and then for only for a minute each. We get that there have to be some boundaries. Given the volume of legislation, each bill in committee can't be debated for hours.

However, there needs to be a better balance. If capitol regulars are having a hard time being heard, just think of a regular citizen trying to talk to their legislators and attempting to jockey their way through the small group setting the rules. One veteran likened trying to be heard to trying to maneuver a crowd at Best Buy on Black Friday when they're giving away TVs. Moreover, try to explain issues of concerns about a complex bill in one minute. Fuhgeddaboudit.

Some committees have very strict rules: you have to register with the committee at least an hour in advance, be part of an organized group of support or opposition or take your chances about getting to testify. Who organizes the testimony? Where do I find them? Joe or Jane Citizen will be baffled by these hoops. The alternative is to send an email, which may or may not be posted in a timely manner, so committee members can read the communication before voting on a bill.

Another irritant is last-minute committee substitutes (a batch of amendments) presented at a committee hearing and not always available online. Realistically, neither the members of the committee nor the public know what the heck is really in the bill. Also, notification of what bills are actually going to be heard is often very late in coming, reducing the chances that committee members or the public can read and understand proposed legislation, much less show up to comment.

Some may say this is business as usual, but there does seem to be more examples of a lack of transparency this session. Things need to be rebalanced. Efficiency is needed, yes, but so is full exploration of legislation. Let’s hope that now that the bugs have presumably been worked out these first 30 days….our next 30 days will give everybody, including legislators, a fairer shot.

SIGNING OFF FROM SANTA FE



It's been a long week and a long day, but there have been some gratifying moments. The pace will get even more hectic next week when the House will begin split sessions - morning and afternoon/evening. The Senate will likely extend the length of its floor sessions, pushing committee meetings later in the afternoon or evening. Feb. 20 is the deadline for introduction of bills. There are already 842 bills introduced; it's hard to conceive anything's been left out, but we're betting the final total exceeds 1,000. Apparently there's quite a backlog in the Legislative Council Service's bill-drafting unit. Bet they'll be burning the midnight oil. We appreciate you being with us today, enjoy your weekend, and we'll see you Monday for all the news and views. Good night.

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

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Legislative RoundUp

2025 Regular Session | Monday, February 17, 2025

57th Legislature | Day Twenty-Seven

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

HOUSE OKS REQUIRING PREVAILING WAGE RATES BE PAID ON IRB PROJECTS



This evening after three hours of debate and proposed amendments, the House approved House Bill 6, sponsored by Majority Leader Reena Szczepanski (D-Santa Fe) and Rep. Joseph Sanchez (D-Colfax, Mora, Rio Arriba, San Miguel & Taos) by a vote of 41-26 with Ds voting yes, Rs voting no. The bill would require paying prevailing wage rates on Industrial Revenue Bond (IRB) projects. Prevailing wage rates, generally stated, are calculated as an average of wage rates by category of employment, i.e. electricians, heavy equipment operators, etc. The wage rates are significantly higher than minimum wages and are often influenced by wages earned by union labor, although labor availability affects the cost of labor also.

At the heart of this debate are two things: first, are projects financed with IRB's public or private? Prevailing wage must be paid on public works projects paid for by public funds. Second, do prevailing wages increase the cost of projects, making New Mexico less competitive compared to neighboring states? In answer to the first question, IRBs are investments made by private industry to build a project of public benefit in exchange for tax exemptions. The private financier is on the hook for repaying the bonds. By any reasonable interpretation these are not public works projects in the true sense. Terri Cole, president and CEO for the Chamber, provided this testimony in committee on Feb. 7:

"The Chamber opposes HB 6 because it will make New Mexico less competitive in attracting private investment for industrial development. We all know that New Mexico already has trouble attracting capital, so we shouldn't make the problem worse. We also know that raising the price of anything generally results in getting less of that thing - it's among the basic laws of economics. Increasing the cost of industrial revenue bonds will not defy that basic law.

"States around us don't put this kind of additional cost burden on their industrial revenue bonds. Developers are consumers like the rest of us - if they can get the same thing for a lower cost,

they'll shop there instead of here. The more private sector money we can attract for infrastructure development, the less public money is needed. And that stretches the amount of money available from the public sector. While perhaps well intended, we believe that HB 6 violates another immutable law: the law of unintended consequences. We ask for you to vote no. Thank you."

Other States, Higher Labor Costs

Our research indicates that both Colorado and Texas have state prevailing wage laws that are strictly limited to public works projects, normally things such as road construction paid for out of public funds. Arizona has no state prevailing wage law and uses the federal Davis-Bacon Act, which confines prevailing wages to public works.

On average, labor is about 25% of the total cost of a construction project. So, higher labor rates are significant in terms of total costs. The answer to whether prevailing wage rates raise costs depends on where you stand. Generally, proponents of HB 6 say any higher costs are offset by higher productivity. A leading source of information for the construction industry, Gordian, says that on federal projects, costs can increase by 12-20%. Industry says that productivity does not offset most or all of these higher costs. As we said in our testimony and given the fact that our surrounding states do not require prevailing wages on IRB projects, it's pretty easy to conclude that HB 6 will result in New Mexico being less competitive.

Amendments Proposed

Rep. John Block (R-Otero) attempted two amendments, both were tabled on party-line votes. The first amendment would have exempted small businesses from the requirement to pay prevailing wages if they could demonstrate financial hardship under rules to be developed by the Workforce Solutions Department. The second, would have provided exemptions to businesses seeking to locate or expand in New Mexico from prevailing wages on a construction project if a business could demonstrate to the Economic Development Department that paying such wages would make the project uncompetitive with other states.

The bill now moves to the Senate, where we will again oppose its adoption. Stay tuned for more news.

ELECTED STATE BOARD OF EDUCATION CA LIMPS OUT OF SENATE RULES COMMITTEE



Last week, we reported on Senate Joint Resolution 3, which was again considered today by the Senate Rules Committee. The committee sent the proposed constitutional amendment forward

to the Senate Education Committee with a "no recommendation" endorsement. SJR 3 proposes to re-establish an elected state board of education, which was dismantled by voters in 2013 because public schools were not producing student success (and they're still not). That's why the Chamber and others say that the governance structure isn't the problem - it's the lack of focus on student success.

Terri Cole, president and CEO of the Chamber, offered these comments to the committee last week:

"We respectfully oppose this legislation because it would inject more politics into public education, and that's the last thing we need. Putting a large, partially elected group of people in charge of our state's education system is a recipe for more division and acrimony. Local school boards across America are under fire for governance issues – many local boards are hotbeds of political chaos – and they routinely lose focus on student needs and outcomes. Why would we want a similar situation at the state level?

"We also want to emphasize that this resolution does NOT adequately protect public charter schools. It would eliminate the current state charter school authorizer, which is performing very well.

"Finally, the number of adult decision-makers is not driving students' unacceptably low academic performance. This resolution is not going to fix what's broken. Let's not advance a so-called solution that hasn't worked before and won't again."

As Sen. Heather Berghmans (D-Bernalillo) observed, not long ago voters dismantled an elected Public Regulation Commission. They did so because the commission was a toxic cocktail of dysfunction and politics prevailed over policy. Moreover, the people elected often lacked the education and experience to govern the complex world of public utility regulation. The PRC is now appointed by the governor from a list of nominees who have been screened for education and experience and is now functioning in a professional and stable manner.

Since we once had an elected state board of education, we have experience on what will happen if we go back to the future. The board will devolve into politics and acrimony, more focused on members' district needs than statewide policy and performance. Committee Chair Katy Duhigg (D-Bernalillo) expressed reservations about the politicalization. She noted the increased level of politicization and acrimony of local school boards and is concerned that could happen at the state level. She is also troubled about the potentially negative impact on charter schools.

The "no recommendation" was likely given, as opposed to tabling, to allow the sponsor, Sen. William Soules (D-Doña Ana), an opportunity to see if he can modify the joint resolution to remove opposition. We'll keep you posted as the measure is considered by Senate Education.

SENATE RULES GIVES UNM AND NMSU ATHLETICS FUNDING A BOOST



"The world of athletics has changed beneath our feet," said Sen. Antonio "Moe" Maestas (D-Bernalillo), cosponsor of Senate Bill 268 that passed the Senate Education Committee this morning on a vote of 8-1. Maestas and cosponsor Sen. George Muñoz (D-Cibola, McKinley & San Juan) are proposing to appropriate $2.5 million from the general fund to the University of New Mexico (UNM) and $2.5 million to New Mexico State University (NMSU) to support athletics programs.

Terri Cole, president and CEO of the Chamber, spoke in favor:

"College athletics are a key front door to a university, city and state. And right now, at UNM, we need to enhance the resources available to the department to compete with other Mountain West Conference teams and win. Currently, we have the second-lowest athletics budget in the MWC, and yet, we are near the top in both championships earned and the percentage of our athletics budget that is directly generated by the athletics department.

"From an economic development perspective, especially in a city without an NFL or NBA team, it is imperative that we cement ourselves as a college sports university… a college sports city… and a college sports state. We need 'Albuquerque' to become synonymous with the Lobos, in the same way we see that in places like Chapel Hill, Tuscaloosa, and Morgantown.

"The economic return is real, and as the university and the broader community up their contributions to athletics, we need our partners at the state to do the same - especially in light of conference realignment, the transfer portal, new revenue sharing and NIL rules, and other changes that make competing more important than ever."

Specifically, the money is aimed at providing support to student athletes for nutrition, counseling, tutoring and other needs. It is not to go to NIL - bonus points if you know what that is. NIL stands for Name, Identity and Likeness. It's what allows student athletes to be paid. Money for NIL usually comes from private contributions to a foundation. This appropriation is to be applied to all sports sponsored by the universities. This was the major concern of committee members - that the money not go to NIL and is fairly distributed to all athletes, not just football and basketball.

Cities and states that have invested in their college athletics programs have seen a significant return on investment through higher ticket sales and revenue from bowl and championship games and more lucrative TV contracts. For example, Vanderbilt University beat Alabama, soaring their attendance and viewership. That was only possible because Vanderbilt stepped up their support for athletics. An investment in college athletics is an investment in economic development, bringing more jobs and revenue to the state and local governments.

There was a tense moment near the end of the meeting in an exchange between committee chair Sen. William Soules (D-Dona Aña) and Muñoz. Because the athletic directorship at NMSU was vacant at the time the bill was drafted, Muñoz included language prescribing the qualifications of the athletic director. "I take offense at that," Soules said in an elevated and stern voice. He proposed an amendment to remove the offending language, and Muñoz readily agreed. A little of the Rivalry on the Rio Grande surfaced even in a legislative committee hearing. Go Lobos! Go Aggies!

SENATE RULES TABLES RESTRICTION ON HIGHER EDUCATION EXECUTIVE HIRES



It's no secret that Western New Mexico University's deal with their president was very concerning to many people, and no one wants to see a repeat of that anytime soon. Sen. George Muñoz (D-Cibola, McKinely & San Juan), chair of the Senate Finance Committee, came forward with Senate Bill 266 in an attempt to put guardrails around contracts for higher education executive hires by requiring a review by the State Board of Finance.

Under SB 266 the State Board of Finance (composed of the governor, treasurer, lieutenant governor, secretary of the Department of Finance and Administration and four gubernatorial appointees) could accept, reject or modify the contract negotiated by the governing board of an institution of higher education. This could cause a long delay and be a barrier to top candidates

even wanting to apply in New Mexico. In addition, there were concerns over loss of accreditation. Consequently, the Senate Education Committee elected to table the bill on a 9-0 vote.

Terri Cole, President and CEO of the Greater Albuquerque Chamber of Commerce, opposed the measure:

"I'm here today in opposition to SB 266. We understand that a certain incident at one of our universities has caused great concern. However, with all due respect, SB 266 places excessive burden on innocent parties.

"Our colleges and universities need the flexibility to pursue the best talent available. The state Constitution charges the governing boards of our higher ed institutions with the responsibility to govern. They need to be allowed to do their jobs without the inherent delays and, frankly, the micromanaging that the Board of Finance is asked to do.

"We question why an appointed State Board of Finance would be better suited to handle the oversight of key university hires than appointed regents. Please vote no, thank you."

No one appeared in support of the bill, but significant opposition from the higher education community joined the Chamber, including the New Mexico Independent Community Colleges Association, the Santa Fe Community College board, the Central New Mexico Community College Board and the New Mexico Council of University Presidents. Each of these expressed extreme concern about losing accreditation if the bill were to pass. Rules governing accreditation require that decisions be made by the governing board of the institution without outside intervention or interference. This bill runs the risk of violating those rules, especially since the Board of Finance can be viewed as a political entity because elected officials and gubernatorial appointees constitute the membership.

Sen. Martin Hickey (D-Bernalillo) advised that the bill over-reached. "If the recruiter can't make a deal then and there because of a delayed process of two to three months, why would any candidate want to come here?" Hickey is concerned we get a bad reputation and really hurt the state in hiring and retention of higher education leaders. We know full well that higher education plays a key role in economic development by graduating highly qualified students and by the contributions of research and development. We need a strong, vital and robust system of universities and community colleges. If we're to get the best out of our institutions, we must be able to compete nationwide for top leadership talent. To our knowledge, no other state puts these kinds of restrictions on hiring.

We sympathize with Muñoz's goal; unfortunately, this path seems to be fraught with too many unintended consequences. Perhaps there is another way to reach the goal that's less problematic.

HOUSE HEALTH TABLES PLAN TO BRING DATA TO HEALTH INSURANCE BILL DEBATES



This morning the last bill the House Health and Human Services Committee took up, House Bill 279, Actuarial Review of Proposed Legislation, sponsored by Rep Nicole Chavez (R-Bernalillo), drew no opposition in online or in-person testimony.

A motion to give it a “do-pass” vote failed 6-3.

The Chamber was there in strong support of the bill, which is targeted at getting data to lawmakers *before* they have to decide on bills that affect health insurance. It’s simply responsible, and responsive, to the needs of New Mexicans and designed to give representatives and senators the data they need to make informed and pragmatic decisions that help get, and preserve, New Mexicans’ access to affordable medical coverage. We’re talking data on specifics such as a proposed bill’s effects on:

- New Mexico businesses that provide coverage to their employees
- Premiums or out-of-pocket costs
- Health-care providers
- The short- and long-term health of New Mexicans.

J.D. Bullington testified for the Greater Albuquerque Chamber of Commerce, telling the committee:

“Largely through the influence of the Legislative Finance Committee, constructing budgets and legislation has become much more evidence-based. The more data that can be obtained, the less fog clouds decision making, and the less speculation is injected into discussion and debate.

“HB 279 is aimed specifically at getting more data about the possible effects of adopting proposed health care legislation. This goes beyond just the fiscal impact to the state budget and encompasses the impact on patients and providers - on affordability and availability of care, and on the effects to state programs like Medicaid.

“This proposal takes an important step forward in getting a more complete picture of proposed changes to our very complicated health care service system. We ask you to vote yes on HB 279.”

Joining the Chamber in the committee room in support were:

- The National Federation of Independent Business New Mexico, representing the state’s small business that are trying to offer the best possible benefits to their employees while keeping their doors open. It said the bill will deliver “better decisions and fewer unintended consequences.”
- The New Mexico Chamber of Commerce, which explained the bill “provides a structured process to ensure legislators have the necessary facts to make decisions that expand health-care access without driving up the costs for business and consumers. A stable and affordable health-care system is essential for attracting new businesses and keeping new Mexico competitive.”

Committee member and Minority Whip Rep. Alan Martinez (R-Sandoval), said HB 279 “would add to transparency. And I think this is a great idea that maybe someday we could expand to every piece of legislation we introduce.”

However, Thomson said the Legislature has been trying to do something similar for a decade, and HB 279 “puts the cart before the horse.”

After 10 years of trying, and considering how complex and expensive health care insurance can be, New Mexicans need someone to finally hitch that horse up.

HOUSE JUDICIARY SENDS TWO MORE HEALTH-CARE COMPACTS TO THE FLOOR



This afternoon the House Judiciary Committee wrapped up its handling of two more health-care compact bills. The committee heard testimony on House Bill 79, Audiology and Speech-Language Pathology Interstate Compact, and House Bill 81, Occupational Therapy Interstate Compact, both sponsored by Rep. Elizabeth “Liz” Thomson (D-Bernalillo), last week but wanted the bills and their amendments aggregated into committee substitutes in order to have “clean bills to send to the House floor.”

Each committee substitute received resounding 8-0 “do-pass” votes.

As we have written before, the Chamber supports these as well as their counterparts moving through the Legislature this session as a means to increasing access for New Mexicans to medical providers. The compacts allow providers who are in other states to move here and practice, or provide telehealth services from another state, without having to jump through the hoops of applying for, paying for, and waiting for a license to practice in New Mexico. The goal in joining these compacts and providing reciprocity is to make more providers available to New Mexicans for everything from care to education to second opinions.

As an example, the audiology and speech-language pathologist compact has 34 states and U.S. Virgin Islands as members. That promises to exponentially increase access to care for New Mexicans.

Both bills previously sailed through the House Health and Human Services Committee with unanimous 8–0 votes. Last week in House Judiciary there was zero opposition testimony in person, online or from the committee. Their amendments clean up language and incorporate background checks that are required for compliance with the multi-state compacts.

J.D. Bullington testified in support of the bills for the Chamber last week, emphasizing “It’s no secret we have a dire shortage of all medical professionals in New Mexico. Making it easier for licensed providers in other states to treat New Mexicans – be it in person or in a telehealth setting – is a real way to begin to get more New Mexicans the care they need, and address the lack of providers here while at the same time encouraging them to practice in, perhaps even move to, our state.”

Others in support of the compacts include: the Department of Defense, Think New Mexico, the occupational therapy compact, the New Mexico Speech and Hearing Association, the New Mexico Military Base Planning Commission, the New Mexico Conference of Catholic Bishops, the University of New Mexico, the Occupational Therapy Association, the National Alliance on Mental Illness, Voices for Children, Los Alamos County, the League of Women Voters, AARP and therapists in the respective fields mentioned in the bills.

Currently, New Mexico is part of one health care compact – for nurses. Think New Mexico says by comparison, Colorado is part of all 10 that are in place, Utah is in nine, Oklahoma is in eight, Arizona is in six and Texas is in five. It’s also important to point out that the state gives up no oversight in any of these compacts, according to the bills’ analyses, and preserves “the regulatory authority … to protect public health and safety through the current system of state licensure.”

Thomson explained last week that the compacts are one piece of a more comprehensive answer that includes increasing Medicaid reimbursements, adopting incentives such as tuition and housing assistance, and other measures, and she said if anyone has a proposal to help attract

and keep medical professionals she'd "be happy to carry that bill."

Additional compacts will be heard this session (Thomson said she believes a dozen are in the works), and the Chamber will follow HB 79 and 81 and all the others with the goal of getting them to the governor and signed and into law.

BILL TO EXPUNGE EVICTION RECORDS IS HEADED TO A HOUSE FLOOR VOTE



This evening, House Judiciary Committee members took up House Bill 98, Expungement of Eviction Records, sponsored by Rep. Janelle Anyanonu (D-Bernalillo).

The Chamber has testified in strong opposition to the bill, which though well-intended will leave landlords in the dark as to their prospective tenants' past behavior - everything from pattern of nonpayment to running a meth lab out of the rental unit. As Enrique C. Knell told the committee today:

"Landlords have a lot at stake when they rent a property. It's their livelihood, and many properties are substantial personal investments.

"Property owners have a right and need to know who they are renting to. Past actions are often a predictor of future behavior. Eviction is a tough course. The landlord must establish legal grounds, serve notice to the tenant, wait for a response or compliance, file an eviction suit, attend a court hearing and prevail in the case.

"Property owners often voluntarily disregard prior eviction records based on the initial interview with a potential tenant because renters sometimes run into temporary trouble without creating a long term pattern of irresponsible behavior. But the property owner should still have access to prior court records, and they should be a consideration during a contractual negotiation."

The Chamber was joined in opposition by the Apartment Association of New Mexico, the New Mexico Association of Realtors, the New Mexico Business Coalition and others. All focused on the need for property managers and landlords to have complete information on potential renters' histories.

Supporters of the bill focused on rising rents and the struggle to find affordable housing, important issues but ones not germane to eviction records and the need for landlords to have full information when renting their properties.

We would say the landlord-tenant relationship should be one entered into with all the facts on the table. Erasing eviction records after just five years would essentially blindfold landlords to prospective tenants' rental history. That is patently unfair to someone who is putting their property in another's hands.

Judiciary Committee members voted 5-4 to send this misguided bill to the House floor. We'll be there to let you know if it crosses over to the Senate.

END NM'S PERSONAL INCOME TAX? NOPE - HOUSE TAX COMMITTEE TABLES IT



Freshman Rep. Elaine Sena Cortez (R-Lea) took a mighty big swing today. She presented her House Bill 275 - Remove Personal Income Tax (PIT) before the House Taxation Committee. Her bill proposed to completely eliminate personal income tax in New Mexico. Sena-Cortez sparked a good discussion about New Mexico tax policy before the committee tabled her bill, effectively killing it.

Sena Cortez emphasized the need for a favorable tax environment to attract essential professionals such as doctors, mental health professionals, public safety professionals and construction workers to New Mexico. A competitive tax structure is crucial for retaining current workers and attracting new ones.

Enrique C. Knell was there to support the bill on behalf of the Chamber, saying there are plenty of reasons to move away from an income-based tax system:

"First, it taxes wealth and discourages investment and savings. Taxes on consumption rather than savings, properly structured, result in wealthier taxpayers paying a greater share because they buy more expensive things. Unlike an income tax, you don't have to continually chase loopholes and, frankly, fraud. Second, it makes a state a more attractive place to live in. Texas and Florida, two of the most robust state economies, are a testament to that fact. With our surpluses and the fact that income tax makes a relatively small contribution to overall state revenues, we should be able to work our way out of this reliance and move to other revenue sources that are more straightforward."

Not surprisingly, lots of people opposed the idea of using our budget surplus for this type of tax relief. For example, the head of a major union group suggested using the surplus to hire more state employees and pay them more.

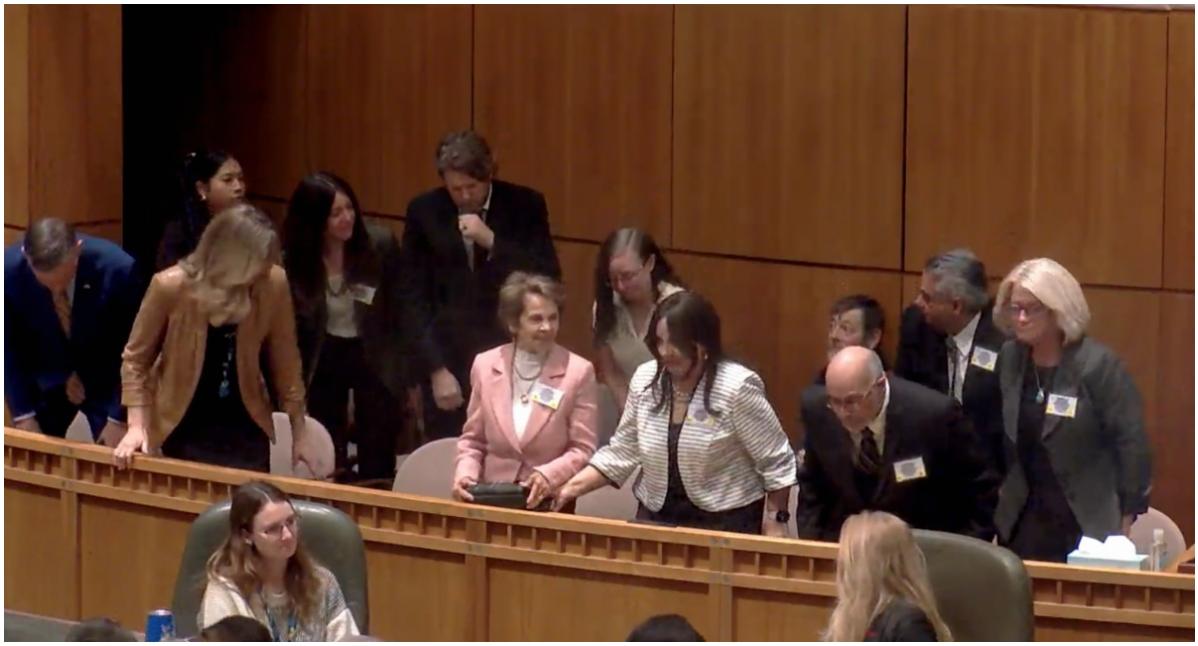
Some legislators, like Speaker Javier Martinez (D-Bernalillo), expressed serious concern about how losing this revenue would affect lower-income New Mexicans. For example, he said, current programs save families an average of $20,000 a year for child care. Eliminating the personal income tax could cause a $20,000 "tax increase" on these families as the state is forced to cut back on child-care benefits.

Rep. Micaela Lara Cadena (D-Doña Ana) said it's a conversation worth having during the interim. She expressed her concern that eliminating the personal income tax disproportionately helps "the rich" while hurting lower-income New Mexicans. She did say that it's possible to "use the personal income tax infrastructure to spur economic development, though she said it would have to be "pointed and purposeful."

HB 275 appears to be stuck in a deep PIT at this point. We'll let you know if it climbs out this

session. We've learned by now never to say never in the state Legislature.

AROUND THE ROUNDHOUSE



Carmen Luján, center in peach blazer, received a standing ovation during today's Joint Session of the New Mexico State Legislature. Luján's husband served in the House for 37 years, including 11 years as speaker of the House. Carmen Luján's son, Ben Ray Luján, now represents New Mexico in Washington, D.C., as one of our United States senators.

D.C. Comes to New Mexico

A joint session today brought speeches from three members of New Mexico's federal delegation, specifically Sens. Martin Heinrich and Ben Ray Luján, and Rep. Teresa Leger Fernández of Congressional District 3.

Each federal legislator took a turn at the dais to congratulate the New Mexico State Legislature on its work in areas like education and health care.

Heinrich touted his work on the federal Apprenticeship Pathways Act and urged state-level support for hands-on learning experiences. He stressed the importance of working together to ensure freedoms for future generations, including health-care decisions, marriage equality and safety in classrooms.

Luján spoke about the need for better water and broadband infrastructure throughout New Mexico.

Leger Fernández was the most fiery out of the bunch, warning that proposed federal budget cuts will not save money but will instead destroy essential government services that Americans rely on. She then touted her own bipartisan work that included working with the entire delegation to ensure funding for fire victims in Las Vegas, N.M., as well as $770 million for the Navajo Gallup Water Supply Project.

Luján' mother attended with him. She was recognized and received a warm welcome. You may remember that her husband and the senator's father, Ben Luján Sr., served in the State House from 1975 until he passed away in December 2012. He served as speaker of the House from 2001 until his death.

IN THE HOUSE



Rep. E. Diane Torres-Velásquez (D-Bernalillo) introduced House Memorial 26, which marks Feb. 17, 2025, as Viola Florez Tighe Day in the House of Representatives. Dr. “Vi” Florez was born in Bloomfield and taught at the University of New Mexico, where she was the dean of the College of Education, as well as serving as provost twice during her tenure. She passed away on Jan. 21. Rep. Marianna Anaya (D-Bernalillo) rose in support of the memorial and said Dr. Florez watched her grow up as part of the Hispanic Women’s Council. Rep. Cynthia Borrego (D-Bernalillo) also rose in support of the memorial for the impact that Dr. Florez has had in the community. The House members joined in on a song of “Las Mañanitas” in honor of Dr. Florez Tighe.

SIGNING OFF FROM SANTA FE



Some days, you just have to scratch your head in bewilderment. What part of "our businesses, especially our smaller ones, are struggling to recover from COVID-19 and rampant inflation" don't folks understand? What do they think will happen if, for example, Paid Family Medical Leave (up later this week), staggering increases in minimum wages and paying prevailing wages all pass and are signed into law? The increased costs will overwhelm many - it's too many things being loaded on the wagon.

With the largesse in the state treasury, if folks really want PFMLA, then pay for it out of the mega bucks rolling around in the state coffers and let the state deal with the uncertainties and probable cost increases down the road. Instead of raising the minimum wage, how about giving tax reductions, especially to working families, so they have more spending money, which doesn't contribute to inflation. Rather than making IRBs less attractive in New Mexico compared to other states, how about we set that on the shelf and spend some real money on promoting tourism and boosting our college athletics, both of which bring in money and jobs to the state. Laying more costs on the backs of businesses is exactly the wrong thing to do to make our state more

competitive and raise the standard of living. It's a head-scratcher for sure.

Thanks for being with us today, and we'll look forward to bringing you all the news and views tomorrow. Until then, have a mah-vel-us evening.

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Legislative RoundUp

2025 Regular Session | Tuesday, February 18, 2025

57th Legislature | Day Twenty-Eight

BREAKING NEWS
February 18, 2025

BREAKING NEWS: Call to Action! Paid Family Medical Leave Will Be Heard Tomorrow

Tomorrow, the House Commerce and Economic Development Committee will hear House Bill 11, the Paid Family and Medical Leave Act. This bill will enact a half-a-billion-dollar massive new tax increase at a time when state coffers are overflowing. The measure provides for 3 MONTHS of paid leave for a wide range of people and goes way beyond family or medical leave. The bill will expand the bureaucracy by more than 200 people, larger than the staff that administers workers compensation.

Please contact members of the committee to register your opposition by **clicking here**. This will take you to the committee page on the legislative website. Scroll down and you will find each committee member's name. Click on their name and you can send them an email. Thank you for taking action!

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Legislative RoundUp

2025 Regular Session | Tuesday, February 18, 2025

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

SENATE TAX COMMITTEE OKS ECONOMIC DEVELOPMENT GAME-CHANGERS



This afternoon the Senate Tax, Business and Transportation Committee took up two important bills designed to put New Mexico at the forefront of economic development competitiveness.

Senate Bill 169, the Strategic Economic Development Site Readiness Act, is sponsored by Majority Whip Sen. Michael Padilla and Rep. Meredith Dixon (both D-Bernalillo). The committee voted 9-0 to send its committee substitute on to the Senate Finance Committee.

Senate Bill 170, NMFA Definitions, Funds and Rates for Economic Development, is sponsored by Padilla, Dixon and Reps. Joshua N. Hernandez (R- Sandoval) and Joy Garratt (D-Bernalillo). The committee voted 7-2 to send it with amendments on to Senate Finance as well.

Both bills are directly connected to the Greater Albuquerque Chamber of Commerce's theme this session of increasing New Mexico's competitiveness. As we said in our Legislative Agenda (click here to read it):

"The Chamber's primary goal for the 2025 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. … Despite the state's impressive revenue picture, New Mexico's economic growth – outside of the oil and gas industry – is tepid, our population is not growing, and participation in the labor force lags most other states. Soaring energy revenues will not last forever, leaving New Mexico with an extraordinary opportunity – while the state remains flush with cash – to build a more dynamic and competitive economy that is sustainable for the long haul."

The Chamber's D'Val Westphal, executive vice president of policy and programs, was there with testimony in favor of both:

"SB 169 is all about increasing the number of sites ready for business development and reducing the amount of time businesses must wait for their site to be ready for building.

"Right now we have very little inventory for medium- to large-scale commercial, industrial or other uses. And these sites can take anywhere from two to four years or longer to prepare utilities and be 'ready' for development.

"Rather than risk asking the next Netflix or Amazon if they can wait a few years, SB 169 proactively allows New Mexico to create an inventory of strategic economic development sites around the state that will make New Mexico more competitive with other states and attract significant capital investment, tax revenues and jobs."

And regarding SB 170:

"SB 170 is another pragmatic bill that allows New Mexico to do the literal groundwork necessary to be truly ready when economic development opportunities arise.

"Allowing public utilities to recover prudent and reasonable costs for certain economic development projects will encourage investment in future projects today.

"And oversight from both the Economic Development Department and the Public Regulation Commission as well as a 10-year sunset are designed to ensure projects indeed pay dividends."

Padilla explained that "we have, thanks to the Legislature, developed a variety of very successful incentives here in the state of New Mexico" for economic development. "But one thing we don't have are sites to sell. The primary objective of this legislation is to enhance the state's economic development strategy by identifying, assessing and preparing strategic sites for immediate business development."

"When you get off the airplane, we want to be able to immediately usher you over to locations that are ready to rock and roll." He added that goes for New Mexico businesses looking to expand as well.

SB 170 and 169 fall directly into the Chamber's legislative advocacy category of Growth: Incentives and Marketing. They go hand-in-hand with our priorities in job training, professional licensing compacts, tourism marketing, beautification and closing funds. Having sites ready to go is an essential part of attracting investments, revenues and jobs.

We applaud the sponsors and Senate Tax Committee members for understanding this, and we'll be in Senate Finance to let you know what happens with SB 169 and 170.

YOU'RE THE GOAT! SCAPEGOAT, THAT IS



When it comes to our oil and gas industry, environmental organizations and many legislators want to lay just about every environmental problem on them. Today, House Bill 259, sponsored by Rep. Matthew McQueen (D-Sandoval & Santa Fe), was just one more bill in a long parade of

anti-industry missiles we've seen fired at the folks who bring in about half of the general fund revenues to the state and pour cash into the overflowing state treasury. Nevertheless, the House Energy, Environment and Natural Resources Committee paddled the bill along to the House Judiciary Committee on a 7-4 party-line vote, Ds for and Rs against.

The bill seeks to impose staggering fee and fine increases on violations of the Oil and Gas Act. To give you an idea of what we mean by staggering, fees are increased by 300% and fines by 1700%. Worse yet, there seems to be no evidence-based rationale except "this is what we do in other environmental laws" or, "this will bring offenders to the table." And, the fee and fine increases are hiked every year by the cost of living.

Terri Cole, president and CEO of the Greater Albuquerque Chamber of Commerce, offered this testimony in opposition:

"The fee and fine increases are pretty staggering. If the basis is to adjust for inflation, then we would appreciate seeing what the base year is and the calculations that lead to the proposed adjustments. Fines, on the other hand, are presumably designed for punishment and deterrence. So what justifies these extraordinary increases? What's the reference point? We are very concerned that the proposed adjustments should not be arbitrary but rather backed up with some kind of evidence that explains the need and the presumed effectiveness. At this point, we oppose HB 259."

According to proponents, the bill is aimed at generating more fee revenue for the Oil Conservation Division (OCD) because it needs more IT staff, yet they could not specify how many are needed or at what cost. As Rep. Rod Montoya (R-San Juan) pointed out, this request supersedes the budget process. Agencies should seek funding through appropriations, not separate legislation. Moreover, the fees are increased annually by cost of living adjustment regardless of budget needs or the condition of the industry. The Legislature, not the agency, should determine fee levels.

With regard to fine increases, beyond the "this is the way we do it in other environmental laws," there is no baseline reference point to support increases of this overwhelming magnitude. Proponents argue that steep fines are needed to get "bad actors" to the table to resolve violations. Rep. Jon Henry (R-Eddy, Chaves & Otero) pointed out that, according to the OCD, only about 5% of operators are "bad actors." "Why punish 100% of the industry for such a small minority?" Good question.

Rep. Mark Murphy (R-Chaves), himself an owner of oil production, pondered why New Mexico is so poor. Why do we have so many social issues? He averred that it isn't the people; it isn't the lack of natural resources. In his opinion, we're poor because we make poor policies. He observed that he has seen a "slew" of bills that target one industry, which sends bad signals and has a chilling effect on doing business in New Mexico. He takes offense at the notion that no matter what New Mexico does, somehow the oil and gas industry will just go on. He observed that California thought the same thing and now their last remaining oil company, Chevron, is moving its headquarters to Texas.

In support of HB 259 are the governor's climate advisor, the Western Environmental Law Center, EarthWorks and Santo Domingo pueblo. In opposition are the Independent Oil Producers Association, the New Mexico Oil and Gas Association, the Permian Basin Petroleum Producers and the New Mexico Business Coalition. Several of the opponents note that the attitude of the OCD has moved from collaborative to remedy violations to adversarial and punitive. NMOGA flatly stated that the fees and fines are "punitive and arbitrary."

The bill moves next to the House Judiciary Committee which, hopefully, will look at some of the legal concerns and the potential for engendering litigation. We'll keep you posted.

LOW-INCOME UTILITY RATE RELIEF ENDORSED



Like everything else, the price of energy at the gas pump and for electric and natural gas service has increased. House Bill 91, sponsored by Rep. Christina Ortez (D-Taos) and Patricia Roybal Caballero (D-Bernalillo) seeks to allow the Public Regulation Commission (PRC) to approve lower rates for gas and electric customers or other programs that can help the low-income folks lower their home energy bills. According to Ortez, low-income consumers spend as much as 20% of their household income on utility bills.

El Paso Electric, PNM and New Mexico Gas Company all stood in support of the measure, which passed the committee on a vote of 7-4, Ds in favor and Rs opposed. Greater Albuquerque Chamber President and CEO Terri Cole prepared testimony in support as well:

"I'm here in support of HB 91. It's pretty obvious that many people are struggling to make ends meet post-COVID and with the high prices for just about everything. This bill is designed to help low-income utility customers pay their bills. We think of this bill as a short-term measure of necessity rather than a permanent way of life. Our long-term goal should be the creation of many good, high-paying jobs in the private sector.

"The bill provides an exception to the general rule of cost-based ratemaking. Currently, the PRC has been given exceptions for economic development rates, rates designed to retain load, or energy efficiency programs aimed at lowering energy costs for low-income customers. HB 91 would allow, but not mandate, an additional one. We urge your support for HB 91."

Opposition is based on concerns that the cost of lower rates to low-income consumers will result in raising rates to other customers to subsidize the rate reduction. Rep. Rod Montoya (R-San Juan) specifically said this bill will raise rates on the middle class. Also, the definition of who is low-income is not clear. The bill now goes to the House floor.

SOCIAL MEDIA/TEXTING CRIME UPDATE ADVANCES



Steve Jobs introduced the iPhone to the world on Jan. 9, 2007, and the Android phone wasn't far behind. This was 18 years ago. The current generation of kids don't actually know what it means to "hang up" a phone.

Modern challenges require modern solutions. That's why former-prosecutor-turned-lawmaker Rep. Andrea Reeb (R-Chaves, Curry & Roosevelt) presented House Bill 287, Telephone, Text & Social Media Crimes, to the House Consumer & Public Affairs Committee this afternoon. Enrique C. Knell gave the committee the Chamber's view on Reeb's bill:

"We absolutely support Rep. Reeb's bill to update criminal law and account for the changing ways in which we communicate with each other. Our No. 1 goal this session is to position our state to better compete for new businesses, workers, residents and visitors. A major part of achieving that goal is to make it hard to be a criminal in New Mexico. We think HB 287 is a good step in that direction."

Reeb presented officer Berling from the Las Cruces Police Department as her expert witness. Berling and his colleagues asked Reeb to carry this legislative change to help them do their jobs. He says he has investigated hundreds of crimes the last decade that involve threatening behavior over text or social media, from domestic violence, to neighbor disputes and even gang activity.

"It's been on the books since at least the '60's. I don' know that they anticipated the prevalence of social media and text messaging when the law was adopted," said Berling. "So I think it's important to update it to make our jobs as police officers in doing these investigations a little bit easier, and to give proper recourse for victims of this type of conduct."

Basically, the current law is just insufficient for addressing the unique nature of telephonic harassment. and passing Reeb's bill will modernize the statute.

HB 287 passed on a 6-0 vote and goes to House Judiciary next.

STOP, LOOK AND LISTEN BILL PASSES HOUSE



Stop, Look and Listen - that's the mantra of House Bill 160, sponsored by Rep. Patty Lundstrom (D-McKinley). The bill passed the House today on a vote of 61-2. Currently at railroad crossings, only trains have the right-of-way over all other traffic. The bill would add "other on-track equipment" at all railroad-highway grade crossings. "Other on-track equipment" is "any car, rolling stock or other device that alone or coupled to another device is operated on stationary rails." The bill would require all drivers, including school bus drivers and drivers carrying hazardous materials, to abide by certain stopping distance requirements when approaching "other on-track equipment," not just trains.

The Chamber supports the measure because it is common-sense legislation to help protect both the public and train equipment operators. There has been an increase in accidents and injuries resulting from failure to stop, look and listen for any equipment operating on the rails. Lundstrom said the bill is supported by the rail industry and labor and would only require vehicles to stop when you see maintenance vehicles working on railroads. The bill now moves to the Senate.

IN THE HOUSE

"Build, Baby, Build!"

House Memorial 3, sponsored by House Minority Leader Gail Armstrong (R-Catron, Sierra, Socorro & Valencia), who recently celebrated the birth of her 13th grandchild, recognizes the contributions of home builders in New Mexico. This organization was founded here in 1959. It's mission is to provide safe and quality buildings. Rep. Harlan Vincent (R-Lincoln & Otero) reported that a sawmill is being constructed on Mescalero land. This not only provides lumber for construction but also helps thin the forest to prevent destructive wildfires. Speaker Javier Martinez (D-Bernalillo) summed it up, "Build, baby, build!"

Santa Fe County Recognized for Gracious Hospitality

It was also Santa Fe County Day in the House. Many members expressed their appreciation for the gracious hospitality of the county hosting the legislative session. The county, established in 1852, rightly prides itself on promoting various cultures and traditions. Rep. Andrea Romero (D-Santa Fe) recognized a fairly new program aimed at helping the formerly incarcerated transition to life outside. It is a work program at the Escondido restaurant founded by Chef Fernando Ruiz, who turned his life away from gangs (for which he served time in Arizona) to cooking. He has won numerous awards for his innovative culinary skills. Here's a bit of interesting backing from the Santa Fe! publication:

Escondido is more than just a restaurant; it serves as a catalyst for positive change in the community. Ruiz, alongside co-founders Ralph Martinez, a community activist in Española, and Jamai Blivin, CEO of the workforce development nonprofit Innovate+Educate, established the Entrepreneurial Institute of Northern New Mexico Re-entry Program. This eight-week program, supported by a $75,000 allocation secured by State Rep. Andrea Romero in the 2023 legislative session, provides inmates hands-on culinary training, a butchery course and vital post-release support.

Don't you just love it when a plan comes together? Congratulations folks on a wonderful contribution!

SIGNING OFF FROM SANTA FE



Well folks, tomorrow is going to be a doozy - both House Bill 8, the public safety package, and House Bill 11, the Paid Family and Medical Leave Act, are up in committee at the same time. The first in the Senate Judiciary Committee and the latter in the House Commerce and Economic Development Committee. There is a committee substitute bill for HB 11, which we are analyzing as we speak. More on that tomorrow. Tomorrow is also national chocolate mint day - just thought we'd give you the "scoop" on that one (we know, ugh). Until manaña, have a good evening.

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

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Legislative RoundUp

2025 Regular Session | Wednesday, February 19, 2025

57th Legislature | Day Twenty-Nine

BREAKING NEWS
February 19, 2025

BREAKING NEWS: Paid Family Medical Leave Bill Advances to House Floor

Moments ago, the House Commerce and Economic Development Committee voted 6-5 to send House Bill 11, sponsored by Rep. Christine Chandler (D-Los Alamos, Sandoval & Santa Fe) to the House floor. "Unfortunately, despite changes made to the bill, it remains costly and burdensome to New Mexico small businesses," said Terri Cole, president and CEO of the Greater Albuquerque Chamber of Commerce. "The bill will raise taxes on employees and employers by hundreds of millions of dollars a year and leave businesses struggling to find temporary employees to fill the gaps left by those on leave or simply doing without.

"This legislation makes New Mexico less competitive and less attractive as a place to do business, Cole said. "There's a much better bill, HB 446 sponsored by Rep. Rebbeca Dow (R-Doña Ana, Sierra & Socorro), that focuses just on maternal and paternal leave. It's much less disruptive to the workplace, and most businesses would support this legislation." HB 446 would be funded from existing state revenues and require no tax increase. "That bill would be easy to implement, less costly and business friendly." If passed by the House, HB 11 will be sent to the Senate for further consideration. More in-depth coverage will be provided in tonight's Legislative RoundUp. Stay tuned.

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Legislative RoundUp

2025 Regular Session | Wednesday, February 19, 2025

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

CAUTION: TRAIN WRECK AHEAD RENAMED PAID FAMILY AND MEDICAL LEAVE IS ON ITS WAY TO THE HOUSE FLOOR



It's one of those moments - you know - you just dropped a glass pitcher of iced tea - it's going to happen and all you can do is watch in terror and utter an oath that would have your mother sit you in the corner, staring at the wall, for a good hour or more. Sort of the feeling we had today when on a close 6-5 mostly partisan vote the House Commerce and Economic Development Committee sent House Bill 11 to the House floor. Rep. Marian Matthews (D-Bernalillo) joined the Republicans in voting no. The bill is sponsored by Reps. Christine Chandler (D-Los Alamos, Sandoval and Santa Fe), Linda Serrato (D-Santa Fe) and Patricia Roybal Caballero (D-Bernalillo). The bill title is now Family Wellness and Welcome Child Act instead of PFMLA. Whatever you call it, it's gonna be bad for small business. So, what's in this 35-page bill that has so many business people concerned? We'll walk through it for you - but first, here's where the Chamber stands.

Terri Cole, president and CEO, provided the following testimonyon behalf of the Greater Albuquerque Chamber, New Mexico Chamber of Commerce and Gallup-McKinley County Chamber of Commerce::

"I want to start by acknowledging the obvious hard work put into this committee sub that reflects some of our long-standing concerns. Respectfully, however, we oppose this legislation and continue to believe that it’s capable of hurting small businesses in our state.

"This bill still imposes a tax increase on employers and on every worker in the state. Especially amid multi-year, billion-dollar budget surpluses, the notion of imposing new taxes on small businesses and workers is discouraging – and it's unnecessary. The state can afford to provide these benefits and should simply pay for it.

"It is disappointing that this bill is being considered without a proper fiscal analysis. As with previous versions, it could be underwater from the get-go – especially with the addition of the Welcome Child 'refunds,' which would trigger even higher taxes.

"Businesses are struggling to find full-time employees, and even though the time has been reduced, this is still a real burden to small businesses.

"I've testified before that a narrowly-tailored bill – one that focuses solely on maternal and paternal leave – would likely pass this Legislature with near-unanimous support. And, most businesses would support it as well. It would be less disruptive to the workplace, wouldn't require a tax increase to implement, would provide a much more predictable type of leave, and be very hard to abuse. That bill would be easy to implement, less costly and bring people together.

"We ask the committee to vote 'no' on this proposal."

Terri was hardly alone. When the committee chair asked how many in the room were opposed, hands from every corner flew up. Small business owner after small business owner related how this would hurt their businesses. Claims by proponents that small businesses throughout the state support HB 11 ring pretty hollow. Despite claims that this will be good for small businesses, we've heard from them, and it just isn't so.

What's Inside This 35-Page Bill?

The bill, 35 pages long and only available for public scrutiny yesterday afternoon, now has two parts: Family Wellness and Welcome Child. Family wellness grants up to 6 weeks of paid leave for medical treatment, bereavement, military deployment, "safe leave" (abuse, stalking, etc.) and adoption or fostering of a child. The amount paid is a formula of the minimum wage amount plus 67% of the employee's wages capped at the mean average wage in New Mexico, which is about $55,000.

Welcome Child grants up to 12 weeks of maternal or paternal leave and pays $9,000 over three months to one of the parents to, allegedly, defray child care costs. We say allegedly because why would there be that much childcare if at least one of the parents is staying home? Moreover, zero-cost childcare is available through the Early Childhood Care and Education Department. Color us confused.

Family Wellness

The cost of the Family Wellness program is paid from payroll taxes levied on both the employee (55%) and the employer (45%). Initially the premium is .2% of an employee's wage, split 55-45, but quickly transitions to whatever the Workforce Solutions Department sets the premium rate after six months. Quite disturbingly, there was no fiscal impact report (FIR) available so everyone is flying blind regarding total cost and whether the premiums will be sufficient to pay benefit claims and maintain solvency of the fund.

Based on previous fiscal analysis, our educated guess is that the new payroll tax will generate something north of $200 million, one of the largest tax increases in New Mexico history. Proponents say that it's only a few bucks a month. A lady from the Navajo Nation testified to that point - her budget is thin - she has to drive quite a distance to get to work - a few bucks just took away some gas money. It's the real world versus the view from Santa Fe.

What's it Really Cost a Small Business?

Rep. Mark Murphy (R-Chaves) made an excellent point - it's not so much about the cost of the premiums, it's about the cost of losing employees for an extended period. First, it's unlikely a small business can find a replacement as they can't find enough employees now - that's why many restaurants are closed for lunch and on Mondays and Tuesdays.

Small businesses don't have HR departments, they have to hire a temp agency at added cost and likely pay premium wages - traveling nurses are a good example. Even if they find someone, the search and hiring process probably takes two or three weeks, then there's training and then it's almost time to let them go because the employee is returning to work. It defies common sense. Another alternative is to work remaining employees overtime at premium wages. Either way the small business is saddled with a big expense, not to mention loss of productivity, which is another cost. Businesses in rural New Mexico are especially hard hit - there are no temp agencies and everyone in town that wants to work already has a job.

Welcome Child Program

This one is a real baffler from a fiscal viewpoint. The cost of the "refunds" (we put that in quotes because we have no idea what's being refunded) is to be paid out of the Early Childhood Education and Care Department (ECEC) budget. Really? Let's take a look at that for a second. The requested ECEC budget this year is $995 million - a $250 million increase over last year for needed services including child care, PreK and several other programs.

Nowhere on that list is the Welcome Child program. What's it cost? Because we don't have an FIR we don't know - BUT check this out. If we take just the "refunds" of $9,000 and multiply it by the number of births in New Mexico annually (21,000) that's $189 million. Where is ECEC supposed to come up with that kind of money? AND it doesn't include actually paying out the benefits. This could potentially eat up half or more of the ECE budget. Workforce Solutions Department Secretary Sarita Nair subtly mentioned that the governor has been very clear about how ECEC money is to be used. We read that as this ain't on the governor's list.

Bureaucracy Doesn't Come Cheap

Under the category of "wouldn't wanna be you" comes the Workforce Solutions Department that's tasked with administering both programs. The secretary estimates it will take over 200 people at an annual cost of $23 million. Matthews inquired about how long it would take to hire this number of people and is it possible to find qualified people? The Secretary thought so as there's about a two-year ramp up and outside vendors could possibly be used for some of the work. However, she also acknowledges that the vacancy rate in her department is currently 17% and that, "like any other business, we struggle to find employees." We'd add, especially in Santa Fe with the cost and lack of housing availability. Another complication is that a new governor will come aboard on Jan. 1, 2027, right when the taxes start to be collected and a year away from benefit payments. That could mean a new secretary of Workforce Solutions that has to pick up the ball without fumbling.

Matthews Amendments Shut Down

Matthews brought forward amendments to exempt community care providers, nonprofits and seasonal workers from the programs. There's good reasons to consider doing, so but we'll skip that explanation for now. Matthews presented her amendments when committee Chair Doreen Gallegos (D-Doña Ana) hit the pause button while she and Minority Leader Gail Armstrong (R-Catron, Sierra, Socorro and Valencia) left the room to consult with Legislative Council Services about proper procedure.

It turns out that the committee had failed to adopt the committee substitute for HB 11, so they had to back up and do that. So far so good. Before Matthews could get back to her amendments, there was a motion to table them, which immediately passed. She never got to finish her presentation, no testimony was taken on the amendments and no committee discussion was allowed. That's pretty darned unusual and pretty close to discourteous. Matthews flatly said that she's voting no on this bill until these issues are dealt with...here comes a floor amendment.

Wrapping Up

By now, you can see why we think there's a wreck in the making. There are too many uncertainties, too little fiscal insight and too much opaqueness (the opposite of transparency). Armstrong says she's going to try to get the bill referred to House Appropriations and Finance as the bill contains an appropriation. It sure should go there along with a good fiscal impact report. We'll see if she's successful. Right now, the bill is slated to hit the House floor. The glass pitcher of iced tea is falling. ...

SENATE JUDICIARY GIVES CRIME PACKAGE A ‘DO-PASS,’ SENDS IT TO SENATE FLOOR



This evening, after a three-plus hour discussion and debate, the Senate Judiciary Committee voted 7-1 to advance the House Judiciary substitute for House Bill 8 as amended, better known as the Crime or Public Safety Package. Sen. Antonio “Moe” Maestas (D-Bernalillo) was the “no” vote.

The bill, carried by Rep. Christine Chandler (D- Los Alamos, Sandoval & Santa Fe), contains six important crime-fighting measures, and the Chamber again testified in support of the bill - while advocating for much more to be done in this area as the session hits the halfway mark. To quickly recap, HB 8 revamps criminal competency statutes, creates a crime for converting weapons to fully automatic, makes a shooting threat the same level of crime as a bomb threat, enhances sentences by up to three years for trafficking fentanyl, allows blood testing for DWI involving drugs (not cannabis) and imposes stiffer penalties for auto theft.

J.D. Bullington testified for the Chamber, enumerating the measures it contains and saying HB 8:

“Responds to the public's plea to deal with the crime problem in our state. We are especially encouraged to see changes made to criminal competency included. It's a path both to finding help for those in need and providing greater protection for the public from those that are truly violent.

“We also are very much encouraged to see sentence enhancements for those trafficking in fentanyl. This provision goes after the dealers, not those afflicted by addiction.

“Finally, we are very pleased to see efforts to crack down on auto theft. This is a vexing problem that runs rampant in Albuquerque and needs higher penalties for repeat offenders.

“As much as we appreciate this bill, here are some holes yet to be filled before the session ends. For example, there needs to be greater penalties for felons using firearms, stiffer penalties for trafficking in fentanyl when a death occurs, especially to a minor. And, of most importance, given the alarmingly high growth in juvenile violent crime, a real reworking of the Children's Code and how violent youth are dealt with.

“HB 8 is a solid step forward, and we hope this moves all the way to the governor's desk.”

Much of the hearing was devoted to proposed amendments as the lawyers on the committee went line by line through the bill. We greatly appreciate their experience, expertise and focus. One adopted amendment removes Metropolitan Court in Bernalillo County from handling questions of competency. Another ensures compliance on blood draws with existing case law. There was a lot of debate on having the law mention number of pills vs. weight of the drug and the wording “whichever is less.” We’ll go through the amendments when they are available and update you with what the latest version of the bill looks like at its next stop – the Senate floor, as it only received one committee assignment in that chamber.

As Bullington laid out in his testimony, we believe there are many important steps that need to be taken to make this a really complete crime-fighting proposal that genuinely responds to the public outcry for getting tough on criminals and making our communities a lot safer. Let's not forget that our violent crime rate is double the national average, and we have the second-highest number of violent crimes in the nation.

The fact that we have a public safety bill at all is because the governor called a special session and put a spotlight on making our communities safer as soon as possible. She's right - that should be everyone's common goal, and it takes an "all-of-the-above" approach - tougher penalties for egregious crimes, rebuilding the behavioral health system and slamming the revolving door shut. The session is not quite half over - there's plenty of time to add critical but so far missing pieces.

Once again, here are the additional top actions that we are advocating for:

1. Juvenile justice reform - serious violent crimes committed by youthful offenders is the fastest-growing category in our communities. We must find a way to take violent offenders off our streets. Murder is murder regardless of age. It's serious, and we need to treat it seriously. In Albuquerque, there are 1,048 cases of juvenile crime pending, 890 involving firearms. There's been a 57% increase in juvenile crime, and 33 offenders are charged with murder.
2. Racketeering - the scope of crimes that can be prosecuted using racketeering laws in New Mexico is very narrow. We need to add many additional crimes to break human trafficking, drug dealing and other organized crimes.
3. Felons using firearms - substantially increase sentences for convicted felons who commit subsequent crimes using a firearm.
4. Increased penalty for drug trafficking resulting in death - impose second-degree felony penalties for this crime and first-degree sentences if the death of a minor is committed.
5. Pretrial detention - require that felons who have committed a subsequent violent crime be held in custody pending trial and not be released back into the community.
6. Clarify the definition of "harmful to self or harmful to others" so judges can keep violent offenders in custody. Currently, the definition is vague, and too often judges release bad guys back into the community.

Maestas, who fought the amendment to remove Metropolitan Court from the competency equation, explained his "no" vote by saying the war on drugs didn't work in the '90s and it won't work now, and he had issues with sections of the bill regarding search warrants (the DWI section) and powder vs. pills (the fentanyl section). But he said he might vote for it on the floor because the competency section is so essential. Because the House bill was amended, if approved by the Senate it will need to head back to the House for concurrence.

Committee Chairman Sen. Joseph Cervantes (D-Doña Ana & Otero) said at the outset of the hearing and again before adjourning that the concerns of the Chamber and others that more needs to be done on public safety have been heard. With the session not even at the midpoint, and many crime bills still wending their way through the Roundhouse, "we're just getting warmed up."

We join all New Mexicans concerned about rampant crime and the effect it is having on our communities in hoping so.

MAJOR BEHAVIORAL HEALTH MEASURES MOVE TO HOUSE FLOOR FOR A VOTE



Rebuilding the state's behavioral health system is no easy task. Senate Majority Leader Peter Wirth (D-Santa Fe) and Senate Minority Leader Bill Sharer (R-San Juan) have teamed up on Senate Bill 3 to create a new, locally based infrastructure complete with guardrails, measurements and accountability. The House Health and Human Services Committee gave a unanimous 8-0 endorsement today, moving the bill forward to the House floor. There was an amendment to the bill so, if and when it is approved by the House, it will have to be returned to the Senate for concurrence in amendments. This means that both chambers must agree on exactly the same version of the bill before it can be sent to the governor.

SB 3 is part of a package of three bills, Senate Bills 1, 2 and 3. SB 2 and 3 were also heard today, but by the House Appropriations and Finance Committee as they are funding bills. The Chamber is a strong supporter of the entire package. Today, J.D. Bullington testified in support of HB 3:

"SB 3 is the road map for the implementation of SB 1 and SB 2. It lays out how the Administrative Office of the Courts will oversee the establishment of behavioral health care regions and the standards that must be met.

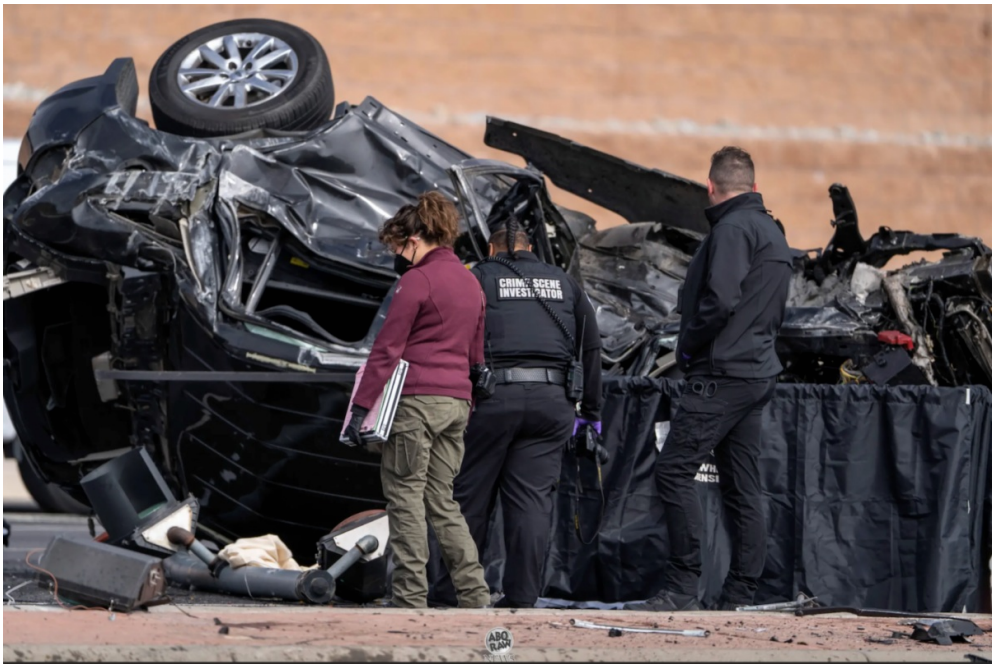
"This is a sizable task, but SB 3 ensures that the best data is made available and that the key stakeholders have a seat at the table as the plans are developed and rolled out. The very smart approach is to identify the gaps in providing behavioral health services and then to identify the top five actions that need to be taken to close those gaps.

"This is an iterative process so that every year gaps are reassessed and a new 'to do' list is established with relevant actions to be taken. Rebuilding the behavioral health system is essential to improving public safety and offering the appropriate care to those in need. It takes collaboration of all three branches of state government as well as all levels of government and providers throughout the state. We urge a 'yes' vote on SB 3."

There was no opposition to SB 3 but plenty of support, including UNM Health Sciences and the New Mexico Health Care Authority. Wirth emphasized that the problem is not lack of funding but rather the lack of collaboration and coordination. SB 3 builds from the bottom up through regions roughly bounded by the current judicial districts, though that can be modified later. The idea is to allow local communities to develop the kinds of service delivery that works in their areas. For example, a large treatment center might be appropriate in Bernalillo County but not in the rural areas of the state. These areas might benefit more from use of mobile platforms that can be readily dispatched to areas in need. Sharer spoke to the fiscal soundness of the proposals - there's accountability and measurement of results. In addition, the creation of a trust fund in SB 1 puts a billion dollars into savings, not spending the money now but ensuring a long-term source of revenue. We expect that all three measures will be on the House floor. We'll keep you posted.

While SB 3 was being heard, SB 1 was approved by House Appropriations and Finance on a 12-5 vote, sending it to the House floor. SB 2, which would appropriate $200 million to various behavioral health services, will be rolled into HB 2, the general fund budget.

2 PUBLIC SAFETY BILLS SAIL THROUGH JUDICIARY, HEAD TO HOUSE FLOOR



Two updates on public safety bills we've told you about before: The House Judiciary Committee heard House Bill 104, Add Peace Officers to Victims of Crime Act, and House Bill 102, Violent Felonies for Meritorious Deduction. Rep. Andrea Reeb (R-Chavez, Curry & Roosevelt) is sponsoring both bills.

HB 104 passed 8-0, while HB 102 drew one "no" vote from Rep. Reena Szczepanski (D-Santa Fe).

HB 102 remedies a technical loophole which allows murder by vehicle to receive a sentence less than intended by the Legislature. HB 104 adds law enforcement officers to the Victims of Crime Act, which allows them the same legal rights and benefits as other crime victims.

The Chamber attended the hearing to support both bills. Regarding HB 104, Enrique C. Knell said:

"Law enforcement is a tough job on a good day. On a bad day, our officers and deputies need to have the same protections as other crime victims in our state."

Knell also addressed the Chamber's support of HB 102:

"The Chamber supports HB 102 which seeks to repair what many believe to be a legislative oversight. In 2016, the Legislature changed vehicular homicide by DWI or reckless driving from a third-degree felony to a second-degree felony and, therefore, the criminal is no longer treated as a serious violent offender, which requires that a minimum of 85% of the sentence be served before they can be paroled. This oversight needs to be remedied."

The ACLU and the Public Defenders Office lined up to oppose this technical fix. The New Mexico District Attorneys' Association, the New Mexico Chiefs of Police Association, the sheriff of Curry County and the New Mexico State Police testified in favor of the change.

These bills head to the House floor next. We'll let you know what happens.

PROTECTING BABIES FROM DRUG EXPOSURE



House Bill 303, sponsored by Rep. Rebecca Dow (R-Doña Ana, Sierra and Socorro), was heard in the House Health and Human Services Committee today but held over to accommodate amendments. The bill proposes to amend both the Criminal Code and the Abuse and Neglect Act to establish that it is child abuse to expose a child to a Schedule I or II controlled substance and necessitates taking newborn children into temporary protective custody who have been exposed to such drugs.

In a heartfelt presentation, Dow spoke of attending funerals because of children dying from exposure to drugs. Her goal is ensure that both mother and child receive a plan of care before leaving the hospital. She doesn't intend to be punitive, but law enforcement needs to be involved in order to develop a plan of care. Dow wants to see mothers get help while protecting the baby. Dow points out that it's far better for the mother to get treatment than be tried for murder.

J.D. Bullington testified on behalf of the Chamber:

"Madam Chair and members of the committee. I'm J.D. Bullington, and I'm appearing on behalf of the Greater Albuquerque Chamber of Commerce in support of HB 303. This bill is all about protecting children. It establishes that child abuse occurs when a little one is exposed to a controlled substance. The bill also requires taking newborn children into temporary protective custody who have been exposed to such drugs. Further, the bill specifies circumstances under which a newborn child may be taken into protective custody.

"Negligent adults cannot be allowed to ruin the life of the most vulnerable. It's heinous and deserves to be punished, and children must be protected. Because substance abuse plagues our communities, the chances of a child being exposed are enhanced. Even tiny portions of some drugs like fentanyl can be fatal to children - one adult dose is more than enough to kill a child. The message has to be loud and clear - exposure to harmful drugs is not going to be tolerated. Please vote 'yes' on HB 303."

The ACLU stood in opposition - the usual position against punitive treatment. Supporters today included Better Together New Mexico, a foster mother from Chaves County who's witnessed the effects of children poisoned by controlled substances, a person who lost a grandchild to exposure and a disability advocate. In an upcoming meeting, the committee will discuss the bill and take action. We'll keep you informed.

HERE'S AN IDEA: INCREASE MEDICAID FUNDING AND DON'T RAISE TAXES



A bipartisan Medicaid funding bill was called brilliant, innovative and clever by several legislators

today. Senate Minority Leader Bill Sharer (R-San Juan) presented his legislation, Senate Bill 88, Medicaid Trust Fund & State Supported Fund, before the Senate Health and Public Affairs Committee. Sen. George Muńoz (D-Cibola, McKinley & San Juan) is a co-sponsor as well as a few other lawmakers from both sides of the aisle.

The bill creates a new Medicaid Trust Fund, very similar to the existing Land Grant Permanent Fund, the Childcare Trust Fund, and several other funds the Legislature has created over the the last few years. The bill seeds that new permanent fund with $300 million and then grows it each year with funding that state agencies don't use and return to the general fund. The idea is to grow the fund to $1 billion, and then start pulling a small portion of returns to then invest in Medicaid for things like raising reimbursement rates for health care providers.

The fund is designed to grow through investments, with expected annual growth rates between 5.5% and 7.5%. Once the fund reaches $2 billion, it will generate $100 million annually, which, with a federal match, translates to $400 million for Medicaid. And it will do this without raising a single tax.

The structure is inspired by the Early Childhood Trust Fund, which has grown from $300 million to $9 billion.

Enrique C. Knell testified on behalf of the Chamber, saying:

"We strongly support SB 88 and all it will do to support Medicaid spending in New Mexico. This fund will also help us leverage federal dollars, and it will do it without a need for increasing taxes. Improving health care is a primary goal for Chamber members this legislative session. It helps put New Mexico on the proper footing to be competitive with neighboring states."

"Adequate funding for Medicaid and provider reimbursement rates is vital to attracting and keeping health care professionals in our state. Without access to quality health care, our state is less competitive from an economic development standpoint."

"It's a win-win proposition - better health care and a stronger economy."

Initiatives like these are the forward-thinking ideas we need to actually move the needle and an excellent way to invest some of those budget surpluses we've been seeing, along with reinvesting unspent taxpayer dollars. If done correctly, the fund will fuel itself while providing a nest egg the state could draw from in lean years. We've already seen the success with the Early Childhood Care Trust Fund, which has grown exponentially.

The bill passed the Committee today on a 9-1 vote and goes to Senate Finance next.

TAX-CREDIT BOOST FOR RURAL MEDICAL PROVIDERS HEADED TO TAX PACKAGE



This morning the House Tax and Revenue Committee quickly approved two amendments to House Bill 226, the Rural Health Care Practitioner Income Tax Credit, sponsored by Minority Whip Alan Martinez (R-Sandoval), then tabled it without opposition for possible inclusion in the omnibus tax package.

The Chamber was there, again in strong support of the bill, one of roughly a dozen the GACC believes are needed to get more doctors, nurses, therapists and other health care providers practicing in New Mexico. According to the bill's Fiscal Impact Report, "HB 226 triples the value of the rural health care practitioner tax credit, increasing the credit from $5,000 to $15,000 for physicians, dentists, psychologists, podiatric physicians and optometrists and from $3,000 to $9,000 for many other types of medical practitioners practicing in rural areas."

D'Val Westphal, executive vice president of policy and programs for the Greater Albuquerque Chamber of Commerce, testified that:

"One of the big talking points this session has been the severe shortage of health care providers in our state, and rural New Mexico feels that shortage acutely.

"That's why it's important to increase the value of the rural health care practitioner tax credit – so we can attract, and keep, more physicians, dentists, psychologists, podiatric physicians, optometrists and other medical providers.

"Our amazing state is not the only one in great need of medical professionals – that's why it's going to take a whole bag of carrots to get the health care providers that New Mexicans so desperately need to come to, and stay in, our state. This tax credit is an important one. We urge you to vote yes on HB 226. Thank you."

Joining the Chamber in support were numerous health care and business organizations, including the New Mexico Hospital Association, New Mexico Nursing Association and New Mexico Nurse Practitioners Council, Southwest Bone and Joint Institute in Silver City, New Mexico Optometric Association, Desert States Physical Therapy Network, Nurstead Mental Health and Consulting Services, ALS New Mexico, New Mexico Society for Acupuncture and Asian Medicine as well as the New Mexico Chamber of Commerce and the Gallup-McKinley County Chamber of Commerce. All spoke to the need to better compete with neighboring states for medical talent and the fact that "a strong health care system is the foundation of a strong economy."

There was no opposition in public comment or on the committee. The sponsor's expert witness testified that providers can live in urban areas but need to practice 1,400 hours a year in rural areas as defined by the federal government. The first amendment adds practitioners including licensed practical nurses, audiologists, speech language pathologists, chiropractors, doctors of oriental medicine, paramedics, emergency medical technicians, naturopaths and napropaths; the second a 10-year sunset so results can be evaluated.

HB 226 previously received a bipartisan 5-0 "do-pass" vote from the House Rural Land Grants and Cultural Affairs Committee. It's now awaiting inclusion in the omnibus tax bill, where it deserves a spot. We'll keep you updated on it.

WILL NM GET $340 MILLION IN GREAT GREEN PROJECTS OR SEE IT GO UP IN SMOKE?



The Senate Finance Committee kicked off its afternoon session with a pair of bills sponsored by Senate President Pro Tempore Mimi Stewart (D-Bernalillo) - Senate Bills 48 as amended and 49 - aimed at further reducing greenhouse gas emissions. (The bills got out of the Senate Conservation Committee on straight partisan votes of 5-3, Ds in favor, Rs opposed).

The fiscal impact report says they appropriate a recurring $340 million for community projects aimed at greenhouse gas emission reductions but suffer from serious deficiencies in specificity, making employing them responsibly, and evaluating them, exercises in futility. (Stewart clarified during the hearing that SB 48's fiscal impact report is incorrect, that the funding is "not recurring.")

Senate Finance members voted 7-4 to "do pass" SB 48 and, without taking testimony or having discussion on SB 49, which lays out how the funding is distributed, to table that bill, presumably to include it in a funding bill.

The Chamber's D'Val Westphal came with testimony against both, saying of SB 48:

"First, the bill is so broadly drafted that it seems like a rudderless ship adrift. The definitions of project categories seem likely to allow almost anything to fit. Is that what the Legislature wants to do? Spend $340 million on projects that may or may not contribute anything to the goal?

"Second, as a consequence, the bill has no measurables, no way to know what the outcomes are and whether the taxpayers got their money's worth. These projects should have to go through the same rigorous examination and oversight as GRO projects. ... With all due respect to the sponsor, this bill doesn't strike us as being anywhere near fully baked. This is a prime candidate for interim study. Thank you, and please vote no on SB 48."

SB 48 as amended now moves to the Senate floor.

And of SB 49:

"SB 49 makes distributions to state agencies from the $340 million appropriation in SB 48.

"We'd just emphasize that without specific measurable performance benchmarks, there is more than a potential for ineffective allocation of funds when distributed to agencies to then distribute to the local level. The same goes for workforce training. New Mexicans deserve more than the pliable general statements for workforce or economic development in the bill.

"And terms such as 'overburdened communities,' 'appropriate scale,' 'scientifically determined restoration,' and 'sustainable manner' need more precise definitions to reliably and consistently deliver.

"SB 49 hands out hundreds of millions of public dollars to agencies based on platitudes, year after year after year. New Mexican can and must do better. Please vote 'no' on SB 49. Thank you."

Sen. Jeff Steinborn questioned having projects report to interim committees and suggested an amendment down the line making it clear it goes to the Legislative Finance Committee. Stewart pointed out the LFC is an interim committee, and said the appropriations are designed to be nimble "so that we can get this money out now around the state to communities that are begging us for this project money."

Sen. Steve Lanier (R-San Juan) said the Legislature has "gutted San Juan County" and SB 48 and SB 49 further jeopardize jobs there. "When this body took away our power plant, then we had to figure out a way to diversity. To me this is just the next step in that. … Now you're going to take away our small businesses as far as oil and gas. … Electrifying school buses? I don't know how that's going to help San Juan County."

Sen. Nicole Tobiassen (R-Bernalillo) pointed out how expensive electric bicycles are, and she questioned how SB 48 will help average New Mexicans afford the kinds of projects pushed in the bill. She also raised the concern of driving the oil and gas industry to Texas and federal land, hurting state revenues.

Sen. Pat Woods (R-Curry, Harding, Quay & Union) questioned the lack of precise definitions.

Stewart said she sees SB 48 as a jobs bill that's putting project money into communities and has said the goal is to have communities and organizations apply for grants to build these projects, which are far ranging, including electric grid modernization, green energy projects, training, electric vehicle infrastructure, recycling - in total 11 broad categories. The bills are supported by the Governor's Office and several environmental organizations. In addition to the Chamber, the Independent Petroleum Producers Association and the Permian Basin Petroleum Association testified in opposition.

Chairman Sen. Geoge Muñoz (D-Cibola, McKinley & San Juan) said the bill is simply “a funding bill … a capital outlay bill.” We assume that means that SB 49 will be dealt with either in the general appropriations act (the budget) or the capital outlay funding bill. Stand by for details as that becomes clear.

SENATE FINANCE COMMITTEE SENDS TEACHING READING BILL TO FLOOR



This afternoon the Senate Finance Committee took up Senate Bill 242 as amended, Advancing the Science of Reading Act, sponsored by Senate President Pro Tempore Mimi Stewart (D-Bernalillo). The committee quickly passed her amendment that applies the reading training specifically to elementary school teachers.

The Chamber was there in strong support of the bill, which the committee passed 10-0 to send it to the Senate floor.

EVP D’Val Westphal testified:

“SB 242 tackles a big proficiency problem New Mexico schools face: reading. It requires all current teachers seeking licensure renewal to complete coursework on the science of reading and establishes additional requirements for new teacher candidates. Its foundation is the LETRS program that was part of the Mississippi Miracle school turnaround, and which is part of training our PED has been scaling up.

“The bill’s FIR lays out the studies that support this approach, and after Mississippi adopted it, their fourth-graders made the largest score gains in reading and math on the National Assessment of Educational Progress (the NAEP), and 64 percent of students performed at or above the basic level of proficiency – beating the national average of 61 percent.

“Once again, this is a bill that gives our teachers the training and tools they need – in this case, to give the gift of literacy to every student in their classrooms.

“We urge you to give it a do-pass. Thank you.”

Joining the Chamber in support of SB 242 were Think New Mexico, New MexicoKidsCan and Stan Rounds, executive director at New Mexico Coalition of Educational Leaders, who said the amendment answered his group’s concerns.

Stewart has emphasized that her bill puts in statute what is already a directive to the state’s colleges of education. And she said the Mississippi Miracle has demonstrated that structured literacy is the answer and that the method works with all students, be they dyslexic, English-language learners, children from poverty – and that it supports the requirements from the landmark Yazzie-Martinez education ruling.

As we have said before, SB 242 is a win for our teachers and for our students. We’ll be on Senate floor to let you know what happens

SPECIAL EDUCATION REFORM IS ALSO ON ITS WAY TO A SENATE FLOOR VOTE



Late this afternoon the Senate Finance Committee voted 8-3 to advance Senate Bill 38 as amended, clearing its way to a Senate floor vote. The Special Education Act, sponsored by Senate President Pro Tempore Mimi Stewart (D-Bernalillo), builds on important changes in this field.

Stewart has explained the bill honors the governor's executive order on special education from several years ago along with subsequent legislation to "ensure we have the right people working on these issues." She amended the bill to not move the special education ombudsman to the Public Education Department, as that drew the most criticism in the bill's earlier committee, and Senate Finance members approved it.

The Chamber has testified in support of SB 38, with D'Val Westphal, executive vice president of policy and programs, saying:

"This bill is designed to make sure New Mexico's special education students receive the care and attention they need and deserve, starting when they are in preschool. In great part this codifies work already being done by the Office of Special Education.

"It creates the Office of Special Education within the Public Education Department and includes students with disabilities and gifted students in the definition of special education.

"That's important – our special education students deserve a uniform standard of education no matter what district they attend – that's why it's essential OSE not only continue with its oversight and enforcement of state and federal special education law, but also train all school boards and governing bodies, school administrators, and school personnel on specific topics related to the education of differently abled students.

"This bill is about putting special ed students first. Please support it. Thank you."

As when SB 38 was heard in Senate Education, the Chamber was joined in support by an impressive list of professionals in the field: Disability Rights New Mexico, the New Mexico Commission for the Blind and the Developmental Disabilities Planning Council, along with civil rights attorneys and the New Mexico Center on Law and Poverty.

As an experienced special education teacher herself, Stewart has shared she is excited about the improved statewide IEPs (individualized education programs) for special education students, as the ones she has dealt with are "pretty miserable."

The lone voice in opposition was from superintendents – the Loving superintendent who said it is simply over-regulation, and Stan Rounds, executive director at New Mexico Coalition of Educational Leaders, who said 90% of superintendents oppose SB 38 and it is unnecessary as current laws cover what's needed.

Senate Finance's vote sends the bill to the Senate floor; we'll be sure to keep you informed of

what happens with it.

IN THE HOUSE



Today was military and veterans day in the House. A well-crafted certificate was read, honoring those who are serving or are now veterans. Many members rose to recall their own service or that of family members and to express gratitude for all those who protect life and liberty. The economic impact of military bases in New Mexico is substantial, as are the contributions to both the workforce and community service brought to us by veterans.

SIGNING OFF FROM SANTA FE



Wowzer! What a day! We're in high gear now, and the speed will do nothing but increase. Tomorrow is the last day for bill introduction. So far, 933 bills have been introduced. The bill deadline also means we're exactly halfway through the session, which ends on March 22. You don't want to miss this one, tomorrow is national love your pet day. So give the old pooch a big hug and enjoy the rest of your evening. Thanks for being with us, and we'll see you tomorrow.

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

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GREATER ALBUQUERQUE CHAMBER OF COMMERCE

Legislative RoundUp

2025 Regular Session | Thursday, February 20, 2025

57th Legislature | Day Thirty

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

HOUSE APPROVES MAJOR BEHAVIORAL HEALTH BILL, SENDS IT BACK TO SENATE



After three hours of debate and an attempted amendment, the House sent Senate Bill 3 back to the Senate for concurrence in amendments on a vote of 44-23. Both chambers must agree on exactly the same version of a bill. SB 3 was amended in the House, so it must be returned for Senate agreement, or concurrence. In this case, that's probably a slam dunk. However, if the Senate should refuse the House amendments, then a conference committee would be appointed to work out the differences. If that happens, we'll give you a little more information on that process.

Rebuilding the state's behavioral health system is no easy task. Senate Majority Leader Peter Wirth (D-Santa Fe) and Senate Minority Leader Bill Sharer (R-San Juan) have teamed up on Senate Bill 3 to create a new, locally based infrastructure complete with guardrails, measurements and accountability. SB 3 is part of a package of three bills, Senate Bills 1, 2 and 3. SB 1 would create a $1 billion trust fund to ensure a long-term funding source. It should be on the House floor soon. SB 2, a specific appropriations bill for projects, will be folded into the budget bill. This package of three bills has been a heavy lift for Sens. Wirth, Sharer and George Muñoz (D- Cibola, McKinley & San Juan). It’s an impressive effort, and New Mexicans will benefit greatly from their leadership.

Rep. Rebecca Dow (R-Doña Ana, Sierra & Socorro) offered an amendment to put the Health Care Authority in the position of coordinating the startup of the regional committees rather than the Administrative Office of the Courts. She thinks the executive, not the judicial, branch should play that role. The amendment was debated extensively but ultimately tabled on a vote of 39-28. We'll continue to keep you informed on the progress of this legislation, which the Chamber strongly supports.

SENATE FINANCE GETS BILL TO STOP TAX

LIGHTNING ON MULTI-FAMILY HOUSING



One key solution to the housing shortage is to encourage construction of affordable multifamily housing. Senate Bill 186 aims to prevent tax lightning on multifamily housing units like apartment buildings.

Tax lightning, or the rapid increase of assessed values for taxation, could increase rent for low-income housing and depress construction of new housing. Senate Majority Leader Peter Wirth (D-Santa Fe) presented the bill today before the Senate Tax, Business and Transportation Committee.

J.D. Bullington spoke for the Greater Albuquerque Chamber of Commerce:

“If multifamily property valuation is immediately brought to current and correct levels, there will be tax lightning striking all over the state, with the costs appearing in monthly rents and negatively affecting the economics of constructing new units. We must have a lot more units in order to attract and house workers. SB 186 resolves this dilemma without taking away revenue from local governments; in fact local revenues are likely to increase. We would appreciate your 'yes' vote on SB 186.”

The bottom line is without SB 186 passing, construction or renovation of multifamily housing will be stalled, and large spikes in monthly rents are likely.

Sen. Debbie O’Malley (D-Bernalillo) didn’t like that “the industry” was at the hearing advocating for the bill, saying that it seemed self-serving that the Apartment Association and the Real Estate Association were advocating for the bill. We’re a bit puzzled to hear that, as these various industry groups represent constituents who are creating jobs and providing affordable housing.

Actually, it’s exactly what we do on behalf of Chamber members. We advocate for policies that help us grow the economy and make New Mexico more competitive.

Nobody opposed the bill in the audience, and it passed on a 9-1 vote. O’Malley voted for the bill reluctantly, and Rep. Natalie Figueroa, the lone no vote, said she could be convinced to support the legislation (it moves next to Senate Finance) on the Senate floor.

MOTOR VEHICLE EXCISE TAX ON THE ROAD AGAIN - TO THE OMNIBUS TAX PACKAGE



New Mexico is a large state with lots of roadways and, therefore, lots of upkeep challenges. Our roads are, after all, the arteries through which our economic lifeblood flows. We told you a few weeks ago about an effort to redirect more of the motor vehicle excise tax toward the road fund so we can do a better job of maintaining our roads and bridges. Today, legislators in the Senate Tax Committee heard another version in Senate Bill 289, Motor Vehicle Excise Tax Distributions, sponsored by Sen. Bobby Gonzales (D-Los Alamos, Rio Arriba, Santa Fe & Taos).

The Chamber has long been a supporter of dedicating road-related revenue to roads, where it belongs, and we strongly support these multiple efforts to direct funding to our roads, highways and bridges.

J.D. Bullington drove the Chamber's position in committee and told legislators:

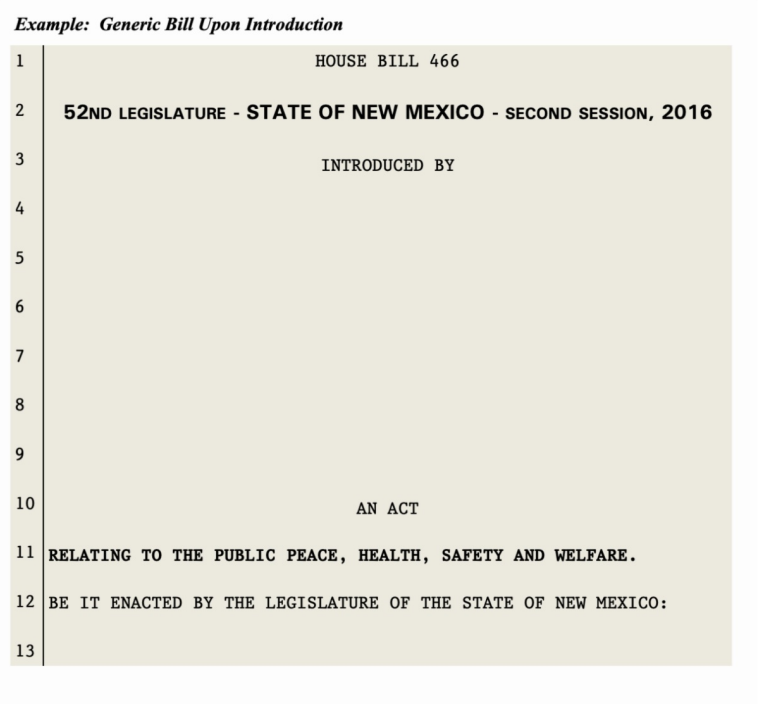
"This bill puts Motor Vehicle Tax payments where they belong: back into our roads and transportation projects. This change will ensure a recurring source of revenue to get, and keep, our roads and bridges in safe traveling shape. To date the road and transportation funds have relied on revenue from gasoline and diesel taxes, commercial trucking fees, and vehicle registration fees. These have not kept pace with the increase in costs to repair and build roads."

The bill heard today moves 65% to the road fund, 25% to the transportation project fund, and leaves 10% in the general fund for other spending priorities.

As with the previous bill, legislators discussed the bill and heard testimony. But instead of voting on a "do-pass" motion, they held the bill for consideration in the larger tax package.

We'll let you know what happens down the road!

AROUND THE ROUNDHOUSE



Example: Generic Bill Upon Introduction

HOUSE BILL 466

52ND LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2016

INTRODUCED BY

AN ACT

RELATING TO THE PUBLIC PEACE, HEALTH, SAFETY AND WELFARE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Session Hits Halfway Mark - Meet the 'Dummy Bills'

When the session hits the halfway point, it means that the deadline for introduction of bills has been reached and no new bills can be introduced starting tomorrow. Meet generic bills - kind of the Swiss army knife of legislation. Commonly referred to as "dummy bills" (they're really pretty smart because they can do a lot of things), you can think of these as a "shell" or a placeholder. If an issue comes up and a piece of legislation needs to be introduced after the deadline, a substitute for the generic bill is amended into this placeholder. It then becomes a real live bill.

Can anyone introduce a dummy bill? Yes, but only a specific number is allowed, and they're given to leadership on both sides of the aisle and committee chairs. So, if I'm Sen. Marvelous but a junior member, then I'd have to go to Sen. Bigtime to request a generic bill. They're not used that often, but they can be used at very strategic points of the session.

So how do I recognize a dummy bill? They will simply have a title that says "Relating to the Public Peace, Safety and Welfare." The bills are introduced with the chair or leader's name on them. Like in baseball, they sit in the bullpen until a new pitcher is needed. When they are amended with a substitute, then usually. the sponsor's name is changed from "Sen. Bigtime" to "Sen. Marvelous."

If you want more information about how these and other bills are drafted in the proper form, **click here** to see the Legislative Drafting Manual. It's on the legislative website under publications - there's a whole bunch of neat stuff.



Want To Be a Trust-Fund Baby? You Are!

So, your bank account doesn't look like you're a trust-fund baby? On a personal level that might be. However, as a citizen of New Mexico you are. Over the years, the Legislature has created a number of permanent and trust funds. What are these and how do they help you? You can think of these as savings or investment funds that earn interest. That interest is used to help pay for government programs and services. How do you benefit? Your taxes would be a heck of a lot higher if the earnings from investments weren't contributing to the state budget.

Take, for example, the Severance Tax Permanent Fund created way back in 1973 with an initial deposit of $7 **m**illion. Its value now? A whopping $9.7 **b**illion! The earnings impact to the budget is about $500 million per year - that's half a billion dollars we all don't have to pay in taxes. See, you are a trust-fund baby. So are your children, your grandchildren and generations from now. It's money that is a long-term source of funding for schools, capital improvements, early childhood care and education and more. This is called creating intergenerational wealth - a legacy to be handed down so long as the funds aren't raided.

Think New Mexico, in its very excellent policy report, discusses how to tackle health care problems and advocates for creating a health care trust fund. In that discussion, there is an excellent picture of the existing funds. (To read the entire report, **click here**).

New Mexico's Permanent Funds

FUND NAME	YEAR CREATED	BALANCE AT INCEPTION	BALANCE IN JUNE 2024	TOTAL DISTRIBUTIONS
Land Grant Permanent Fund*	1912	$1.2 million	$31.4 billion	$18 billion
Severance Tax Permanent Fund	1973	$7 million	$9.7 billion	$7 billion
Tobacco Settlement Permanent Fund	1999	$49 million	$366 million	$884 million
Water Trust Fund	2001	$40 million	$148 million	$68 million
Tax Stabilization Reserve Fund	2017	$527 million	$2.2 billion	$0
Rural Libraries Endowment Fund	2019	$1 million	$32.7 million	$1.1 million
Early Childhood Education & Care Fund	2020	$300 million	$7.2 billion	$450 million
Conservation Legacy Permanent Fund	2023	$50 million	$354 million	$0
Opioid Settlement Restricted Fund	2023	$77 million	$78 million	$16 million
Workforce Development & Apprenticeship Trust Fund	2024	$30 million	$30 million	$5 million
Higher Education Trust Fund	2024	$959 million	$969 million	$48 million
Capital Development & Reserve Fund	2024	$476 million	$476 million	$0

*Land Grant Permanent Fund starting value and total distributions are estimates, as not all data is available from early years.

Source: New Mexico State Investment Council. Personal Communication & *General Updates from the State Investment Council & Projected Growth of Permanent Funds & Distributions*. May 15, 2024.

As you can see from the Early Childhood Education and Care Fund, it doesn't take that long (if the stock market cooperates) to grow investments and realize significant earnings. It is really visionary to tuck away significant amounts of the robust state revenues. Oil and gas revenues currently support nearly half of the general fund. The wonderful success of that industry, however, mighty not last forever. The permanent and trust funds allow the state to rely increasingly on earnings from funds and less on current revenue from whatever sources. You, indeed, are a trust-fund baby.

Treasure Trove of Art - in a Capitol?



Many people envision the inside of a state capitol building to be austere, even cold, intimidating and uninviting. If you've been in the Roundhouse, you know it's quite the opposite. It feels like New Mexico, and part of the reason is that there's a treasure trove of artwork. The marvelous works are through the efforts of the Capitol Arts Foundation. Here's a bit of insight into the collections displayed, according to JB Luxe Beat Magazine:

As you stroll through the Roundhouse on your free, self-guided tour, you'll be mesmerized by the artwork and this showcase of immense creativity. We have the Capitol Arts Collection to thank for the bounty of eye candy that bedecks the walls of this hallowed place. The foundation, which was created in 1991, started with only 14 art pieces and 17 furniture groupings. Today, there are over 600 hundred pieces, including paintings, photography, works on paper, sculpture, mixed

media, textiles, ceramics and glass works, as well as furniture.

Over 500 contemporary, established and emerging New Mexico artists and artisans are represented, and most of the pieces have been donated or are on loan. This incredible museum-quality assemblage offers a beautiful glimpse of the Land of Enchantment and is currently valued at over $6 million.

Our Capitol building is unique and beautiful in many ways. Next time you have family in town and are looking for something to do, take them on a tour of the Roundhouse; they'll be amazed - especially if you buy them lunch.

SIGNING OFF FROM SANTA FE



The session's half over now - the gavel has fallen on bill introductions. The latest count is a total of 1189 bills, 622 in the House and 567 in the Senate. About par for the course in a 60-day session. Only the "feed bill" has made it all the way to the governor's desk; however, two bills have now passed both chambers. We know that there will be a House floor session sometime Saturday, it's yet to be determined whether it's morning or afternoon. We expect House Bill 11, Family Wellness/Welcome Child, to be debated (that's what we all used to call Paid Family and Medical Leave). There'll be some fireworks on that one. Hold onto your socks now - this is a biggie - tomorrow is, wait for it, national sticky bun day! Throw caution to the wind and go for it! Hope you have a superb evening; we'll see you tomorrow.

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

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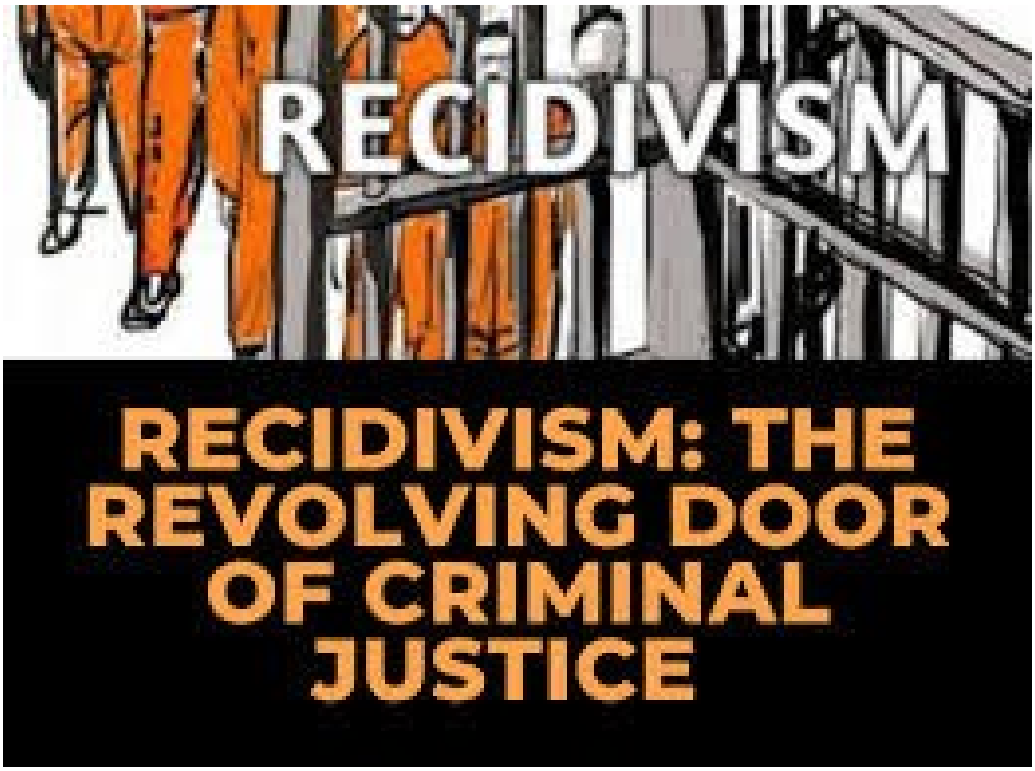
Legislative RoundUp

2025 Regular Session | Friday, February 21, 2025

57th Legislature | Day Thirty-One

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

SENATE PASSES PUBLIC SAFETY PACKAGE



House Bill 8, the "public safety/crime package," passed the Senate today on a strong bipartisan vote of 38-3 after four hours of debate and several attempted amendments by Republicans that failed. Sen. Crystal Brantley (R-Catron, Doña Ana, Grant, Hidalgo, Luna, Sierra & Socorro) summed up the GOP's feelings about the bill, saying "It's not enough, it's good, but it's not enough." Sen. Jay Block (R-Bernalillo & Sandoval) put it this way, "I was hoping for filet mignon and we got dips and chips."

To refresh your memory, the package consists of what were six separate bills that revamp criminal competency statutes, create a crime for converting weapons to fully automatic, make a shooting threat the same level of crime as a bomb threat, enhance sentences by up to three years for trafficking fentanyl, allow blood testing for DWI involving drugs (not cannabis) and impose stiffer penalties for auto theft. Criminal competency is the premier piece in the package as it addresses the revolving door by creating pathways to treatment or incarceration depending on the severity of the crime and the danger to society a particular offender presents. The criminal competency statutes haven't been revised since 1988.

Republicans attempted several amendments to try to address additional crime-related issues, most of which failed on partisan votes, 16 in favor, 25 opposed:

- Tackling the crime of swatting, where police are falsely called to a crime scene, putting

officers and residents at risk.
- Dealing with juvenile crime by lowering the age from 15 to 14 and adding crimes to the list of what defines a serious youthful offender. These crimes include second-degree murder, voluntary manslaughter, shooting from a vehicle, use of a deadly weapon, etc. Serious youthful offenders can be treated as adults or otherwise receive increased penalties.
- Strengthening laws for people in possession of firearms by making each weapon in possession a crime, thereby adding time to incarceration.
- Putting in statute the Supreme Court guidelines for holding repeat, violent offenders in jail pending trial. By putting the guidelines in statute, courts are required to follow the instructions, not just consider them. The goal is to reduce the revolving door by detaining repeat, violent offenders and not putting them back on the streets.
- Clamping down on stash houses that force children and women into slavery. Albuquerque is considered by law enforcement to be the world's capital of stash houses.

In closing debate on the bill itself, Senate Minority Leader Sen. William Sharer (R-San Juan) held up a list of 1,400 crime-fighting bills introduced over the last 10 years, none of which passed. He cited a Chinese proverb, "the best time to plant a tree was 20 years ago, the second best time is now." Sharer urged the Legislature to go beyond HB 8 to address the kinds of issues offered in the proposed amendments.

Senate Judiciary Committee Chair Joseph Cervantes (D-Doña Ana) agreed that at least some of these issues deserved further consideration, but they should be vetted thoroughly through his committee. Most of the proposed amendments are already in bill form. We certainly want to see these and other crime-fighting bills considered soon so they can be delivered to the governor's desk by the end of the session. It's only half over; there's time to take further action, especially if leadership gets behind them and pushes them forward.

While there is more to be done, we don't want to ignore the fact that HB 8 has many good features and was developed after a lot of hard work. For that, we are glad this bill will soon be sent to the governor. Because the bill was amended in the Senate, it will be returned to the House for concurrence in amendments, which we expect will be just a matter of form.

PERMANENT FUND FOR BEHAVIORAL HEALTH HEADED TO GOVERNOR'S DESK



We have reported extensively on the state’s efforts to rebuild our behavioral health system. It’s a heavy lift, and leaders on both sides of the aisle have teamed up to create a package of three comprehensive bills to tackle the problem. Senate Bill 1, Behavioral Health Trust Fund, was the first of those bills to get its turn on the House Floor today and passed 46-19. It was presented

today by one of its many cosponsors, Majority Floor Leader Rep. Reena Szczepanski (D-Santa Fe).

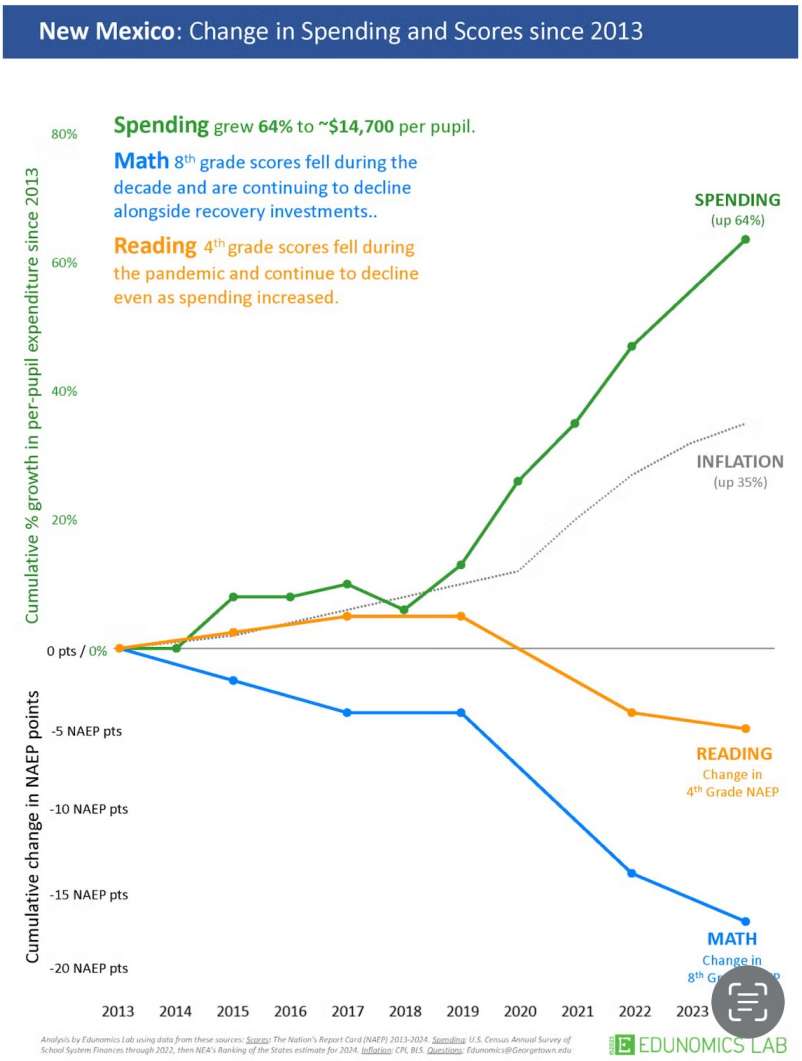
Because the bill has already passed in the Senate and the House made no changes to the bill, it goes next to the governor's desk. The governor has three days to act on legislation passed during the session. If she doesn't act within three days, the bill becomes law. This changes during the last three days of the session, where the governor has 20 days to act, and no action becomes a pocket veto.

SB 1 creates a $1 billion trust fund to ensure a long-term funding source for behavioral health services and infrastructure. Republicans expressed concern about the creation of a trust fund that could be diverted by future Legislatures for priorities other than behavioral health.

Rep. Harland Vincent (R-Lincoln) expressed concern about creating a new permanent fund when there are savings in the reserve fund that could be appropriated for behavioral health. Szczepanski explained that she views it from a personal pocketbook standpoint. "If I got a bonus check at the end of the year, I could choose to just deposit that in my savings account or in my checking account, and that I could trust my future self and hope that I would make good decisions. … I could also choose to put that in my kids' college savings account or some other savings account that was specific."

The Chamber has supported the creation of this savings account to improve behavioral health because that will help make our state healthier, safer and thus more competitive with our neighbors. We think SB 1 is an important piece of the puzzle in getting our arms around the behavioral health issues that plague New Mexico. We'll let you know what the governor does with SB 1 within the next three days.

AMENDED STATE BOARD OF EDUCATION PROPOSAL SAILS THROUGH SENATE ED



We've reported a couple of times on Senate Joint Resolution 3, which limped through the Senate

Rules Committee and emerged with a “no recommendation” endorsement. That joint resolution was heard today in the Senate Education Committee, which was much more receptive. Members passed it on a 10-2 vote and moved the bill on to its next committee assignment: Senate Finance.

SJR 3 proposes to send voters a constitutional amendment to re-establish an elected state board of education, which was dismantled by voters in 2003 because public schools were not producing student success (and they're still not). That's why the Chamber and others say that the governance structure isn't the problem - it's the lack of focus on student success.
Terri Cole, president and CEO of the Chamber, offered these comments to the committee this morning:

"We respectfully oppose this legislation because it would inject more politics into public education, and that’s the last thing we need. Putting a large, partially elected group of people in charge of our state’s education system is a recipe for more division and acrimony. Local school boards across America are under fire for governance issues – many local boards are hotbeds of political chaos – and they routinely lose focus on student needs and outcomes. Why would we want a similar situation at the state level?

"Finally, the number of adult decision-makers is not driving students’ unacceptably low academic performance. This resolution is not going to fix what’s broken. Let’s not advance a so-called solution that hasn’t worked before and won’t again."

Sen. Gabriel Ramos (R-Grant, Hidalgo & Luna) presented an amendment that attempted to address the concerns of many that were expressed in Senate Rules, namely oversight of charter schools. The original version of the bill got rid of the Public Education Commission (PEC), which approves and oversees charter schools. His amendment restores the PEC, even if SJR 3 passes and is approved by voters. Sponsor and Senate Education Chairman Sen. William P. Soules (D-Doña Ana) opposed the amendment, but it passed 5-4. All four Republicans voted for the amendment, and Sen. Martin Hickey (D-Bernalillo) joined them in support. However, this is not the solution we were looking for. If SJR 3 is approved by voters, there would be two elected groups - the state education board and the PEC, in addition to the Department of Higher Education and the Early Childhood Care and Education Department - talk about fragmented policy and collaboration!

The amendment also changes the originally proposed composition of the new state school board. The original bill called for a board of 15 people: 10 elected from districts throughout the state, and five appointed by the governor. Ramos’ amendment removed four of the governor’s appointees and dictates a board of 11.

That’s a hair of an improvement, but we think the state, and our students, would be better served by focusing on other policy changes and investments that actually make a difference in student outcomes. We need to focus on math and science, not on moving boxes on an organizational chart.

You know we’ll follow this joint resolution to the Senate Finance Committee and report back to you.

SCHOOL PRINCIPAL TRAINING BILL COMPLETES 1/2 ITS LEGISLATIVE JOURNEY



Also on the House floor today was House Bill 157, sponsored by Reps. Joy Garratt (D-Bernalillo), Brian Baca (R-Valencia) and Raymundo Lara (D-Doña Ana). The goal is to raise the standards for principal training and development through mentoring and other support.

The goal is to achieve nationally recognized best practices because the principal must lead a culture of learning. With the right training and support, there will be a consistency of leadership. Turnover among principals is very high due to a number of factors, including lack of preparation for leadership and local support.

The Chamber has long advocated for exactly this kind of change. Through a grant from the Thornburg Foundation and Los Alamos Laboratory Foundation, the Chamber engaged Education Research and Development, a nationally recognized group of experts, to prepare a report on school leadership, and many of those recommendations are included in HB 157. The report leads off with this statement:

“I can tell you a good principal is worth their weight in gold. They make everything work. And when you have a principal that is not good, teachers leave.”
– Mimi Stewart, Senate President Pro Tempore

HB 157 now heads to the Senate to go through the process in that Chamber. This bill is one of the things we can do to have a major impact on student outcomes. We’ll let you know what happens next.

$10.8 BILLION BUDGET GOES TO HOUSE FLOOR



The House Appropriations and Finance Committee finished its work on the Fiscal Year (FY) 2026 general fund budget, sending it to the House floor on a 16-1 bipartisan vote. The budget bill is the culmination of months of work by the Legislative Finance Committee throughout the interim period and then by both the House Appropriations and Finance Committee and the Senate Finance Committee, which will receive House Bill 2 when passed by the House. SFC will

then address issues important to the Senate, amend HB 2 and return it to the House.

The total general fund spending proposed is $10.8 billion in FY 2026, a 5.8% increase over FY 25 spending. The measure leaves a 31.2% reserve, or a little north of $3 billion. The total budget proposal is about $100 million less than the governor's proposed budget. Here are some highlights:

- An overall 4% pay increase for all state employees, including public education and higher education.
- Minimum teacher salaries raised from $50,000 to $55,000 per year.
- A significant increase for the economic development department's budget by 6.5% or $1.7 million.
- In addition, $50 million appropriated for regional recreation centers; $50 million to establish a research, development and deployment fund; $24 million for site readiness; $16 million for tourism and international marketing/ $15 million for entrepreneurship incubators; $10 million for recruitment in emerging high tech fields; multiple investments in quantum science; and $7 million for the Local Economic Development Act (LEDA).
- $15 billion to the Health Care Authority, including increases for Medicaid providers.
- Other one-time appropriations support transitional housing ($110 million) and building housing capacity.
- $50 million for remediating contaminated sites and $40 million for the strategic water plan (the governor proposed $200 million).
- Funding for the Early Childhood Care and Education Department increased by $170 million or 21.6%.
- Total public school funding of $4.6 billion, nearly half of the general fund.
- Another $500 million to education improvement including $40 million for career technical education and $3 million each for STEAM and STEM initiatives.
- $3 million to the Second Judicial District (Bernalillo County) for establishment of an organized crime commission.
- $1.6 million to State Police step increases to prevent salary compaction and $500,000 for recruitment and grant support.

On the floor of the Senate today, Senate Finance Committee (SFC) Chair George Muñoz (Cibola, McKinley & San Juan) mentioned that public education is still $100 million short - so there's one issue that will be addressed in the Senate. The SFC will start work on HB 2 early next week, assuming the House passes the bill in short order - possibly Monday.

OVERREACHING WATER-QUALITY REGS ON THEIR WAY TO THE SENATE FLOOR



In 2023, the U.S. Supreme Court issued the Sackett decision that ended federal Environmental Protection Agency regulation of surface waters that are not flowing waters - in other words, all our dry arroyos and intermittent streams and rivers. Sen. Peter Wirth (D-Santa Fe) estimates that 90% of waterways in the state are unregulated at this point. His solution is Senate Bill 21 (now combined with SB 22), which would have the state take over the administration of surface water regulation from the federal government. The Chamber is opposed to this measure, as President and CEO Terri Cole explained to the committee:

"We have a number of concerns about SB 21:

"It's a very big leap to immediately take over federal regulation. As business managers, we can tell you that to move this quickly is likely to result in missteps and mistakes.

"Adding 50 employees is a real challenge in today's workforce environment - especially when it has to be done quickly. Where will the qualified employees be found? Nearly every department already has high vacancy rates.

"The quality of the workforce matters as they will be charged with important rulemakings and enforcement.

"We also question why it's necessary to move oil field regulations from the Oil Conservation Division to the Environment Department. OCD already has the expertise to provide necessary regulatory oversight.

"Because of these concerns, we urge you to vote no."

Joining the Chamber in opposition were the Dairy Producers, AMAFCA, the New Mexico Mining Association and the San Juan Water Commission. Support came from the Pueblos of Laguna and Pojoaque, League of Women Voters, a craft brewery owner and Green Latinos.

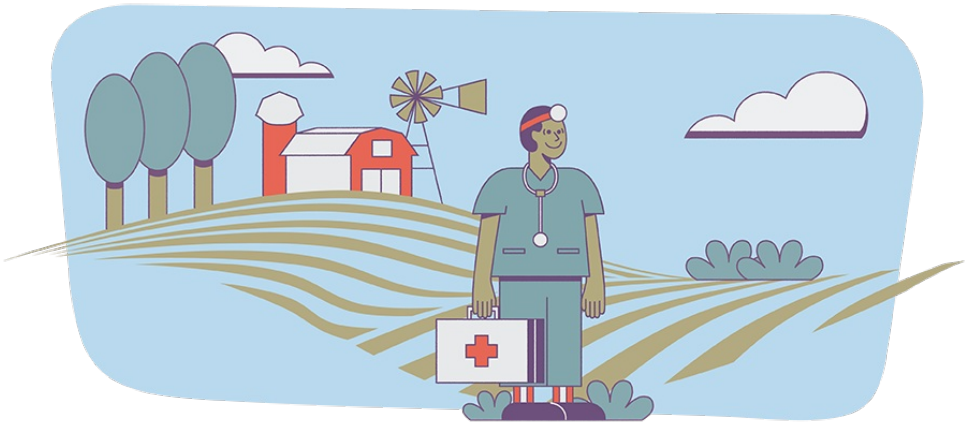
Wirth established his three goals in sponsoring the legislation:

1. Assert state primacy of regulation - better than it being done in Dallas (at the regional EPA office).
2. Address the Sackett case - cover all New Mexico waterways.
3. Create a program that holds groundwater polluters responsible.

Sen. Steve Lanier (R-San Juan) expressed a lot of concern about the bill being overreaching and the most strict set of regulations of the western states. He said that everyone wants clean water; that's not the issue. He thought these regulations would be burdensome on economic development and make moving a business to New Mexico unattractive. Wirth countered by saying his bill is just a mirror image of the federal regulations in place for 50 years. Perhaps Lanier noticed, as we did, that in answer to questions, Environment Department representatives portrayed a desire to engage very proactive enforcement. Lanier also questioned the ability to acquire 50 people in short order to get the program up and running. He noted that the department lacks the necessary infrastructure to be successful and pointed to problems with the Air Quality Bureau as an example.

SB 21 has been vetted thoroughly in the Senate, having been considered by three committees. It now heads to the Senate floor. We'll let you know what happens there.

TRUST FUND TO BEEF UP RANKS OF RURAL DOCTORS PASSES ITS FIRST COMMITTEE



Members of the Senate Education Committee heard a bill today that could help attract, and retain, more doctors to rural New Mexico. Senate Bill 380, Support Graduate Medical Education Programs, is sponsored by Sen. Pete Campos (D-San Miguel, Colfax, Guadalupe, Harding, Mora, Quay, San Miguel & Taos). The bill passed the committee 8-1 and heads to Senate Finance next.

SB 380 establishes a trust fund and program to support residency programs in rural and underserved areas. The trust fund, financed through a $100 million appropriation from the general fund, will distribute 5% of its average market value annually to the program fund to

support graduate medical education programs in rural areas.

Terri Cole, president and CEO of the Greater Albuquerque Chamber of Commerce, spoke in favor of the proposal:

“This measure is another good building block to attracting physicians to practice in the rural areas of our state. Building trust funds that provide long-term funding for residencies in those areas is necessary and sensible.

“In a recent WalletHub study, New Mexico ranked 46th out of the 50 states as a place for doctors to practice. Guess who is No. 1? Montana! They're even more rural than we are, yet they've managed to have the kind of environment that welcomes and supports physicians. If we couple this kind of legislation with more favorable tax treatment and higher loan repayment allowances, for example, we can make real progress.”

All medical school graduates must complete a period of graduate medical education, such as a residency or fellowship, to be licensed to practice in the United States. Residents are more likely to continue to practice in locations where they complete GME training, including rural areas. More than half of residents who completed their training between 2010 and 2019 were still practicing in the state where they trained.

That's a strong argument for more residencies - we'll be in Senate Finance to keep you informed on what happens with SB 380.

OCCUPATIONAL THERAPY COMPACT IS CROSSING OVER TO THE SENATE



Another one of the Chamber’s top priorities cleared the House today and is headed over to the Senate. House Bill 81, Occupational Therapy Licensure Compact, sailed through on a 64-0 vote. It’s sponsored by Rep. Elizabeth “Liz” Thomson (D-Bernalillo) and Rep. Jenifer Jones (R-Doña Ana, Hidalgo & Luna). Thomson is the chair of the House’s Health Committee and Jones, also a member of that committee, is a retired nurse.

We have a dire shortage of all medical professionals in New Mexico. Making it easier for licensed providers in other states to treat New Mexicans – be it in person or in a telehealth setting – is a real way to begin to get more New Mexicans the care they need,and address the lack of providers here while at the same time encouraging them to practice in, perhaps even move to, our state.

There are several other bills going through the chambers that enter New Mexico into inter-state compacts in various health-care fields, including medical doctors, audiologists and physical therapists.

The goal in joining these compacts and providing reciprocity is to make more providers available to New Mexicans for everything from care to education to second opinions. We'll keep you updated as HB 81 and the other compacts make their way through the session.

IT SHOULD BE SEXUAL ASSAULT, NO MATTER WHAT YOU’RE WEARING



Talking about sexual assault laws isn't a fun thing to do. But it's important to hold offenders accountable and to update our laws when necessary. The House Judiciary Committee today scrutinized Rep. Dayan Hochman-Vigil's (D-Bernalillo) House Bill 87, Criminal Sexual Contact Where Victim is Clothed. After a critical amendment, the bill was passed 10-0 and goes to the House floor next.

The bill closes a serious gap in New Mexico law. It is currently not illegal to touch someone sexually without consent if it's through their clothing.

Enrique C. Knell offered the Chamber's position to the committee:

"HB 87 has the strong support of the Chamber. This section of law has not been updated since 1993, and since then, there has been a greater understanding that unwanted sexual contact can occur regardless of how or whether one is dressed.
"The majority of other states have amended their laws addressing unwanted sexual contact to either 1) not reference dress or 2) specify that clothed vs. unclothed is irrelevant."

Former prosecutor Rep. Andrea Reeb (R-Chaves, Curry & Roosevelt) offered her critical perspective as someone who has prosecuted sexual-assault cases. She offered an amendment to add "with intent to arouse or gratify sexual desire." The committee wrote the amendment on the fly and quickly accepted it. The intent of the change was to have tighter language to not sweep in situations not intended by the legislation.

Reeb underscored the seriousness of this change. Someone convicted under this new statute will face a lifetime on the Sex Offender Registry.

Chairwoman Christine Chandler (D-Los Alamos) said, "I like this, and I want to be able to get the people doing this, but I don't want make a lifetime registry for somebody just joking around."

AROUND THE ROUNDHOUSE



30 down, 30 to go ...



Sens. Carrie Hamblen and Craig Brandt.

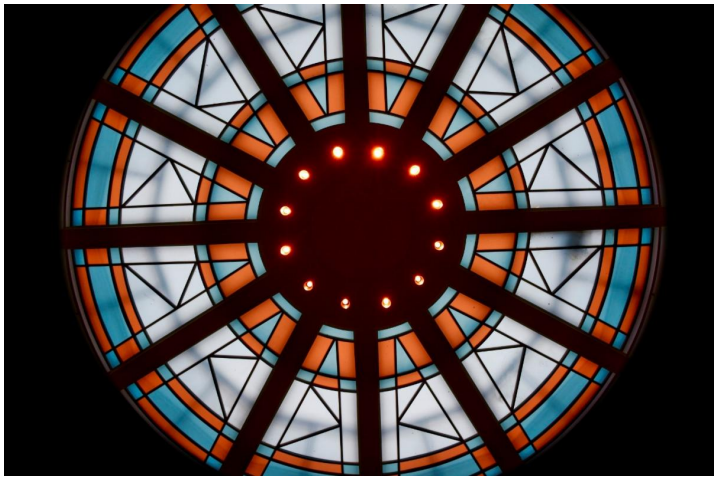
Today marked the start of the second half of the 60-day session. Last night, two senators rocked out in their chamber, singing a little bipartisan Bon Jovi.

Sen. Craig Brandt (R-Sandoval) kicked it off by telling Sen. Carrie Hamblen (D-Doña Ana) he had a Bon Jovi song in mind and would sing a bit of it if she guessed. After eliminating several possibilities, Hamblen nailed it.

Both of them started singing “Ohhhhhh…. We’re halfway there…. Oooooh oh! Livin’ on a prayer.”

And so we are indeed, halfway there! Welcome to the second half of the session.

SIGNING OFF FROM SANTA FE



Some very significant bills moved forward today, the public safety package and the behavioral health trust fund. Seeing that the behavioral health system is robust and responsive to local community needs just has to happen if we're to reduce the revolving door. There simply must be the resources to get people treatment and support so that they can get back on track rather than cycle repeatedly through the criminal justice system. There will be floor sessions in both the Senate and the House tomorrow afternoon. In the House, we expect the Family Wellness/Welcome Child bill (formerly known as paid family and medical leave) to be debated, probably right up to the three-hour time limit. As always, we'll be there to bring you all the news and views. Thanks for being with us today, and we'll see you tomorrow. Good evening.

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GREATER ALBUQUERQUE CHAMBER OF COMMERCE

Legislative RoundUp

2025 Regular Session | Monday, February 24, 2025

57th Legislature | Day Thirty-Four

BREAKING NEWS
February 24, 2025

BREAKING NEWS: Senate Finance Tables 'Clear Horizons' Greenhouse Emissions Bill

There's good news today for business and families - Senate Bill 4, the so-called "Clear Horizons" bill, was tabled minutes ago in the Senate Finance Committee on a vote of 6-5. SB 4 sought to put into law a goal of reducing greenhouse emissions by 100% from 2005 levels. In essence, this would force electrification of transportation and result in severe negative impacts in all segments of industry, crippling our economy. Should voluntary compliance fail to achieve the reduction levels, the Environmental Improvement Board would have been empowered to enact regulations. We are very appreciative of those members of the committee who voted to table this very problematic bill. Those who voted to table the bill are: Sens. Craig Brandt (R-Sandoval), Steve Lanier (R-San Juan), Nicole Tobiassen (R-Bernalillo), Pat Woods (R-Curry, Harding, Quay & Union), Benny Shendo (D-Bernalillo, McKinley, Rio Arriba, Sandoval & San Juan) and George Muñoz (D-Cibola, McKinley & San Juan). More information will be provided in tonight's Legislative RoundUp.

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Legislative RoundUp

2025 Regular Session | Monday, February 24, 2025

57th Legislature | Day Thirty-Four

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

SWEEPING ZERO-EMISSIONS BILL GETS TABLED IN SENATE FINANCE COMMITTEE



Senate Bill 4, sponsored by Senate President Pro Tempore Mimi Stewart (D-Bernalillo), would require statewide greenhouse gas reductions, based on 2005 emission levels, to be set at:

- By 2030, a 45% reduction
- By 2040, a 75% reduction
- By 2050, a 100% reduction.

The scale and scope of the bill would affect all buildings, structures, modes of transportation, home heating fuels, virtually every nook and cranny of our economy. We were very concerned with the unintended consequences to our jobs base and overall economy with such an aggressive mandate. In particular, we believe the oil and gas industry would be negatively affected and the message to businesses wanting to come here and businesses trying to grow here will be negative - just the opposite of what all of us want and need. The Chamber has consistently opposed SB 4 along with a host of businesses and citizens that are very concerned about the impacts.

In prepared testimony, Terri Cole, Chamber president and CEO, offered the following:

"I'm here today to testify in opposition to SB4. The scale and scope of the bill would affect all buildings and structures. In just five short years, emissions have to be cut by 45%. We are very concerned with the unintended consequences to our jobs base and overall economy with such an aggressive mandate. In particular, we believe the oil and gas industry will be negatively affected and the message to businesses wanting to come here and businesses trying to grow

here will be negative- just the opposite of what all of us want and need.

"This bill needs a realistic plan for implementation which is difficult to achieve when the definitions lack clarity. We have many questions. How will all the new rules that will be issued be enforced? How many more staffers in the Environment Department and elsewhere have to be hired? The bill will affect virtually every sector of our economy: electric generation, transportation, home heating fuels, buildings, all forms of waste, manufacturing and extraction of raw materials, agricultural and forest products and, of course, oil and gas. We believe this transition is too aggressive and lacks a necessary balanced strategy. Please vote against SB 4. Thank you."

Bill Lee stood in opposition on behalf of the Gallup-McKinley County Chamber of Commerce. Lee described SB 4 as a clear government overreach with impacts across all sectors of the economy. He forecast increased prices and job losses as the bitter fruit of SB 4 passage. In summary, he called the measure "an unattainable fantasy."

Other opponents included a host of small ranchers and farmers, many from the pueblos and Navajo Nation, citing the lack of electric infrastructure, unaffordability and impracticality of using electric vehicles for heavy transportation and farm equipment. Many people in remote rural areas are heating with propane, wood and coal and cannot afford to convert to electricity even if there is electric service available. Many business organizations also contributed to the opposition including the Santa Fe Chamber, the New Mexico Chamber, independent petroleum producers, the New Mexico Cattle Growers Association and Excel Energy Co.

Sen. Pat Woods (R-Curry, Harding, Quay & Union), a farmer, made this point: A diesel-powered semi truck costs $185,000 and can go 1,200 miles. An electric semi costs $1 million, can go only 200 miles and carries one-third of the load. He noted how transportation costs and, therefore, food prices would soar. Other members of the committee echoed these kind of concerns as well as questioning if the Environmental Improvement Board would make reasonable rules. Several committee members pointed out that if the goals aren't achieved voluntarily then government mandates would be forthcoming.

New Mexico has made, and is making, significant strides in reducing greenhouse gas emissions, in no small part by voluntary actions of businesses across the state. Locking rigid rules, poorly defined, into our statutes is another matter. Goals and rules have to be well-defined and achievable. They also have to balance all the needs of our citizens, not just the environmental side of the equation.

The following is the text of a letter the Chamber joined many businesses in signing. The New Mexico Oil and Gas Association prepared and distributed it to members of the Legislature in opposition to SB 4:

February 21, 2025

Honorable Senators and Representatives
New Mexico Legislature

RE: SB 4 Opposition - New Mexico Business Community

Honorable Members of the New Mexico Legislature,

As leaders of industries and communities that help New Mexico thrive, we are writing to highlight how Senate Bill 4 will hinder economic diversification and growth, threaten New Mexicans' jobs, and create additional burdens for our most vulnerable communities. We urge you to vote no on SB 4.

Economic Impact:

- The bill will drive economic development to other states, specifically Texas and Oklahoma, limiting job growth and diversification opportunities for New Mexicans.
- Many key industries, such as agriculture, transportation, housing, and hospitality, will be harmed by the bill's unrealistic emissions standards. These standards and timelines are not achievable, forcing companies out of compliance and out of New Mexico.

Current Efforts:

- New Mexico businesses are making significant strides in addressing climate change by reducing emissions. For example, many companies are working towards electrifying their operations.
- However, achieving emissions reduction through electrification is challenging due to the state's lack of electric infrastructure capacity at this time and therefore full electrification of many industries cannot be achieved within the bill's timeline.

Advanced Manufacturing:

- New Mexico has a robust advanced manufacturing sector, including electronics and semiconductors. We rank second in high-tech jobs and 10th in workforce training according to recent rankings.
- The state boasts a talent pool of over 180,000 experienced advanced manufacturing employees. These careers, along with the National Laboratories and higher education institutions they partner with, will be negatively impacted by SB 4's regulations.
- Advanced manufacturing processes that include emissions are essential for creating products that diversify New Mexico's economy. These products are primarily exported to countries like Mexico, China, Malaysia, Vietnam, and South Korea. SB 4 will significantly hinder this trade and our diversification opportunities.

Agriculture:

- New Mexico is a top producer of pecans, chiles, milk, cheese, and onions. According to the New Mexico Department of Agriculture, there are almost 25,000 farms in the state, 95% of which are family-owned. The state also has over 1 million head of cattle.
- SB 4's effects on the agriculture industry will devastate our most traditional industry. New Mexico farmers and ranchers already face challenges accessing international markets, and SB 4 will make this insurmountable.

Cost of Living:

- The bill will increase the cost of living. Similar regulations in states like Colorado and California have led to significant increases in the cost of propane, electricity, natural gas, and transportation fuels.
- As companies work to comply with stringent standards, these expenses are passed onto customers. This will force New Mexico's most vulnerable populations to choose between basic necessities like food, healthcare, or rent.

This letter conveys only a snapshot of how SB 4 will negatively affect every business sector and all New Mexicans.

We ask you to please vote against SB 4 and consider the long-term challenges this bill will create for our residents and economic diversification.

Sincerely,



SENATE PASSES SCIENCE OF READING ACT; NOW IT'S HEADED TO THE HOUSE



Reading is a lifelong skill that improves memory, builds a robust vocabulary and foundation of knowledge, and adds a richness and depth of meaning to life. Teaching our kids to read is a gift, and as a state we need to do a better job of it.

This afternoon the Senate passed Senate Bill 242, Advancing the Science of Reading Act, by a vote of 32-6. President Pro Tempore Mimi Stewart (D-Bernalillo) sponsored the bill. She was an elementary school teacher for 30 years and says, and we agree, that successful implementation of this approach can get New Mexico's student success on the right track.

Senator Pat Boone (R-Chaves, Curry, DeBaca, Lea and Roosevelt) offered a floor amendment to allow local school boards to choose between this approach, called structured reading, or the old system called balanced reading. The issue is over local control versus a state mandate. Moreover, school districts have invested a lot of money in the balanced reading methodology. Opponents of the amendment point to the poor reading results in New Mexico and that the latest science supports structured reading, which needs to be mandated if students are going to learn to read. The amendment was defeated by a vote of 14-26.

"You've all heard about the Mississippi miracle," said Stewart. "The Mississippi miracle on the (National Assessment of Educational Progress) scores, they always fought with us for last. Well, we are now thoroughly last and Mississippi is in the middle of the pack. And how did they do that? In 2014 they passed a law like this in front of you today."

Stewart has emphasized that her bill puts in statute what is already a directive to the state's colleges of education. And she said the Mississippi Miracle has demonstrated that structured literacy is the answer and that the method works with all students, be they dyslexic, English-language learners, children from poverty – and that it supports the requirements from the landmark Yazzie-Martinez education ruling.

There is no doubt that SB 242 is a win for our teachers and for our students. The bill now begins its journey on the House side. Keep reading here, 'cause you know we'll keep you in the know.

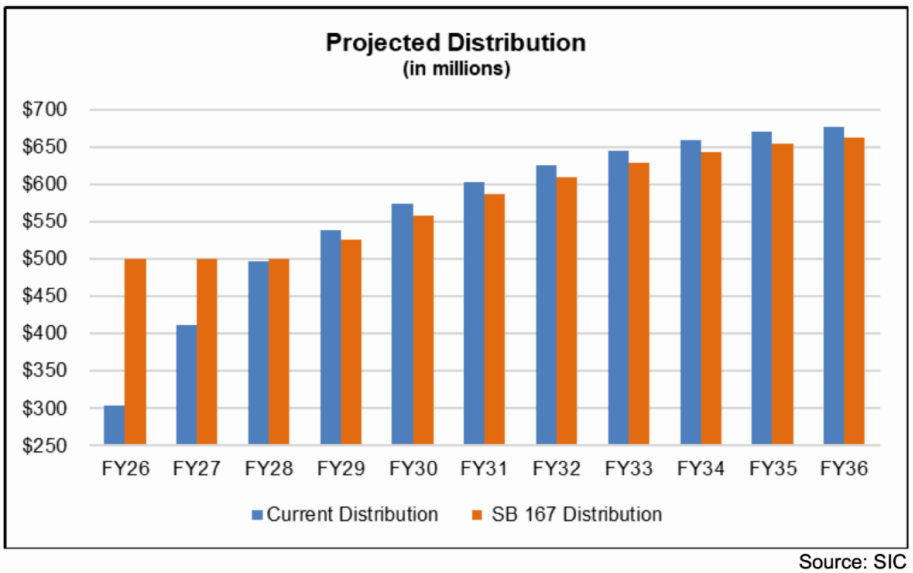
AND THEN, A MONEY MIRACLE HAPPENED



Move to Protect Early Childhood Trust Fund Advances

Back in 2020, the late Sen. John Arthur Smith, then-chair of the Senate Finance Committee, and Rep. Doreen Gallegos (D-Doña Ana) set up a trust fund to support the newly created Early Childhood Care and Education Department that was championed by Sen. Michael Padilla (D-Bernalillo). The initial deposit into the fund was $300 million plus a formula to tap some of the oil and gas revenues to build the fund. The goal was to ensure that prenatal to kindergarten services would be sustained no matter the economic conditions and the state's revenue picture.

And then a miracle happened: Oil and gas revenues grew so rapidly that by year end, the fund is estimated to be worth $9.6 billion! Within the next decades, if the economy cooperates and anti-oil-and-gas legislation doesn't drive the industry out of our state, the fund could pay for all of early childhood care and education services - not a nickel would come out of the general fund. Senate Joint Resolution 6, a proposed constitutional amendment, would secure this fund, keeping it safe from political influence and imprudent raids on the fund. The chart below, taken from the fiscal impact report, shows the projected distribution if both SJR 6 and enabling legislation, Senate Bill 167 (both sponsored by Padilla), were to become law.



Source: SIC

That's why the Chamber strongly supports SJR 6, as J.D. Bullington explained in his testimony today on behalf of the Chamber:

"The Early Childhood Trust fund has been a booming success, and we need to keep it that way, free from political influence and secure for future generations.

"Early education and care is important for cultivating the future workforce, and it also ensures that working parents of today can participate in the economy. New Mexico's maternal labor force participation rate is 10 percent higher than the national average, due to the incredible investments in early education. Research suggests returns of 13% on investment in early childhood education, through reduced social costs, higher tax revenue and a more productive workforce.

"SJR 6 provides a stable and predictable funding source for early childhood programs and services. Please vote 'yes' on SJR 6."

Others in support include the Santa Fe Chamber of Commerce and the Los Alamos National Laboratory Foundation. SJR 6 will next be considered by the Senate Finance Committee. If the proposed constitutional amendment (CA) is passed by the House (the governor has no role in CAs), it will be placed before the voters, likely in November of 2026.

$10.8 BILLION BUDGET TOSSED TO SENATE



After three hours of debate and an alternative budget presented by House Republicans, the House sent the 262-page House Bill 2 to the Senate today on a vote of 50-18. The Senate Finance Committee (SFC) will address issues important to the Senate, amend HB 2 and, upon Senate approval, return it to the House.

The total general fund spending proposed is $10.8 billion in fiscal 2026, a 5.8% increase over FY 25 spending. The measure leaves a 31.2% reserve, or a little north of $3 billion. The total budget proposal is about $100 million less than the governor's proposed budget. Here are some highlights:

- An overall 4% pay increase for all state employees, including public education and higher education.
- Minimum teacher salaries raised from $50,000 to $55,000 per year.
- A significant increase for the Economic Development Department's budget by 6.5% or $1.7 million.
- In addition, $50 million appropriated for regional recreation centers; $50 million to establish a research, development and deployment fund; $24 million for site readiness; $16 million for tourism and international marketing/ $15 million for entrepreneurship incubators; $10 million for recruitment in emerging high tech fields; multiple investments in quantum science; and $7 million for the Local Economic Development Act (LEDA).
- $15 billion to the Health Care Authority, including increases for Medicaid providers.
- Other one-time appropriations support transitional housing ($110 million) and building housing capacity.
- $50 million for remediating contaminated sites and $40 million for the strategic water plan (the governor proposed $200 million).
- Funding for the Early Childhood Care and Education Department increased by $170 million or 21.6%.
- Total public school funding of $4.6 billion, nearly half of the general fund.
- Another $500 million to education improvement including $40 million for career technical education and $3 million each for STEAM and STEM initiatives.
- $3 million to the Second Judicial District (Bernalillo County) for establishment of an organized crime commission.
- $1.6 million to State Police step increases to prevent salary compaction and $500,000 for recruitment and grant support.

Alternative Budget Proposed, Rejected

State revenues are expected to exceed recurring expenses by about $3.4 billion. This amount is called "new money." In general, the "new money" is used for no more than a 6% increase to recurring spending, one-time appropriations or contributions to the various trust funds. A 6% increase in recurring spending is considered to be sustainable into the future.

This extraordinary amount of new money that has occurred for the last few years is courtesy of the oil and gas industry. Rep. Cathrynn Brown (R-Eddy and Lea) thinks some of that new money should go back to taxpayers in what she calls "energy dividends." Consequently, she proposed a floor substitute for HB 2 that would give each person in New Mexico $600 - for a family of four that would be $2,400. Brown's viewpoint is that the minerals of the state belong to the people, and the people should get a share of the largess. Alaska has a sharing program like this.

In total, the dividends would cost about $1.2 billion. To accommodate this expenditure, Brown proposed many reductions in other areas, including $1.5 billion in non-recurring expenditures. In addition to the dividends, the proposal also would have added $250 million for road construction, maintenance and repair. There were several smaller increases for Career Technical Education, foster-child stipends, a $1 million appropriation to fund a waste, fraud and abuse initiative along with a few other proposals. The committee substitute was tabled on a vote of 42-24.

We, too, would like to see a significant tax reduction for New Mexico families. Given the high prices of just about everything, folks could use some more cash in their pockets. The Legislature is spending enough on new programs and projects. Taxpayers now deserve to be at the front of the line.

SMART REVISION HELPS GOV'S STRATEGIC WATER SUPPLY INITIATIVE ADVANCE



House Bill 137, sponsored by Rep. Susan Herrera (D-Rio Arriba, Sandoval, Santa Fe & Taos) gained unanimous approval of the House Energy, Environment and Natural Resources Committee on Saturday morning. The vote was 11-0. The bill has now cleared its second committee and will next be considered by the House Appropriations and Finance Committee. The Chamber and others had been opposed to the measure because it had included a new tax on oil-field-produced water. However, a new version of the bill brought to the committee on Saturday that removes all reference to produced water, including the tax. This change now allows the Chamber to support what has always been a good idea.

The purpose of the bill is to accelerate the use of brackish water (salty water) found in deep aquifers. The town of Cuba, for example, is facing dire water shortages and is preparing to install a desalination (de-sal) plant. The bill is aimed at helping fund these kinds of projects and to advance scientific work at New Mexico Tech and New Mexico State University. Tech is working on characterizing aquifers throughout the state - geological mapping to understand possible effects of tapping brackish aquifers. NMSU is working on how to improve treatment technology.

A wide range of environmental interests are worried about effects on freshwater aquifers, subsidence and potentially harmful pollutants in the treated water. Former State Engineer John D'Antonio (he served under three governors) pointed out the hand-wringing is unnecessary. The

State Engineer has authority and is involved in any of these kinds of projects and looks at all these issues before granting a permit.

El Paso has been desalinating brackish water since 2007, as have many towns throughout Texas and the world, for that matter. The Kay Bailey Hutchinson plant produces 27.5 million gallons a day of potable water, and there are plans to expand the plant to 42 million gallons per day. That would be enough to serve nearly 300,000 residences. The plant is described as cost-effective because a mineral processing plant is situated next door that buys the byproducts, contributing revenue to the cost of the de-sal treatment plant.

The bottom line is that there are existing cost-effective desalination options available right now. Through expanded research and development, costs can be reduced further - like we've seen with wind energy, for example. In fact, using treated brackish water could be a great use for renewable energy manufacturing. Forty-million dollars has been set aside in the budget bill to get this initiative started. It's a wise investment to improve our state's drought resilience and to ensure we can remain competitive in attracting and expanding businesses - it's a win on several fronts.

A HIGHER TAX ON LIQUOR IS ON THE MOVE



This morning, the House Taxation & Revenue Committee met to discuss House Bill 417, Liquor Tax Changes and Programs, sponsored by Rep. Micaela Lara Cadena (D-Doña Ana) and Sen. Shannon D. Pinto (D-McKinley & San Juan). No one disputes there is an alcoholism problem in our state - New Mexico has historically had the highest alcohol-related deaths in the nation, with the most recent national data (2021) showing its rate more than twice the national average.

In 2023, the New Mexico Department of Health reported 1,896 alcohol-related deaths. Some are associated with chronic diseases such as liver cirrhosis, alcohol dependence as well as alcohol-related injuries such as motor vehicle crashes, poisonings, falls, homicide and suicide. According to the University of New Mexico and New Mexico Department of Transportation, one in four traffic deaths last year involved alcohol.

Here's what the bill will do: HB 417 would impose a 6% surtax on all alcoholic beverages sold. The bill does not change the current liquor excise tax, *however, all the revenue will be used for prevention and treatment programs. Half of the current revenues now go to the general fund*. The newly created Alcohol and Substance Use Harms Alleviation Fund will get most liquor excise tax revenue and the new liquor excise surtax.

The newly created surtax would be paid by consumers at the register when purchasing any alcoholic beverages, including drinks at a bar, restaurant, supermarket or liquor store.

Terri Cole, president and CEO of the Greater Albuquerque Chamber of Commerce, testified in opposition to the bill.

“We won’t dispute that our state has a drinking problem … but simply ratcheting up a tax isn’t the answer to combating alcohol abuse. It needlessly punishes very responsible adults, and it would harm local economies, especially the hospitality industry.

“Because while it’s less clear that this tax proceeds will support evidence-based programming to address alcohol-related harms, this bill will all but ensure that many New Mexico’s distinctive local brewers, wineries, and distilleries dry up completely. The bill would raise alcohol excise tax by as much as 650% over the current level and index future alcohol tax increases to inflation.

“And make no mistake: these attempts to make alcohol a cost-prohibitive luxury won’t deter anyone. Casual shoppers will turn to online retailers, and the truly determined will cross borders to build their own personal stores.

“Last but not least, given the historic revenues our state is in the midst of collecting, we really shouldn’t even be considering tax increases. If alcohol harms are truly a priority, and if we believe in the programs this proposed tax would fund, we should find the means to support them, right here and right now, without a bill that would hurt business. We strongly encourage the committee to vote down this extreme tax.”

Joining the Chamber in opposition were the Rio Grande Foundation, New Mexico Business Coalition, Santa Fe Chamber of Commerce, New Mexico Petroleum Marketers, Gallup Chamber of Commerce, Premier Distributing, city of Farmington, Anheuser-Busch, Bosque Brewing Company, New Mexico Brewers Guild, New Mexico Hospitality Association, New Mexico Restaurant Association and New Mexico Retail Association.

Cadena offered a fix many times during the hearing, saying she would be amenable to lowering the tax while not allowing any carve outs for certain businesses.

Before wrapping up the committee, Chair Rep. Derrick J. Lente (D-Rio Arriba, Sandoval & San Juan) made a point to thank Rep. Cadena for her tireless work on the initiative because it’s been a long time coming and commended her compassionate focus on equity in tax policy.

“We recognize that in New Mexico, we have a problem here. We recognize that in tribal communities, that we come from a history of alcoholism, that my family is a part of that, and I am so deeply, deeply frustrated and disappointed that we can't even have the Indian Affairs Department to show face (at the hearing) for the people they are supposedly supporting.”

After hours of discussion and numerous amendment introductions, including a successful amendment to exempt local wine growers and those with small-brewers' or craft brewers' licenses, HB 417 passed by a vote of 6-4.

IMPORTANT BIOSCIENCE INVESTMENT BILL MOVES ON FROM ITS 1ST COMMITTEE



The Senate Judiciary Committee today heard testimony on Senate Bill 119, Investment in BioScience Companies, sponsored by Sens. George Muñoz (D-Cibola, McKinley & San Juan) and Martin Hickey (D-Bernalillo).

SB119 increases investment capital available for New Mexico-based bioscience and biotech firms by adding the Bioscience Authority to the current group of existing funds and investors assessing and making investments in N.M. companies. This industry is fast-growing and has enormous economic impact. In the United States, total industry output is more than $3.2 trillion. More than 2 million Americans work in the industry, spread over 150,000 businesses. It's

estimated that the sector indirectly supports nearly 8 million jobs.

Chamber President and CEO Terri Cole says,

“We want to ensure that New Mexico gains a larger share of this very lucrative industry with good, high-paying jobs. The bioscience industry is responsible for major medical advancements and technology, everything from modern lab equipment to new, highly effective medications and cures for a range of diseases.”

While the state has other investment and venture capital funds, none are dedicated solely to attracting and growing bioscience investments. This sector is highly competitive and requires dedicated attention. That's why we need SB 119. It deposits $25 million in the Bioscience Authority fund and puts appropriate guardrails in place. It requires accountability and transparency of investments. We need to get into this game in a much bigger way, and SB 119 is a good start.

Judiciary Chair Joseph Cervantes (D-Doña Ana and Otero) said he opposes the bill because of the failed promises and projects he’s seen over the years. He gave the example of the Spaceport and a film studio that received millions in taxpayer dollars to open in Las Cruces. “New Mexico is too often gullible on promises of huge returns,” he said.

We believe strongly in the strength of this industry and the economic impact it can have on our state. Let's hope the bill makes it to the fourth floor! The bill moves to its next committee on a do pass without recommendation with a 7-1 vote.

BILL TO PROTECT BABIES FROM PRENATAL DRUG EXPOSURE ON TO NEXT COMMITTEE



House Bill 303, sponsored by Rep. Rebecca Dow (R-Doña Ana, Sierra & Socorro), was passed today by the House Health and Human Services Committee on a 5-3 vote, with Rep. Kathleen Cates (D-Bernalillo) joining the four Republicans on the panel to pass it on to the House Judiciary Committee.

The bill amends the legal definition of child abuse to include prenatal drug abuse, proven through a positive drug test of a baby less than 72-hours old. In an amendment by Dow, the bill was narrowed to deal only with babies born with drugs in their system. Dow wants to ensure that both mother and child receive a plan of care before leaving the hospital which will increase the health and well being of the child.

Enrique C. Knell offered the Chamber’s perspective:

“New Mexico needs to do a better job of protecting our children, and that should start as early as the day they are born. It’s clear that what we’re doing now isn’t working, and we shouldn’t tolerate it. These measures, along with others to improve our behavioral health system, recruit more doctors, fight crime and improve education will all make New Mexico a better place to be a child.”

We'll follow this bill- all the way- we hope, to the fourth floor!

MEDICAL RECRUITMENT BILL GOES TO HAFC



Legislation to help recruit more medical professionals (think doctors, nurses and dentists) in rural parts of New Mexico passed on a 9-0 vote today in the House Health and Human Services Committee. House Bill 393, Recruitment of Health Care Providers, next goes to the House Appropriations and Finance Committee.

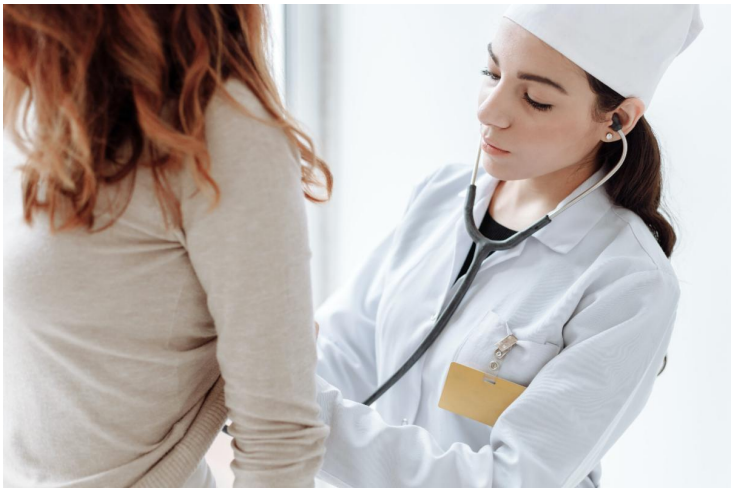
Rep. Tara Lujan (D-Santa Fe) sponsored the bill and said her goal is to support the recruitment and retention of health care providers in rural or underserved areas, including federally qualified health centers. Her bill supports this goal by appropriating $5 million to the N.M. Health Service Corps. In turn, that funding will support tuition help for medical students in exchange for a promise to serve rural New Mexico for at least two years.

Enrique C. Knell relayed the Chamber's support during the hearing this morning:

"New Mexico's shortage of healthcare workers threatens our economic future in a big way. Not to mention what it does to the health of New Mexicans, particularly those who are low-income and live in rural New Mexico. HB 393 makes a relatively modest investment in helping train doctors, in exchange for the promise that they will work in our state for at least two years."

The New Mexico Health Service Corps (NMHSC) was established to recruit and retain health care professionals in rural areas. It includes a stipend program, which provides financial support to medical and dental students in exchange for service in underserved communities, and a community practice site support program, which offers grants to health care facilities.

MEDICAL LICENSURE COMPACT PASSES 1ST VOTE



On Sunday, the Senate Health & Public Affairs Committee met to discuss, and ultimately approve, Senate Bill 46, the Interstate Medical Licensure Compact sponsored by Sen. Linda M. Trujillo (D-Santa Fe).

The bill would enter New Mexico in the Interstate Medical Licensure Compact for the purpose of facilitating interstate practice by physicians and improving public access to physician services.

The Interstate Medical Licensure Compact Commission would serve as the national administrative body, and the bill authorizes the governor to appoint two members to the commission.

Chair Sen. Linda M. López (D-Bernalillo) made an amendment to the bill that promises to make things safer for New Mexico. If a physician has their license revoked in another state, then the physician wouldn't be able to practice here. The amendment also provides that a license or certification should be immediately reinstated if the suspension or revocation is solely on the basis that a health care practitioner performed or provided reproductive health services or gender affirming care.

Adrian Gomez, Greater Albuquerque Chamber of Commerce SVP of Communications and Public Policy, testified in support of the bill:

"It's no secret New Mexico has a critical shortage of doctors, and this is one way to get more providers caring for New Mexicans.

"As the Medical Board points out, 'States that participate in the compact see a significant increase in physician licensure in their state, which we anticipate would occur in New Mexico.'

"The Interstate Medical Licensure Compact will make it simpler for physicians to enter into practice in New Mexico, to provide telehealth services to New Mexico patients, or to practice part-time in New Mexico -- each would alleviate the shortage of all types of physicians within the state. The Interstate Medical Licensure Compact currently covers more than 37 states — and several more states are in the process of joining."

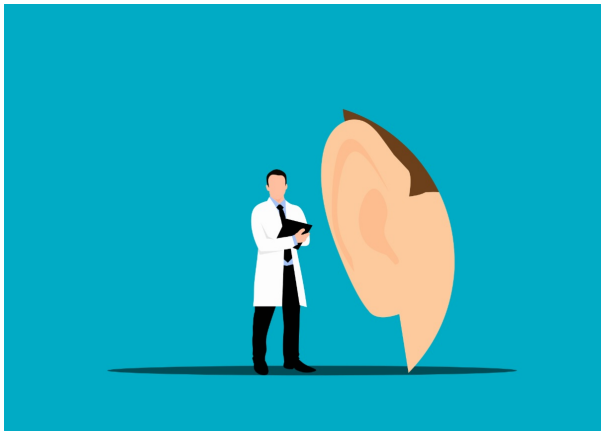
There was no opposition to the bill. Joining the Chamber in support were Think New Mexico, the New Mexico Hospital Association, New Mexico Medical Board and Michael Casaus, who spoke of the doctor's struggle in treating his son with cancer and having to travel to Texas to be seen by a physician.

Sen. Martin Hickey (D-Bernalillo) said this is a step in the right direction in helping the New Mexico medical personnel get some relief because they are overwhelmed. He said when a doctor retires, it used to be that another doctor would fill the position, but it's not happening anymore.

Sen. Jay C. Block (R-Bernalillo & Sandoval) questioned if doctors would actually move to New Mexico or stay in their primary practicing state despite entering the Medical Licensure Compact because of New Mexico's medical malpractice laws. Hickey said his Senate Bill 176 will further address the medical malpractice limits, and it's already gained some bipartisan support. We'll be watching for that one.

SB 46 passed with amendment by a 7-3 vote and is headed to the Senate Judiciary.

AUDIOLOGY/SPEECH PATHOLOGY COMPACT GETS A 'DO PASS,' HEADS TO SENATE JUDICIARY



On Monday, the Senate Health and Public Affairs Committee met to discuss Senate Bill 104, the Audiology and Speech-Language Pathology Interstate Compact, sponsored by Sen. Linda M. Trujillo (D-Santa Fe) and Antoinette Sedillo Lopez (D-Bernalillo).

The bill would enter New Mexico into the Audiology and Speech-Language Pathology Interstate Compact for the purpose of allowing for the use of telehealth technology to facilitate increased access to speech-language pathology services.

New Mexico faces shortages of virtually every type of health care practitioner. Interstate Compacts may be partial solutions to this serious problem, easing movement of practitioners into the state or allowing them to practice part-time and/or via telehealth in the compact state of their choosing.

As of 2024, 34 states had adopted the Audiology and Speech-Language Pathology Interstate Compact, according to the Audiology and Speech-Language Compact Commission.

Adrian Gomez, Albuquerque Greater Chamber of Commerce SVP of Communications and Public Policy, testified in support of the bill, saying:

"Making it easier for licensed providers in other states to treat New Mexicans – be it in person or in a telehealth setting – is a real way to begin to get more New Mexicans the care they need, and address the lack of providers here while at the same time encouraging them to practice in, perhaps even move to, our state.

"The state gives up no oversight, preserving 'the regulatory authority … to protect public health and safety through the current system of state licensure.' "

Chair Sen. Linda M. López (D-Bernalillo) again made an amendment to the bill that should protect New Mexicans: If a physician has their license revoked in another state, then they wouldn't be able to practice here.

Sen. Shannon D. Pinto (D-McKinley & San Juan) expressed concern of finding audiologists or speech therapists that will work with students within her district.

"I find it hard to bring someone from another state, have them come from across the state lines into one of my schools where the demographic of my students, the Native American population, is very high. They don't really understand the cultural aspects of the students they are serving," Pinto said.

The committee voted "do-pass" as amended with a vote of 6-3. The bill now heads to Senate Judiciary.

AROUND THE ROUNDHOUSE

Chamber's Legislative Work Is Making Headlines

BUSINESS OUTLOOK

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LEGISLATURE 2025

Capitol update: 'A lot that we can still do'



Terri Cole



Adam Silverman

Industry leaders reflect on the highlights, lowlights of legislative session at halfway point

BY MEGAN GLEASON
JOURNAL BUSINESS EDITOR

It's fast and furious time.

That's how Terri Cole, president and CEO of the Greater Albuquerque Chamber of Commerce, described going into the last half of the Legislature. She and Adam Silverman, president of NAIOP New Mexico, were on the latest Business Outlook podcast episode to talk about progress at the Roundhouse.

On Cole's mind was the crime package, House Bill 8, moving through the Roundhouse. It's a six-bill package and a priority after last summer's very short special session on crime.

Cole said the criminal competency bill, an effort to allow for the involuntary commitment of certain civil and criminal defendants, and increasing penalties for fentanyl trafficking are good measures in the package, but she wants to see more — a sentiment echoed by Republicans and the Governor's Office.

"There's a lot that we can still do. We have about seven bills that we're going to be pressing hard on," Cole said, referring to measures like more aggressive penalties for juvenile offenders or felons

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More Information

The full podcast episode will come out Monday afternoon on YouTube, Spotify and Apple Podcasts.

LEGISLATURE >>

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who illegally possess firearms.

Silverman acknowledged all the bills aren't perfect, but it's time to try something.

"These are economic development issues," he said. "The stuff that gets decided on in the Roundhouse is felt much further than just what happens in that building. People around the country are watching. There are people that want to come to New Mexico, (but) we're on the bottom of all the bad lists."

Cole pointed out that education deters people from relocating to the state, as well.

Senate Bill 169 would allow the state to help public and private entities get site locations shovel-ready for developers to move in. It's something Cole and Silverman are very supportive of and has bipartisan support in the Roundhouse. It passed its first committee on a unanimous vote.

Silverman said it can take four or five months to get something like a water and sewer availability letter, which is required before a developer can apply for permits. Getting a head start on the process, he said, could really change both rural and urban areas in the state.

"It's something that will give a shot of adrenaline to the built environment in New Mexico," he said.

Cole added that it'll drive New Mexico to be more competitive against other states, a goal of many of the measures business leaders push for in the Legislature.

She also feels positive about the job training funds that are moving in the Roundhouse, she said.

What Cole believes will hurt the state is House Bill 11, an effort to create up to 12 weeks of paid parental leave and up to six weeks of paid medical leave, paid for by a state agency and premiums on employees and employers, respectively. She supports a more straightforward Republican bill that would provide up to nine weeks of paid parental leave paid for by the state.

Cole also doesn't support many of the oil and gas regulation and finance bills making progress. Measures like increasing oil and gas royalty rates and raising civil penalties for violations of the Oil and Gas Act are passing through committees.

A lot of the state's revenue comes from oil and gas, Cole said, and the state needs an all-of-the-above approach to energy, using oil and gas but also solar, wind and nuclear.

"This oil and gas effort that's going on right now is something I just haven't ever seen in this Legislature before," she said. "They are hell-bent on passing excessive punitive bills to hurt the oil and gas industry."

Silverman also brought up efforts pushing for energy-efficiency requirements for developments, something he said would make everything more expensive.

"We're just not going to be able to charge the rents, and we're just going to be in this weird cycle of not being able to build new things — commercial, retail centers, hotels, hospitals," he said.

He's also concerned about developers being discouraged from building multifamily housing units if Senate Bill 186 passes, which would create a special method to value residential multifamily housing for property taxes.

On the other hand, Silverman said it's looking hopeful that the Legislature will fund more affordable housing projects, which he's excited about.

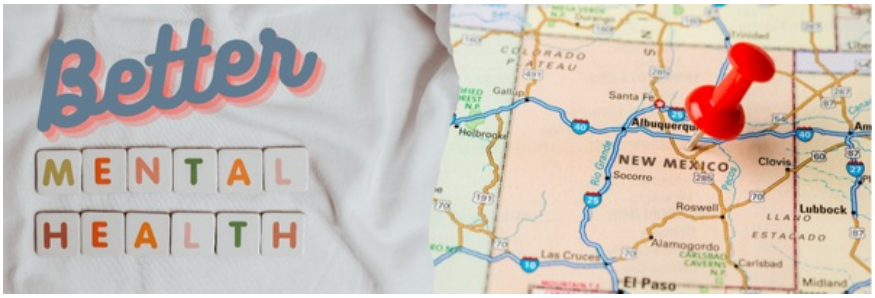
"We need all the housing solutions we can get, from the most populous cities to the most rural areas," he said. "Housing is a major challenge, and I was happy to see the Legislature started to step up and fund some of these programs."

Megan Gleason is a business editor for the Albuquerque Journal. She also covers energy, utilities and government. You can reach her at mgleason@abqjournal.com.

CRIME BEAT

HB 8, AKA the Crime Package, Heads to the Governor!

Over the weekend, the House concurred on Senate amendments, sending House Bill 8, the "public safety package" to the governor's desk. This is one of the first measures to be sent to her. As you'll recall, the package consists of what were six separate bills that revamp criminal competency statutes, create a crime for converting weapons to fully automatic, make a shooting threat the same level of crime as a bomb threat, enhance sentences by up to three years for trafficking fentanyl, allow blood testing for misdemeanor DWI involving drugs (not cannabis) and impose stiffer penalties for auto theft.



NEXT STOP FOR SB1? GOV'S OFFICE

We've told you about the behavioral health package that has moved through the House and the Senate. Senate Bill 1, which is a long-term funding bill, went to the governor last week. Senate Bill 2, which includes the immediate funding to get the program started, will be folded into the

overall budget bill. The third piece, the guidelines and guardrails, saw its final approval (through a voice vote) in the Senate today after a few minor changes over in the House.
There's only one place for that bill to head now, and that's to the governor's desk to be signed into law.
Senate Majority Leader Peter Wirth (D-Santa Fe) and Senate Minority Leader Bill Sharer (R-San Juan) teamed up on Senate Bill 3 to create a new, locally based infrastructure complete with guardrails, measurements and accountability. This three-bill package has been a heavy lift for Sens. Wirth, Sharer and George Muñoz (D- Cibola, McKinley & San Juan). It's an impressive effort, and New Mexicans will benefit greatly from their collaboration and leadership.



Another Smart Health Care Compact Moves Ahead

The House also passed House Bill 79 to the Senate on a vote of 64-0. This bill would have New Mexico join the interstate compact for audiology and speech language pathology. Like the many other compacts proposed, the purpose is to bring additional health care practitioners to our state either by moving here or via telemedicine. The compacts recognize licenses issued by other states, but the state retains the right to regulate practices to ensure they are conforming to state law.



Here's How Committees Are Supposed To Be Run

A few days ago we were grousing about how many committee meetings are being run. Public participation has been limited, testimony time cut to one minute and presenters employing sharp elbows to jockey for position. Today, we had a really refreshing experience in House Taxation and Revenue. Chair Derrick Lente (D-Rio Arriba, Sandoval & San Juan) is the model of patience, courtesy and transparency. He allows everyone that wants to speak to do so, doesn't limit time but rather puts everyone on the honor system to be brief, and courteously thanks everyone for their time and participation. He was complemented by several folks - and we'd like to add our appreciation. Thank you Mr. Chair!

And speaking of those who deserve compliments, Rep. Micaela Lara Cadena (D-Doña Ana) handled herself so professionally in presenting HB 417, Liquor Tax Changes and Programs. It's a complex and controversial bill but she stayed cool and gracious. She, too, is a good role model.



Tortillas anyone?

La Primera Tortilla Factory in Sunland Park has grown from a tiny mom-and-pop shop to a major producer of fine tortillas sold widely throughout the state. The Parrela family immigrated to New Mexico in 1974. Through hard work and good business acumen, they are selling products to large chain stores as well as local grocery stores. LEDA grants helped launch the expansion of this business - a true success story!

SIGNING OFF FROM SANTA FE



There was a lot of action today and some good news. Legislation protecting the Early Childhood Trust Fund and a bill focusing on putting structured reading in our schools both moved ahead. The zero-emissions bill being stopped in Senate Finance is also good news. Moving the budget bill from the House to the Senate is also a positive, as this gives plenty of time for the Senate to do its thing and come to agreement with the House - hopefully no budget drama. But, the beat goes on, and we'll be back with you tomorrow for more news and views. Until then, good night.

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

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Legislative RoundUp

2025 Regular Session | Tuesday, February 25, 2025

57th Legislature | Day Thirty-Five

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

FAMILY LEAVE WILL HAVE NM SEEING RED



We hate to tell you we told you so (not really) but the proposed leave programs in House Bill 11 show a lot of red ink. Recently, the Legislative Finance Committee released its fiscal impact report (FIR) on HB 11, which seeks to provide a two-part leave program. Part one is called Family Wellness leave, which is funded by new payroll taxes on employees and employers. For prescribed reasons, up to six weeks of paid leave can be taken. The second part is called Welcome Child, which provides up to 12 weeks of unpaid leave and $9,000 per child in a "rebate." Since no funding mechanism is provided in the bill, presumably the costs will be taken from the state's general fund starting in 2028. Based on the estimated births in New Mexico each year, the cost to the general fund is **$193 million, which is NOT included in this year's budget. In other words, it's a deficit from the get-go unless the state ponies up the bucks.** Moreover, the amount of the rebate increases each year as it is adjusted upward for the cost of living. Wow! That's a lot of money, but it's only half the story.

So, how about the Family Wellness program financed with new taxes. Two of three scenarios characterized in the FIR have us seeing red. In 2029 (the first year after full implementation of the program) the deficit ranges from $42.4 million, growing to $227 million by 2031 in the "medium" scenario. Under the "high scenario," the deficit in 2029 is $350 million, growing to $870 million in 2031. Only under the "low" scenario does the fund remain in the black. The scenarios are based on different assumptions about how many people will participate - high, medium and low amounts. According to the FIR, "If enacted, New Mexico would be the lowest-income state to implement a PFML program. The lower payroll base could result in the payroll contribution being insufficient to cover the needs of the fund."

What's that translate to in taxes? The program begins taxes on Jan. 1, 2027, for employers and July 1, 2027, for employees. The tax is .2% of employee wages, split 55% paid by the employee and 45% by employers into a fund. However, the secretary of Workforce Solutions must have an actuarial study done and adjust rates to ensure fund solvency. If the high scenario plays out, t**he tax would go from .2% to .8%, quadrupling the tax rate.** If the medium scenario plays out, the rate would go to .**5%, two and a half times the original rate**. Even under the low scenario, the rate goes to .3%. The bill, however, limits tax increases to .1% per year, putting the deficit squarely on the backs of all taxpayers. In other words, the Legislature would have to bail the fund out, much like was necessary with unemployment insurance during COVID.

Not only is HB 11 on shaky ground financially, but it imposes huge hidden costs as small businesses struggle to find part-time employees to fill in for absences (virtually impossible in many situations) or simply do without, working remaining employees overtime or cutting back services. New Mexico is a poor state and, given the whopping increases in the price of everything, every dime counts for families struggling to make ends meet. This is a program many employees don't want to pay for and may never use. We're seeing red.

SENATE PASSES OVERBROAD $340 MILLION GREENHOUSE EMISSIONS FUND



The Senate today debated what amounts to a $340 million climate change project fund that allows just about anything to get state taxpayer dollars as long as it purports to reduce greenhouse gas emissions. It's called the Community Benefit Fund.

Senate Bill 48 creates the Community Benefit Fund and transfers in $340 million from the General Fund. That funding, according to sponsor Senate President Pro Tempore Mimi Stewart (D-Bernalillo), can be used for projects that address climate change or reduce greenhouse gas emissions.

The Chamber has relayed concerns to legislators that this bill is so broadly drafted that taxpayer dollars will pour in with little to no guarantee of results or return on investment. The bill has no way to measure outcomes or whether taxpayers are getting their money’s worth from these “green” projects.

Several senators, all Republicans, offered a total of seven floor amendments and carefully discussed each over a span of three hours. Stewart declared each amendment “not friendly,” which signals supporters of the bill to vote against them.

One amendment would have required the installation of electrical vehicle (EV) chargers in the Roundhouse so the state’s leaders could use EVs. Another would have required the governor, lieutenant governor and employees of the Environment Department to use EVs.

Sen. Shannon Pinto (D-McKinley & San Juan) talked about how difficult it would be to drive an EV across the Navajo Nation. There’s not a single EV charger there.

Sen. Craig Brandt (R-Sandoval) introduced an amendment to include nuclear energy in the types of projects that could be funded by the overall bill. Brandt said, “nuclear energy is the cleanest and least expensive form of energy. There is no better clean energy than nuclear.” Once again, bill sponsor Stewart declared the amendment unfriendly, saying, “it just doesn’t fit in with this bill.”

Once the amendments ran out of juice, senators voted on the bill itself, untouched by floor amendments that all failed on straight party-line votes. The bill passed 23-15, again, with all Democrats voting for and all Republicans voting against.

The bill now heads over to the House and starts its journey there. We do hope the House puts the brakes on it, or at least adds real guardrails to protect such a huge chunk of our public

money.

PREMATURE ARTIFICIAL INTELLIGENCE BILL IS NOW HEADED T0 HOUSE FLOOR



We hear a lot about Artificial Intelligence - AI - and most of us probably use or are exposed to AI tools or systems every day. However, there is considerable concern over how the use of AI might affect our lives...and not in a good way. That concern has sparked Rep. Christine Chandler (D-Los Alamos, Sandoval & Santa Fe) to sponsor House Bill 60. This measure seeks to ensure that your friendly robot can't use data in a way that causes discrimination, resulting in loss of opportunity for a job, health care, a mortgage or other important life events. Seems like a reasonable proposition - and it is. The bill provides for notifications to consumers by developers and organizations using AI software. The attorney general is tasked with enforcement.

But, like so many things, the problems are in the details. The bill received a "do-pass" recommendation on an 8-3 vote, sending it next to the House floor.

The Chamber has some concerns about these details, as President and CEO Terri Cole described in her prepared testimony:

"Our bottom line is that it's too much, too fast. In our minds, there are a lot of questions yet to be answered. It's standard marketing practice to sort and select target markets that will be most interested in a service or product. Are those left out discriminated against?

"I looked at the NCSL list of what other states are doing - most are in early stages of developing legislation, and most often it's specific to a specific problem, like sexual abuse of children, or they're forming task forces. From what I can see, Colorado has adopted a comprehensive law that hasn't gone into effect yet, and there are big problems still being worked out. The American National Standards Institute is working to establish national standards from which we could learn. This issue needs much more study and consideration. Please vote 'no'."

We respect that the sponsor has spent considerable time and has made presentations to interim committees and, indeed, is working hard to listen and respond to concerned parties. Still, there's a way to go based on opposition expressed at the House Judiciary Committee hearing. Chief among the opponents are insurance companies, which are already regulated in this regard by federal and state laws. Both Colorado and Virginia have exempted them from their AI laws. Others point out that some applications could be rendered useless, while others say that developers will be discouraged from working in New Mexico.

Proponents suggest the bill is tailored only to software that would result in discrimination involving "consequential" decisions, i.e. decisions about important things like those mentioned above. In our view, it's just too soon to enact something this complex and far-reaching. We should watch as a few other states roll out their legislation and look for additional guidance before jumping into a lot of unknowns. There's that old law of unintended consequences nipping at our heels again. Is that a real dog or. ...?

SENATE GETS A BILL THAT WILL HELP PROTECT THOSE WHO PROTECT ALL OF US



A common slogan of a police department is to "protect and serve." Indeed, this is exactly what our law enforcement officers do day in and day out. They often have to face violence in the course of their daily duties. It's a tough job - they run toward danger in order to protect us. The least we can do is provide them the maximum support and protection under the law.

That's why House Bill 103, Aggravated Battery on a Peace Officer Penalty, sponsored by Rep. Andrea Reeb (R-Chaves, Curry & Roosevelt) is so important - it would move the penalty for assaulting a police officer from a third-degree to a second-degree felony. What this means in practical terms is that the statute of limitations for prosecution is increased from five to six years, the basic sentence is increased from three to nine years, and the potential fine is increased from $5,000 to $10,000. Apparently, members of the House were in tune with this proposal, sending it to the Senate on a vote of 66-1 with no debate.

SPECIAL UTILITY RATES FOR LOW-INCOME CONSUMERS ON THE WAY TO THE SENATE



Like everything else, the price of energy for electric and natural gas service has increased. House Bill 91, sponsored by Rep. Christina Ortez (D-Taos) and Patricia Roybal Caballero (D-Bernalillo) seeks to allow the Public Regulation Commission (PRC) to approve low-income rates for gas and electric customers or other programs that can help the low-income customers lower their home energy bills. According to Ortez, low-income consumers spend as much as 20% of their household income on utility bills.

El Paso Electric, PNM and New Mexico Gas Company all support the measure, as does the

Greater Albuquerque Chamber of Commerce. The bill provides an exception to the general rule of cost-based ratemaking. Currently, the PRC has been given exceptions for economic development rates, rates designed to retain load, or energy efficiency programs aimed at lowering energy costs for low-income customers. HB 91 would allow, but not mandate, an additional exception. Opposition is based on concerns that the cost of lower rates to low-income consumers will result in raising rates to other customers to subsidize the rate reduction.

This concern about "cross subsidization" surfaced in the form of two amendments. The first was offered by Rep. Rod Montoya (R-San Juan). His amendment would have set the poverty level defining "low income" at 400% of the federal poverty level. That's estimated to be $120,000 for a family of four. In other words, "low income" would include a great number of utility customers, thus thwarting shifting costs to middle- and upper-middle-income customers. The amendment was tabled on a vote of 37-24.

A second amendment, offered by Rep. Mark Duncan (R-San Juan), would have stipulated there could be no cost shifting if a low-income rate were to be offered. Duncan has the same concern voiced by several representatives, namely costs of the subsidy would be shifted to middle-class customers. That amendment was tabled on a voice vote.

After having taken nearly three hours of debate, the bill was sent to the Senate on a vote of 42-25 along party lines.

AROUND THE ROUNDHOUSE



Coming to Agreement – Enter the Conference Committees

As we get to the part of the session where bills are “crossing over,” i.e. being passed to the other chamber, it’s important to know what happens if a bill is amended in the “other” chamber. This can happen, for example, with the budget bill. The Senate adds its amendments to House Bill 2, reflecting expenditures that the Senate wants.

The bottom line is a bill cannot be sent to the governor for action until both chambers have agreed to the same, identical version of the bill. Using the budget bill as an example, after the Senate passes the bill, it is then returned to the House for what is known as “concurrence in amendments,” i.e. determining whether the House will accept the Senate amendments. If the House concurs, then the bill is off to the governor.

Non-concurrence

However, if the House refuses to concur, the chief clerk notifies the Senate. The Senate is asked to “recede” from its amendments, i.e. withdraw them. If it does not, then a conference committee is appointed to work out an agreement.

Each chamber has three members of the committee appointed by the Senate president pro tempore and the speaker of the house, respectively. Usually, this is two members from the majority party and one from the minority party. The “conferees” attempt to work out a solution. An agreement is reached only if at least two members from each chamber vote in favor. If agreement is reached, the “conference report” is sent to each chamber, which can only accept or reject the report (the report is yet another version of the bill). If no agreement can be reached, such is reported to each chamber. New conferees might be appointed, or the legislation might

just die for lack of agreement.



Oil and Gas Is What Fuels, and Funds, New Mexico

The state Senate declared Feb. 24, 2025, as “New Mexico Oil and Gas Day” this week. During the presentation on the House Floor, senators recognized the oil and gas industry for its vital contributions to New Mexico.

Minority Leader Bill Sharer (R-San Juan) emphasized that oil and gas intersects every facet of daily life: food production, transportation, housing, heating, building materials and more. The industry is a critical component of New Mexico’s economy and drives much of our public spending.

Here are the statistics that were read on the Senate Floor:

In 2024, the oil and natural gas industry generated $13 billion in state and local revenue.
- $7.4 billion went directly to the General Fund - that's 49%.
- $5.5 billion was allocated to the General Fund Operating Reserve.

Education and Public Services Funding
- $2.3 billion went to state education funding, benefiting 300,000 students, 900 public schools and 9,580 public school teachers.
- $600 million went to higher education, and $279 million for the construction and renovation of public school facilities.

Other Allocations
- 90% of funding for the Early Childhood Care and Education Fund was provided by the oil and natural gas industry.
- $1.2 billion supported matching federal Medicaid funds.
- $964 million was appropriated for new capital outlay projects statewide.

Employment Impact
- The oil and natural gas industry is recognized as the largest private-sector employer in New Mexico, directly and indirectly providing more than 100,000 jobs.

Sen. Pete Campos (D-Colfax, Guadalupe, Harding, Mora, Quay, San Miguel & Taos) added his thanks to the oil industry, acknowledging its efforts to protect our environment. “I want to thank you very much, and of course to the oil and gas industry, I want to thank the many employees and the people that continue to stay in New Mexico, and contribute, if you will, to the well-being of New Mexico, and most importantly, continue to work to make improvements so that our environment is going to be much better.”

Sharer wrapped up the presentation, saying, “the cleanest barrel of oil in the world comes from New Mexico. Clean not only because the oil itself is clean, but the way New Mexicans produce the oil is clean. … If we increased production in New Mexico and sold it to Asia. ... We'd be doing absolutely the best thing we could possibly do for the planet, because all of a sudden our clean energy would be replacing the dirty energy that's used almost all over the world.”

SIGNING OFF FROM SANTA FE



We thought maybe showing the Roundhouse with snow would get something going. We noticed that HB 11, the family leave and welcome child program, is back on the third reading calendar. It was sitting in committee, we assume for some tuning up. As our article points out, there's some big-time fiscal issues to deal with, and the bill doesn't even have a referral to the House Appropriations and Finance Committee. Go figure.

Long floor sessions are beginning to blossom. The Senate will have both a day and evening session tomorrow, and we think it won't be long until we see the same on the House side. Republicans, being in the minority, debate at length in order to slow things down in hopes of staving off legislation they don't favor. Democrats, being in charge, want to move their ideas forward as fast as possible. It's a constant tug of war, but that's how sausage gets made. Thanks for joining us today, and we'll be back tomorrow with more news and views. Good night.

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Legislative RoundUp

2025 Regular Session | Wednesday, February 26, 2025

57th Legislature | Day Thirty-Six

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

SCHOOL LEADERSHIP MATTERS - MORE SUPPORT FOR PRINCIPALS ON THE MOVE

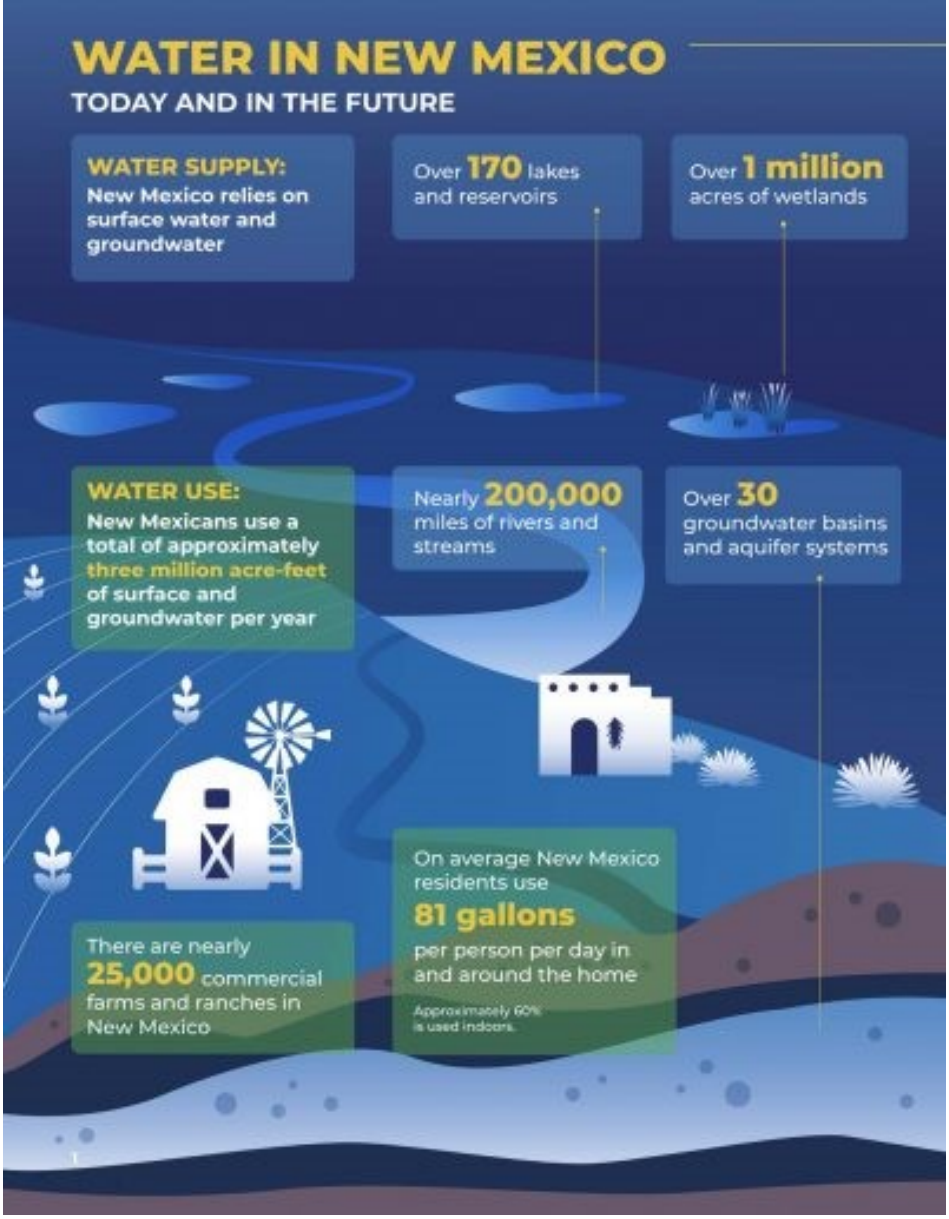


House Bill 157, sponsored by Reps. Joy Garratt (D-Bernalillo), Brian Baca (R-Valencia) and Raymundo Lara (D-Doña Ana), has as its goal achievement of nationally recognized best practices for principal (and superintendent) training, development and mentorship. A principal must lead a culture of learning, and with the right training and support, New Mexico can achieve a consistency of leadership. Turnover among principals is very high due to a number of factors, including lack of preparation for leadership and local support.

The Chamber has long advocated for exactly this kind of change. Through a grant from the Thornburg and Los Alamos Laboratory foundations, the Chamber engaged Education Research and Development, a nationally recognized group of experts, to prepare a report on school leadership, and many of those recommendations are included in HB 157. Michael Dabrieo from the Los Alamos Laboratory foundation has done “yeoman’s work” this session on this bill. Thank you, Mike!

HB 157 now heads to the Senate Finance Committee. This bill is one of the things we can do to have a major impact on student outcomes. We appreciate the dedication of Rep. Joy Garratt (D-Bernalillo) who has worked with all of us on this bill. We’re almost home, Rep. Garratt!

SENATE PASSES MAJOR WATER BILL, NOW IT'S HEADED TO THE HOUSE



The Senate floor debated Majority Leader Peter Wirth's (D-Santa Fe) Senate Bill 21, Pollutant Discharge Elimination System Act, tonight.

The bill has been controversial as it's run its course through the Senate. In 2023, the U.S. Supreme Court issued the Sackett decision that ended federal Environmental Protection Agency regulation of surface waters that are not flowing waters - in other words, all our dry arroyos and intermittent streams and rivers. Wirth estimates that 90% of waterways in the state are unregulated at this point. His solution is Senate Bill 21, which would have the state take over the administration of surface water regulation from the federal government.

The Senate adopted several amendments offered by Minority Leader Bill Sharer (R-San Juan). Wirth deemed every amendment friendly, setting the stage for each amendment to pass by unanimous voice votes.

One amendment added in definitions to clarify terms within the bill. Those definitions were negotiated by the Environment Department with members of industry, so it is a move in a better direction for business.

Another amendment clarifies that the Oil and Gas Division will continue to retain authority over oil field activities that do not otherwise require a permit. That was a major sticking point for industry, and the Chamber spoke out against the change that would have given greater power to the Environment Department.

Sen. Larry Scott (R-Chaves, Eddy & Lea) brought up serious concerns with how much this sweeping new state program would cost. Wirth says it’s estimated to cost $8 million a year with 50 new employees once the program is fully implemented in 2028. Scott expressed his concern about the impact on small business, saying, “…our small businesses in this state mostly don't do well enough to be able to absorb additional discharge permit fees, and that is a significant concern of mine.”

Wirth responded, “One of the issues that we're going to need to decide is would we like the cost here in New Mexico to be zero? And I think some states have done that. Some states have a hybrid, where it's done through a fee plus some general fund. Some states do it all with a fee. The way this was initially drafted was all with a fee. We made sure to make an amendment to change that, so that is something" we'll all need to decide.

And with that, the bill passed 25-16 along straight party lines. It now goes to the House. We’ll keep watch and let you know what happens next.

STRATEGIC WATER PLAN MOVES TO THE HOUSE FLOOR



House Bill 137, sponsored by Rep. Susan Herrera (D-Rio Arriba, Sandoval, Santa Fe & Taos), gained a "do-pass" recommendation from the House Appropriations and Finance Committee today. The vote was 10-4. The bill has now cleared its final House committee and will next be considered on the House floor. The Chamber and others had been opposed to the measure because it had included a new tax on oil-field-produced water. However, a new version of the bill removed all reference to produced water, including the tax. This change allowed the Chamber to support what has always been a good idea.

Terri Cole, Chamber president and CEO, had these remarks in favor of the bill:

"The Chamber very much supports the goal of creating a strategic water supply in order to improve the state's drought resilience and for use in developing green energy. New Mexico has the most brackish water in the nation - almost as much water as in Lake Superior. Our neighbors in El Paso have been processing brackish water since 2007 with no health or safety issues. We need the research and development as well as aquifer characterization provided in this legislation. We also need to get some projects off the ground. Please approve HB 137."

There were a wide range of supporters for the bill and little opposition. Removal of produced water from consideration has calmed many environmental organizations that formerly were against the program.

The purpose of the bill is to accelerate the use of brackish (salty) water found in deep aquifers. The town of Cuba, for example, is facing dire water shortages and is preparing to install a desalination (de-sal) plant. The bill is aimed at helping fund these kinds of projects and advance scientific work at New Mexico Tech and New Mexico State University. Tech is working on characterizing aquifers throughout the state - geological mapping to understand possible effects of tapping brackish aquifers. NMSU is working on how to improve treatment technology.

El Paso has been desalinating brackish water since 2007, as have many towns throughout Texas and the world, for that matter. The Kay Bailey Hutchinson Desalination Plant, the largest inland de-sal plant in the world, produces 27.5 million gallons a day of potable water, and there are plans to expand the plant to 42 million gallons per day. That would be enough to serve nearly 300,000 residences. The plant is described as cost-effective because a mineral processing plant is situated next door that buys the byproducts, contributing revenue to the cost of the de-sal treatment plant. Also, yesterday a huge computer facility was announced in Santa Teresa that will bring $5 billion in investment and 1,000 jobs. This facility will construct a de-sal plant to meet its operational needs.

The bottom line is there are existing cost-effective desalination options available right now. Through expanded research and development, costs can be reduced further - like we've seen with wind energy, for example. In fact, treated brackish water could be a great to use for renewable energy manufacturing. Forty-million dollars has been set aside in the budget bill to get this initiative started. It's a wise investment to improve our state's drought resilience and ensure we can remain competitive in attracting and expanding businesses - it's a win on several fronts.

A FLURRY OF ACTION - CHAMBER LAYS OUT SESSION HIGHLIGHTS AND LOWLIGHTS



At the Chamber's annual legislative session luncheon today, President and CEO Terri Cole gave a mid-session legislative update. She presented highlights and lowlights of the session so far and looked ahead to the last three frantic weeks remaining. Terri pointed out the need for more action on public safety, including these bills:

1. Juvenile justice reform to address violent crimes committed by youthful offenders.

2. Expand the crimes that can be prosecuted using racketeering laws like drug dealing and human trafficking.

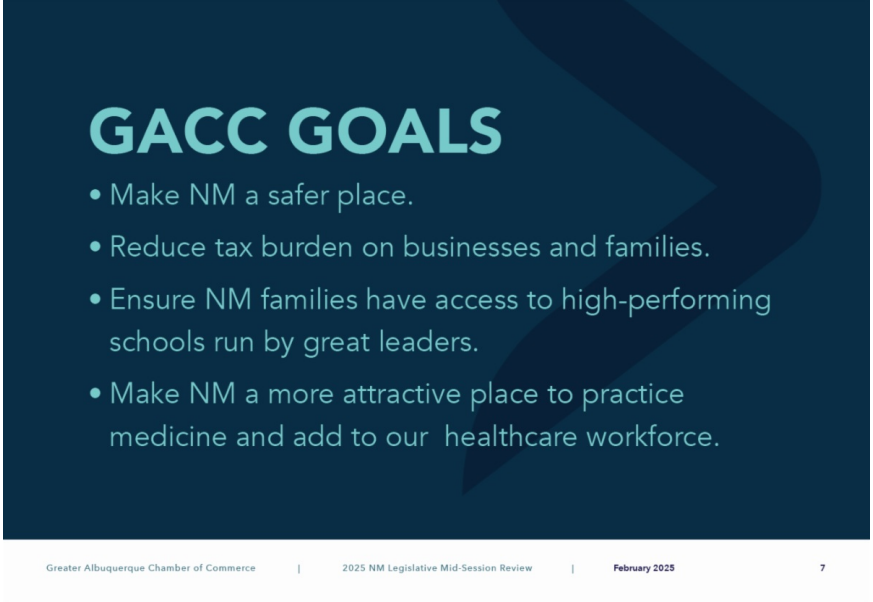
3. Increase sentences for felons who commit subsequent crimes using a firearm.

4. Increased penalty for drug trafficking resulting in death.

5. Pretrial detention for violent criminals who commit a subsequent crime to be held in custody pending trial.

6. Clarity for the definition of “harmful to self” and “harmful to others.”

To see Terri's complete presentation, click **here**.



DOCTOR LOAN REPAYMENT - MAKING NM COMPETITIVE FOR MEDICAL TALENT



What do you get when you graduate from medical school, finish your internship and residency? A license to practice medicine and a mountain of debt. Depending on one's area of practice, that mountain can be between $200,000 and $600,000. Many states are offering big loan repayment incentives to attract physicians to their states. Some will repay the entire amount in exchange for a commitment to practice in that state for a number of years. New Mexico has a loan repayment program for all health care professionals, but it's only $25,000 per year for three years - a total of $75,000 - so it's really not competitive.

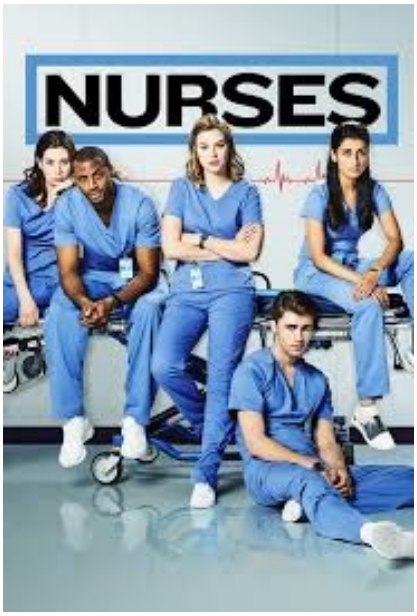
Sen. Craig Brandt (R-Sandoval) wants to get us into the attracting-physicians game. His Senate Bill 411 would offer $75,000 per year for a maximum of $300,000 over four years for physicians practicing in designated professional shortage areas. The fact is that most of the state is a professional shortage area. However, this incentive could attract doctors to more rural areas, particularly if they're native New Mexicans. Brandt used one of the best lines we've heard in presenting his bill to the Senate Education Committee: "This is a great bill." And that's that! The committee gave an 8-0 "do-pass" recommendation after hearing a lot of support and no opposition. J.D. Bullington was on hand to deliver the Chamber's support:

"Our state, along with many others, is facing a critical shortage of doctors. We need this legislation to become competitive against what other states are offering. Our quality of life is greatly diminished when you can't get an appointment to see a doctor. This bill, along with other needed incentives, will go a long way in closing the physician shortage gap. We urge you to support SB 411."

Also lending support was the University of New Mexico. The bill now heads to the Senate Finance Committee. HB 411 seeks a $15 million appropriation, which is not (yet) included in the

budget bill (HB 2) now before SFC. It's a wonderful time to find the $15 million and sweep it into HB 2! We'll keep you informed.

VOTE ON MISGUIDED NURSE-PATIENT RATIO MANDATES DELAYED UNTIL FRIDAY



The House Judiciary Committee on Wednesday afternoon met for just under two hours to hear House Bill 72, Nursing Staff-to-Patient Ratios, sponsored by Rep. Eleanor Chávez (D-Bernalillo).

The bill directs the Health Care Authority to develop rules to create and enforce minimum nurse-to-patient staffing ratios for hospitals. The authority is authorized to waive staffing requirements for rural general acute care hospitals, while certain exceptions to the staffing ratios are granted. It would also create the staffing advisory committee.

Chávez began with a committee substitute with many definitions to what critical care is, as well as what defines rural. The substitute also had a committee called the Hospital Network Committee that would be established by each hospital across their network.

Adrian Gomez, SVP of policy and programs at the Greater Albuquerque Chamber of Commerce, testified in opposition for the Chamber and Gallup-McKinley Chamber of Commerce by saying:

“While the chambers appreciate the goals behind HB 72, striving to prevent nurse burnout and deliver higher-quality care, the reality in our state, as in states throughout the nation, is a severe nursing shortage. And the No. 1 consequence of this legislation will be less care for more New Mexicans.

“For New Mexico’s patients, mandating staffing ratios when you are facing a staffing crisis is the wrong move at the exactly wrong time. And turning staffing decisions over to someone miles away, or embracing a one-size-fits-all approach, disregards the complexity of these decisions. We respectfully ask you to vote against HB 72.”

Joining the Chamber in opposition were:

- Christus Health System
- New Mexico Hospital Association
- San Juan Regional Medical Center
- New Mexico Chamber of Commerce
- University of New Mexico Hospital
- Sierra Vista Hospital

Many of the committee members were happy with the work going into the committee substitute, as some of the changes were responsive to their concerns. However more than a handful had concerns about the bill itself, and more than once the question came up, “Why don’t we graduate more nursing students?”

Like other legislators, Rep. Andrea Reeb (R-Chaves, Curry & Roosevelt) had a concern about the effect on rural hospitals.

“I understand the waiver attempt (for rural hospitals), but it’s the language in there that concerns me,” Reeb said. “The concern I have is for the rural areas where I am in Curry and Roosevelt counties and those hospitals (there). Having Cannon Air Force Base, they have to drive to Lubbock or Amarillo where they can get all the care. If we lose that health care (in our community), it’s going to be just devastating for our base, if these ratios are put into effect.”

With many amendments to the committee substitute, Committee Chair Rep. Christine Chandler (D-Los Alamos, Sandoval & Santa Fe) decided to roll the vote to Friday and not take additional public comment in order to give the sponsor time to clean up the committee substitute.

We’ll be watching for the vote on Friday.

PHYSICIAN ASSISTANT LICENSING COMPACT ADVANCES WITH ZERO CRITICS



On Wednesday morning, the House Health and Human Services Committee heard House Bill 413, Physician Assistant Licensure Interstate Compact, sponsored by Rep. Gail Armstrong (R-Catron, Sierra, Socorro & Valencia).

The bill enters New Mexico into the Physician Assistant Licensure Interstate Compact for the purpose of strengthening access to medical services and enhancing the portability of a license to practice as a physician assistant. The Physician Assistant Licensure Compact Commission would serve as the national administrative body.

Adrian Gomez, SVP of policy and programs for the Greater Albuquerque Chamber of Commerce, testified in support of the bill by saying:

“Making it easier for licensed providers in other states to treat New Mexicans – be it in person or in a telehealth setting – is a real way to get more New Mexicans the care they need, and address the lack of providers while at the same time encouraging them to practice in, perhaps even move to, our state.

"With New Mexico entering the Physician Assistant Licensure Interstate Compact, it would require a licensee to get certified in NM – guaranteeing that the PA would function within the laws and regulations of New Mexico. The Chamber is pleased to support this bill as it aims to bring more care to New Mexicans, and we ask you to vote to pass it.”

Also in support of the bill were the Council of State Governments, Department of Defense State Liaison Office and New Mexico Chamber of Commerce.

There was no opposition to the bill.

With that, a "do-pass" motion was approved on a 7-0 vote. The bill now moves to the House Judiciary Committee.

MENTAL HEALTH EDUCATION PASSES 1ST VOTE



The Chamber was in the House Education Committee this morning to support a bill that could help get New Mexico back on the road to better behavioral health care.

Rep. Joanne Ferrary (D-Doña Ana) presented House Bill 375, Graduate Behavioral Health Scholarship Act this morning and secured a 7-3 "do-pass" vote. The three Republicans all voted no. The bill heads to the House Appropriations and Finance Committee next.

Enrique C. Knell supported the bill on behalf of the Chamber:

“The Chamber has advocated this entire session for policies, programs and investments that make New Mexico more competitive with states around us. HB 375 helps get us there. This proposal is a strong effort to train more behavioral health professionals by paying stipends for their tuition, but then following up by keeping them in our state serving New Mexicans.”

HB 375 creates a new scholarship to pay tuition and fees for full-time graduate students studying to become behavioral health professionals in the fields of counseling, psychiatric nursing, nurse practitioner or physician assistant in addiction medicine, psychology and social work. Scholarship recipients must commit to practice in New Mexico for the same number of years that they received the scholarship.

The bill comes with a carrot and a stick. The carrot is the tuition help to pay for a graduate degree. And the stick is that recipients have to pay the scholarship back if they don’t fulfill their promise to work in New Mexico for the set amount of time.

A handful of representatives had some pointed questions about the bill. Rep. Brian Baca (R-Valencia) likes the carrot but not the stick. He said the provision forcing students to “pay back” the scholarship by working in New Mexico for a set number of years makes him less likely to support the bill. He is uncomfortable with the precedent that sets, given other programs like the Opportunity Scholarship don’t have similar “payback” provisions.

It all depends on your perspective - Is this an education or a workforce bill? The concept of committing to work in underserved areas in exchange for a credentialing is not new. For example, Teach for America places students in under-resourced public schools for two years in exchange for teaching credentials. Senate Bill 411 sponsored by Sen. Craig Brandt (R-Sandoval) allows for loan repayment for physicians — as long as they work in New Mexico in a Health Professional Shortage area.

Rep. Joy Garrett (D-Bernalillo) is concerned about whether the budget bill will come with funding for this program. The bill heads to House Appropriations next, so that’s a perfect place to figure that out.

Some members of the panel mused about restricting the scholarship program only to New Mexico residents. Ferrari and her expert witness explained that the bill is also meant to attract out-of-state students who can receive their master’s degree in New Mexico and perhaps make their living here. They used the University of Texas at El Paso as an example; it wouldn’t be a stretch for those students to cross over into our state, earn their advanced degree, then serve patients here for several years.

HB 375 is another solid building block in our state’s behavioral health system. We’ve told you about Senate Bills 1, 2, and 3: they’re a comprehensive and bipartisan effort to rebuild our behavioral health system (SB 1 and 3 are on the governor's desk and should be signed in the coming days; SB 2 is baked into the budget bill).

A key part of repairing our behavioral health system is talent. Just like any business plan, you need the people to execute it and make everything work. HB 375 helps us train people and deploy them within the state to provide the mental health support we need so badly.
We’ll let you know how this bill progresses.

ANOTHER HEALTH CARE COMPACT ON THE MOVE



House Bill 82, sponsored by Rep. Elizabeth "Liz" Thomson (D-Bernalillo), would enter New Mexico into the Physical Therapy Licensure Compact (PT compact) to “facilitate interstate practice of physical therapy with the goal of improving public access to physical therapy services. Compacts allow out-of-state providers to practice without having to undergo each state's licensing process. However, the state retains regulatory authority. The House approved the measure 66-0, sending it to the Senate.

Thomson, a retired physical therapist, has stated that our state is short 600 physical therapists and the University of New Mexico graduates 31 or 32 a year. “At that rate, if no one retires or leaves the state, we’ll catch up in 20 years.” Previously, a Santa Fe physical therapist testified that at her six-provider practice it “takes months or years to hire” someone, and not being in the compact “is a deal-breaker” for many applicants. They now have a three-month waiting period for an appointment and are not accepting new patients. Thomson pointed out that the shortage of physical therapists is equal to that of nurses.

Here's to the Senate (and House) making quick work of this and other health care compacts and getting them to the governor!

TRADE PORT BILL SAILS THROUGH TO THE HOUSE FLOOR ON A 10-0 VOTE



The Santa Teresa Industrial Park, part of the N.M. Trade Port.

Also Wednesday morning, the House Taxation and Revenue Committee heard House Bill 19, Trade Ports Development Act, sponsored by Rep. Patty Lundstrom (D-McKinley).

The Trade Ports Development Act promotes economic development and enhances supply chain resiliency by enabling the creation of districts in the state with multimodal systems and facilities

to efficiently manage cargo and its movement between locations. The trade ports would be supported by a Trade Ports Development Fund consisting of a monthly distribution from Gross Receipts Tax revenues and a distribution from Motor Vehicle Excise Tax revenues.

The Chamber showed its support for the bill by saying “The purpose of a trade port is to provide essential infrastructure and services to handle various types of cargo, including bulk commodities, containerized goods and liquid cargo. We support Rep. Lundstrom’s goal, which is to make New Mexico more than just a bridge state. HB 19 will help communities across the state, which makes New Mexico more competitive.”

The bill was amended during its last committee meeting and Committee Chair Rep. Derrick Lente (D-Rio Arriba, Sandoval & San Juan) said the intent was not to have a full hearing again on the merits and noted there is money appropriated in House Bill 2 for the initiative.

Rep. Sarah Silva (D-Doña Ana & Otero) asked Lundstrom what the amendment was.

Rep. Lundstrom said the amendment included some information the unions requested to ensure the P3 component was what they wanted to see and falls in line with the trade port project.

House Bill 19 as amended passed with a vote of 10-0. It will now head to the House Floor.

PROTECTING CONSUMER INFORMATION



Rep. Linda Serrato (D-Santa Fe) today presented House Bill 410, Consumer Info & Data Protection Act, before the House Commerce and Economic Development Committee. The committee ultimately postponed a vote on the bill until next Monday to give Serrato time to amend the bill to address committee concerns

.

HB 410 prohibits businesses that conduct operations in New Mexico or offer products and services targeted to residents from providing employees or contractors access to consumer health data unless that individual is contractually or statutorily obligated to confidentiality.

The bill restricts businesses from providing a processor (an entity that processes personal data on behalf of a business) with access to consumer health data and from selling or offering to sell the consumer’s health data without first obtaining the consumer’s consent.

J.D. Bullington relayed the Chamber’s perspective:

“All of us would agree that our health data is among the most personal and private information there is. Strong data privacy protections protect consumers and boost their confidence that they are dealing with a responsible business. Establishing uniform rules for data collection and processing will help businesses streamline compliance and avoid legal uncertainty. Also, data security measures can prevent costly data breaches and lawsuits. Having the same data standards weeds out the bad actors and limits gaining competitive advantage through irresponsible data practices.”

The bill also restricts the use of geofencing (a virtual boundary created around a specific geographic area) within 1,750 feet of any mental health facility or reproductive or sexual health facility for purposes relating to data or sending consumer notification regarding the consumer’s health data.

HB 410 grants exclusive enforcement authority to the New Mexico attorney general (NMAG), who may initiate a civil investigation to seek civil penalties of up to $10 thousand per violation and recover litigation fees.

Prior to taking enforcement action, NMAG must provide businesses with a 30-day notice to cure any alleged violations. The bill does not create a private right of action, meaning consumers

cannot sue businesses directly for violations, but instead must rely on state enforcement.

Some of the Democrats on the panel want to “strengthen” the bill by creating a private right of action. Basically, they want to grant people the right to sue a business for a data breach. Serrano said she would return to the committee with amendments to her bill.

NEW LEGISLATOR

House
District 6: Martha Garcia, D-Cibola & McKinley



Earlier today, Gov. Michelle Lujan Grisham appointed former Cibola County Commissioner Martha Garcia to represent House District 6.

The District 6 seat became vacant last year when former Rep. Eliseo “Lee” Alcon stepped down for health reasons. Alcon died of cancer Jan. 13.

Garcia was nominated by the McKinley County Commission on Feb. 4.

District 6 includes parts of Cibola and McKinley counties including the Village of Milan, the Pueblo of Zuni and parts of the Navajo Nation.

- Garcia has been an elementary school teacher, school administrator and member of the Ramah Navajo School Board.
- She is past president of the Ramah Navajo Chapter as well as development officer, and community development director of the 638 Program.
- She served as vice chair of the Northwest N.M. Council of Governments.
- Garcia is credited with leading the Ramah Navajo Chapter in a 1990 class-action suit against the federal government that awarded settlement funds to various tribes for underpayment of self-determination contracts at the Bureau of Indian Affairs.

Garcia is expected to be sworn in immediately to begin representing House District 6 for the remainder of the current legislative session.

SIGNING OFF FROM SANTA FE



It was a good day for health care and education. Headlining several bills is Senate Bill 411 that would put some of our money where it needs to be - in helping new doctors crawl out from a crushing burden of student debt in return for practicing here. That's really needed to improve New Mexico's competitive position vis-a-vis other states.

On the education front, committee approval of the new training, mentorship and experience requirements for school principals in HB 157, a movement we've been advocating for years, is very gratifying to see. School leadership matters, and our principals need better support to successfully turn schools around and boost student competency.

And, in case you missed it, today is National Pistachio Day. While California produces 99% of the pistachios grown in the U.S., New Mexico nets $16 million a year from our locally grown nuts (from trees, nuts from trees). It's also National Tell a Fairy Tale day. We're not saying there are fairy tales being told in Santa Fe, but we're not *not* saying it either. Wishing you a good night until we meet again tomorrow over all the news and views.

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

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GREATER ALBUQUERQUE CHAMBER OF COMMERCE

Legislative RoundUp

2025 Regular Session | Thursday, February 27, 2025

57th Legislature | Day Thirty-Seven

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



SPUR-OF-THE-MOMENT, $500M TAX INCREASE ROCKETS OUT OF COMMITTEE



Say what? Yep, the House Energy, Environment and Natural Resources Committee gave a 7-4 nod of approval to House Bill 548, sponsored by Reps. Nathan Small (D-Doña Ana) and Meredith Dixon (D-Bernalillo). This late-introduced bill (it was introduced right at the bill introduction deadline) seeks to impose a 25% tax increase on every barrel of oil produced on state lands, which would raise nearly a half a billion dollars in new state revenues. The new revenues would go to the general fund for more spending on state programs and projects, as if OVER THREE BILLION DOLLARS in new state revenue this year weren't enough. As you can tell, we're not really keen on this idea.

J.D. Bullington offered this testimony in opposition:

"As we all know so well, the oil and gas industry is contributing nearly half of general fund revenues, putting the state awash in cash. And, this cash is being invested in various trust funds, establishing a golden financial future for the state. A future where much of the general fund can be supported from interest earned on these funds. A future where funding for our children's education is assured. A future where we can confidently navigate volatile economic times.

"Given this backdrop, it's hard for us to support any tax increase on any entity. We have enough money and then some. Please vote no on HB 548."

'Punishment to an Out-of-Favor Industry'

That's how the New Mexico Oil and Gas Association characterized HB 548. NMOGA made it absolutely clear this would change oil field economics (not in a good way), making it less attractive for investment and decreasing production and jobs. In fact, marginal production would likely shut down, lowering state revenues. The New Mexico Chamber of Commerce, the Santa Fe Chamber of Commerce and Armstrong Energy all stood in opposition - the number of speakers allowed were only three in the committee room and two online, but many people in the committee room raised their hands in opposition. The only support came from the Sierra Club.

Why is a Tax Increase Needed?

Reps. Rod Montoya (R-San Juan) and Mark Murphy (R-Chaves) hammered on this question repeatedly. The answer from Small is "making life more affordable for New Mexicans." When pressed, Small said he was worried about federal cuts to Medicaid for which the state might have to make up, or maybe more tax reductions to working families, or maybe, as Murphy suggested, for paid family and medical leave. As we've reported, HB 11 (the paid family and medical leave bill) has **no dedicated funding source for nearly $200 million of expenses**. We think Murphy hit the nail on the head. This would explain why a johnny-come-lately bill is being rushed through the Legislature with zero stakeholder input and zero consideration by an interim committee that most always vets major tax proposals before they are introduced during a session.

Cuts to Medicaid may or may not occur, so it would be premature to enact a tax increase. As Gov. Michelle Lujan Grisham indicated yesterday, if the Medicaid cuts were to be made, she'd call a special session to deal with it. In the meantime, HB 548 could undergo interim committee investigation, giving stakeholders a chance to participate.

It's a 'Tweak' ... Just 'Fine Tuning'

Another part of the answer simply is "because we can." Small suggests this is a "tweak" or a "fine tuning" of the tax structure that will still have New Mexico in a favorable position versus other states. Murphy points out that production on federal lands (not subject to state taxes) is up 13% while production on state lands is down 9%. It just might be New Mexico's rather hostile attitude toward the industry, thus the feeling by both Murphy and NMOGA that the tax is punitive. Murphy, himself in the oil production business, stated for his company, this tax would add over $900,000 in cost - that's 25% of his annual payroll. That's a huge financial impact that certainly must adversely affect investment, jobs or both.

Another drawback to this tax increase is that it increases dependence on oil and gas tax revenues, which can be volatile. The goal of the Legislative Finance Committee has been to reduce this dependence through diversifying New Mexico's economy. As came up during the committee discussion, we should be investing in advanced energy, quantum technology and other promising areas for economic growth.

History Behind Proposal

HB 548 is titled the Oil and Gas Tax Equalization Act. Currently, the tax rate on natural gas is 4% and the tax on oil is 3.15%. The sponsors proposed to raise the rate to 4% on oil - thus the "equalization" terminology. How we got to this place is interesting and relevant to analyzing the impact of the bill. Seems like way back in late '80's, the federal government enacted a substantial tax credit for developing natural gas from "tight sand" formations.

It was a time when the prevailing thought was that the country was running out of natural gas (forecasts are sometimes way off the mark). The state decided to increase the natural gas tax rate in order to grab a little more money since the increase was much less than the value of the federal tax credit. That credit expired in 1993. Tight sand formations are prevalent in the San Juan basin, an area struggling economically with the closure of the San Juan Generating station and associated coal mine. Therefore, Montoya asked a very relevant question - why not decrease the natural gas rate back to the original rate in order to stimulate new gas production? The answer from Small is that it would cost the state treasury $100 million, and he wants to raise more tax revenue, not decrease it.

There's such a thing as a rush to judgment, and this seems to us to fit into that to a "T." There's been no interim study and no stakeholder input. HB 548 should be slowed down and referred to the former while the latter is gathered. Right now, it's a solution in search of a problem, a blank-check approach. It's not good tax policy.

ANTI-O&G FRACKING BILL NARROWLY PASSES

As Chamber President and CEO Terri Cole says, every time you turn around in Santa Fe, there's a bill trying to make it harder, more expensive, less attractive to explore for oil or natural gas in our state. That's despite the oil and gas industry fueling state coffers and rainy day funds for items like education, childcare and our universities.

Rep. Andrea Romero (D-Santa Fe) was once again in the House Energy and Natural Resources Committee to advocate for her legislation that would prohibit oil and gas producers from using per- and poly- fluoroalkyl — PFAS — in oil recovery. Rep. Romero's expert witness for HB 222, Fracturing and Fluid Disclosure and Use: No PFAs", was a representative from an environmental group known as Wild Earth Guardians. The bill passed 6-5 with one Democrat voting no. It heads next to the House Judiciary Committee.

J.D. Bullington told the committee why the Chamber opposes the bill:

"There are just too many uncertainties to make this legislation viable. First, the impact on production in our state is unknown. Secondly, there's legal jeopardy, well-stated by the attorney general. Third, there's rulemaking going on right now to address this subject that would be completely derailed if this bill passes."

Rep. Jonathan Henry (R-Eddy, Chaves & Otero) brought up geothermal exploration and asked if it was included in the bill. Henry says it uses the same technology, including hydraulic fracking.

The sponsor responded that there is no expansion of oversight over geothermal exploration in her bill.

"Thank you, representative. I just find it interesting, that the only thing we're concerned about in downhole operations and fracking is just oil and gas. … So I have an issue with only one industry having to comply when we don't know what that other industry might be doing."

Rep. Meredith Dixon (D-Bernalillo) joined with Republicans in voting "no." Her concerns mirrored Henry's.

"I think it's well-intentioned. I have two concerns: No. 1 that OCD can compel the disclosure of that information already, and I think that Rep. Henry's point about geothermal is extremely important."

Gov. Michelle Lujan Grisham's Energy, Minerals and Natural Resources Department expressed concerns on HB 222 in a written analysis.

"EMNRD notes House Bill 222's impact on operators, trade secrets materials, and the use of them in operations has the potential to either simply incentivize operators to not use trade secret material in the state, which could potentially impact effective operations, or incentivize the industry to move to states that do allow for use of trade secret materials. EMNRD analysis notes either instance could impact state revenues."

We'll leave you with final words from ENMRD, the state entity responsible for regulating oil and gas exploration in our state. Its officials wrote that HB 222 could "create a chilling effect for (oil and natural gas) development in the state."

'THE FUTURE AIN'T WHAT IT USED TO BE' - YOGI BERRA



Ain't it so. And going back to the future ain't going to fix what ails our school system. In our view, that's exactly what Senate Joint Resolution 3, sponsored by Sen. Bill Soules (D-Doña Ana) would accomplish. It would put back in place a system rejected by voters in 2003, namely an elected state board of education with 11 total members, 10 of which are elected and one of which is appointed by the governor for a term that corresponds with the governor's same term. The bill passed the Senate Finance Committee today on a 7-3 vote. All three "no" votes were cast by Democrats. We've said it many times before, and we'll say it again: the governance structure isn't the problem - the lack of focus on reading and math and student performance is.

Chamber Position

This is how Terri Cole, president and CEO of the Chamber, states it:

"By creating a large, 11-person board to oversee public education – two-thirds of whom would run for elections to their positions – this legislation would inject an incredible amount of politics into public education… and that's the last thing we need.

"School boards across America are under fire for being hotbeds of political chaos, division and acrimony. They routinely lose focus on student needs and outcomes. Why would we invite a similar situation at the state level?

"Please recall that New Mexico once put an elected body in charge of utility regulation in our state – and we ended up with a daily cocktail of dysfunction and poor decision-making. Rightly so, we retreated from that model.

"The number of adult decision-makers is not driving students' unacceptably low academic performance in New Mexico. This resolution is not going to fix what's broken. Let's not advance a so-called solution that hasn't worked before and won't again."

Committee Discussion

Sen. Linda Trujillo (D-Santa Fe) thinks that how governance of public education is structured needs a lot more study and discussion. She opposed SJR 3 because, in her view, it added another layer of bureaucracy between the Legislature and the Public Education Department. She pointed out that there have been two different structures used, and student achievement has been poor under both.

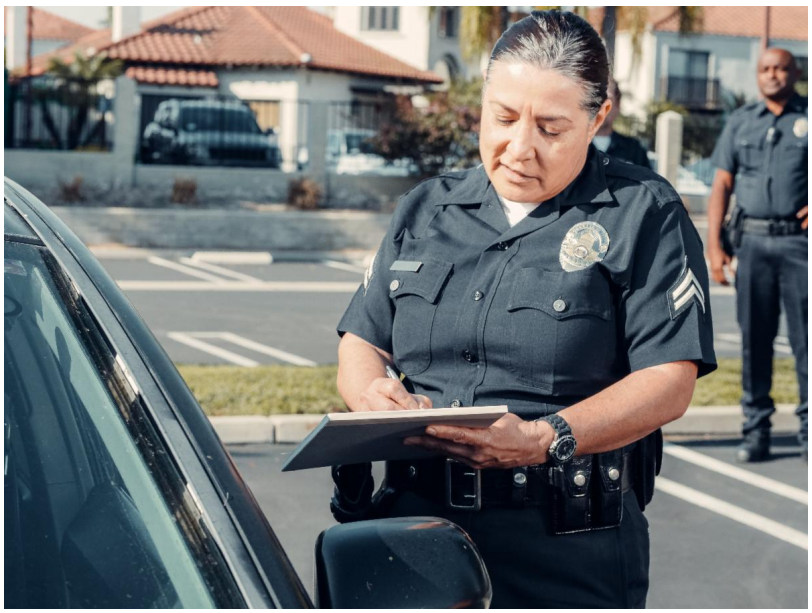
Soules believes that's because of other societal issues, namely poverty. While that may continue to be a factor, many legislators have been pointing to recent actions that have moved childhood poverty levels from last to 17th in the nation. The state has increased spending on public education exponentially without moving the needle. It's fundamental - we're not teaching children what they need to be successful - namely reading and math (both Soules and Senate Pro Tempore Mimi Steward (D-Bernalillo) have bills addressing those very subjects).

That's the focus that's needed. Mississippi did just that and boosted its education achievement from last to top 20. It certainly has as many issues with poverty as we do but found that modern teaching of reading, for example, helps children regardless of language challenges or income status - every child can learn to read. The obvious solution to poverty is to empower children to learn, go on to higher education and succeed in the world.

Sen. George Muñoz, (D-Cibola, McKinley & San Juan) committee chair and one who voted against SJR 3, expressed his concern that the elected seats would be dominated by union money electing candidates friendly to union desires. It's very likely that these seats go relatively unnoticed by voters. They're likely to be "down ballot," attracting about as much attention as voting for judges - who knows, right? That is an open invitation for undue influence to be applied by any side or faction.

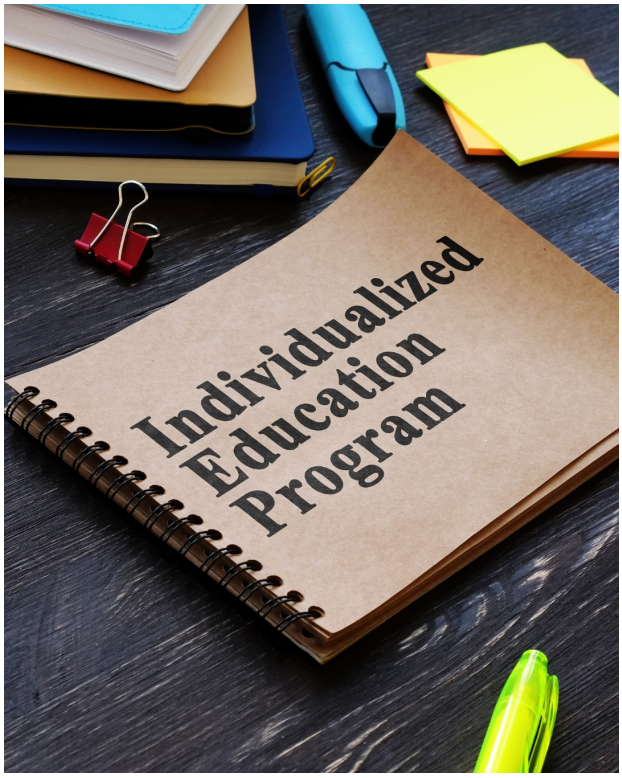
To end where we started with Yogi wisdom, you'll also remember a quote often attributed to him, "It ain't over until the fat lady sings." Nope. Next stop for SJR 3 is the Senate floor and, if passed by the Senate, over to the House.

HERE'S A CONCEPT: POLICE OFFICERS GET SAME VICTIMS RIGHTS AS THE REST OF US



Under the category of "who knew" or "are you serious?" comes the fact that police officers, if killed or injured, don't have the same victims rights as all the rest of us. Rep. Andrea Reeb (R-Chaves, Curry and Roosevelt), a career prosecutor, wants to change that through House Bill 104 that sailed through the House today on a vote of 57-6. The bill would include police officers and their families in the victims rights statute which provides 12 specific rights, including being notified of court or sentencing hearings; participating in the hearings, getting workers compensation, applying for counseling for themselves or family, etc. The bill doesn't impact the crime victims reparations fund. Good for you Rep. Reeb! We need to take care of the ones who protect us.

EFFORT TO IMPROVE SPECIAL EDUCATION SAILS THROUGH THE SENATE TO HOUSE



A former special education teacher stood up in the Senate today and presented her bill to improve special education statewide. Senate President Pro Tempore Mimi Stewart (D-Bernalillo)

taught special ed at Zia Elementary School in Albuquerque. Today she presented Senate Bill 38, Special Education Act, on the Senate floor and fielded questions from fellow senators.

Her bill ultimately passed 31-7 and heads to the House now.

Stewart has explained the bill codifies the governor's executive order on special education from several years ago along with subsequent legislation to "ensure we have the right people working on these issues."

The bill formally creates the Office of Special Education (OSE) within the Public Education Department. It will help provide a uniform standard of education for special ed students no matter what district they attend. Under SB 38 OSE will create a standard Individualized Education Plan (IEP) that can be used statewide. That makes it easier when students move from one school or district to another. The OSE will also train school boards and governing bodies, school administrators, and school personnel on specific topics related to the education of differently-abled students. They also plan training for teachers and parents.

In committees, several superintendents stood and opposed the bill, saying it was overregulation and unnecessary.

Sen. Larry Scott (R-Chaves, Eddy & Lea) questioned Stewart about the opposition from our school's front-line leaders, "I, too, believe that some 90% of the school superintendents are standing in opposition to this piece of legislation, and I'm curious as to why that circumstance exists. Was this an unfunded mandate? Do they feel like they have too many bosses coming from Santa Fe? Could you flesh out a little bit what the source of those objections were, if you know them?"

Stewart explained that Gov. Michele Lujan Grisham, a supporter of this bill, had said a few things about the Senate Education Committee members, and many in the education field were insulted. "The superintendents overreacted, and that it was just one person not 90% of them, so I think they've calmed down, they were trying to support the education committee (so) they stood up and said they're not going to support anything that she (Governor Lujan Grisham) wanted," Stewart told Scott.

Scott remained unconvinced and ultimately voted against Stewart's bill, saying "I do listen to all of my superintendents, because I believe without exception that they are dedicated educators, and for the most part, know what they're doing."

"I've talked to three or four other superintendents, the Rio Rancho superintendent, Roswell superintendent, over the last weeks. None of them brought up any of these questions," Stewart told Scott and the Chamber. "So I think it's kind of a myth… I think this is very important moving forward. We've had issues with special ed for years. I do not think that this is the way to solve it."

Sen. Angel Charley (D-Bernalillo, Cibola, McKinley, Socorro, & Valencia) stood in support of Stewart's bill and shared her own experience with her local school district.

"I'm the parent of a special needs child. They're actually in the Gifted and Talented program and have had an IEP since elementary. And in my child's high school journey, they've been to three high schools. And so I really appreciate the intention of this legislation because it helps parents support the child that they have. At every single one of these high schools. I have had to fight for my child to have the accommodations that I know they need."

AROUND THE ROUNDHOUSE

Special Session? Gov. hints at possibility in October



Gov. Michelle Lujan Grisham speaks to business leaders at a Greater Albuquerque Chamber of Commerce luncheon at the Sheraton Albuquerque Uptown hotel on Wednesday. The governor suggested she might call a special session later this year due to proposed federal budget cuts.

Gov. hints at possible special session in response to federal budget cuts

Top legislative budget official says Medicaid cuts could have big impact in New Mexico

BY MEGAN CLEASON AND DAN BOYD
JOURNAL STAFF WRITERS

Gov. Michelle Lujan Grisham suggested Wednesday that proposed federal budget cuts to Medicaid and other programs could prompt her to call lawmakers back to Santa Fe later this year for a special session.

Federal cuts could have an outsized impact in New Mexico, as more than 840,000 state residents were enrolled in Medicaid as of December — about 40% of the state's population.

During a Wednesday speech to business leaders in Albuquerque, Lujan Grisham said when there are such "wild swings" at the federal level, states need to be ready to respond.

"I am predicting right now that when the federal budget, whatever that is, occurs, we're going to need a special session by October, just to deal with health care and to keep our rural hospitals open," she said.

New Mexico's all-Democratic federal delegation has been critical of the Republican-proposed cuts, and all three representatives joined Democrats in voting against the package in the House on Tuesday.

The House resolution calls for at least $1.5 trillion in spending cuts and a $4 trillion debt limit increase. The Senate passed a budget resolution last week, and the two bodies will have to reconcile.

"Republicans' intent to slash Medicaid will have drastic and disastrous effects on New Mexico. ... New Mexico law requires that it respond to those cuts. Holding a special session in the fall is prudent," U.S. Rep.

See SESSION ... A6

On Wednesday, the Greater Albuquerque Chamber of Commerce hosted the Governor's Mid-Session Report to the Business Community at the Sheraton Albuquerque Uptown.

Gov. Michelle Lujan Grisham began her speech by saying she made everybody nervous when she called the special session last July to tackle public safety and crime. "I have, in fact, called many special sessions," Lujan Grisham said. "... In the two years that are left, we're going to have more. That's not a threat or challenge. When you have such wild swings at the federal level, states have to be in a position to respond to any number of things. I'm predicting right now, when the federal budget, whenever that is, occurs, we're going to need a special session by October just to deal with health care and to keep our rural hospitals open."

Gov. signs crime package, behavioral health bills into law



With her long signature, Gov. Michelle Lujan Grisham, center, signs three bills into law Thursday.

On Thursday, Gov. Michelle Lujan Grisham put pen to paper and signed three public safety and behavioral health bills into law.

It was last July when the governor called a special session to address crime and public safety.

The Legislature was unresponsive. However, calling the special session shines a bright light on the need for action.
.
Six months later, Lujan Grisham praised both sides of the aisle in creating and getting her legislation. “Thank you to this body of leaders who have been working diligently and to the families and the advocates and victims,” she said. “You’ve been waiting for justice. Thank you from the bottom of my heart for putting New Mexicans’ public safety first. This is a monumental achievement, and I’m grateful for this legislative body and the leadership in the House and Senate.”

The governor signed House Bill 8, a public safety omnibus package sponsored by Reps. Christine Chandler (D-Los Alamos, Sandoval & Santa Fe), Joy Garratt (D-Bernalillo), Cynthia Borrego (D-Bernalillo), Kathleen Cates (D-Bernalillo & Sandoval) and Charlotte Little (D-Bernalillo). HB 8 is a comprehensive public safety package addressing multiple areas of concern:

- Criminal competency reform – Addresses over 18,000 criminal charges dismissed since 2017 due to competency issues by creating a community-based restoration program for non-violent offenders and requiring secure facility commitment for violent non-competent defendants.
- Weapon conversion devices – Criminalizes possession of weapon conversion devices or "Glock Switches," targeting rising juvenile gun crimes.
- Shooting threats – Elevates the penalty for threatening to shoot a person, group, or public space from a misdemeanor to a fourth-degree felony, allowing courts to order restitution for economic harm caused by threats.
- Fentanyl trafficking – Establishes graduated penalties for trafficking based on quantity, with specific enhancements for larger amounts and for those organizing trafficking operations.
- Auto-theft penalties – Increases penalties for repeat offenders with a graduated system that elevates charges for subsequent offenses.
- DWI blood testing – Permits warrant-based blood draws for misdemeanor investigations and expands testing beyond alcohol to include other drugs.

While the Chamber actively advocated for passage of HB 8, we also don't think the job is done. We've outlined additional steps that need to be taken, including a major overhaul of laws dealing with juvenile violent crime, the fastest-growing category of crime.

Also on Thursday, the governor signed two major behavioral health bills:

- Senate Bill 1: Behavioral Health Trust Fund, sponsored by Sens. George K. Muñoz (D-Cibola, McKinley & San Juan), Elizabeth "Liz" Stefanics (D-San Miguel, Santa Fe, Torrance & Valencia), Pat Woods (R-Curry, Harding, Quay & Union), Jay C. Block (R-Bernalillo & Sandoval and Rep. Dayan Hochman-Vigil (D-Bernalillo). It establishes a dedicated trust fund to provide sustainable, long-term financing for behavioral health programs across the state. The fund will support mental health and substance use treatment, prevention programs, infrastructure development and workforce expansion, with administration by the Health Care Authority under legislative oversight.

- Senate Bill 3: Behavioral Health Reform and Investment Act sponsored by Majority Floor Leader Sens. Peter Wirth (D-Santa Fe), President Pro Tempore Mimi Stewart (D-Bernalillo), Minority Floor Leader William Sharer (R-San Juan), Block, and Hochman-Vigil. It creates a behavioral health executive committee to coordinate statewide reform efforts through a regionalized approach based on local needs assessments. The act streamlines administration for Medicaid providers, builds a behavioral health workforce pipeline, requires regular service gap assessments, and ensures accountability through monitoring and evaluation.

The Chamber has also advocated for these measures as well as Senate Bill 2, which has specific appropriations to jump start the new system. Those appropriations are now included in House Bill 2, the budget bill.

GRT Is a Real Problem for Health Care Providers



It's getting close to the time when tax committees in both the House and Senate will be putting together what's referred to as "omnibus tax packages," translated as a whole bunch of tax-related bills stuffed into one big bill - kind of like a burrito grande. Think New Mexico, a high-quality public policy institute, reminds us there are some very important bills that should be in that burrito. We support their viewpoint 100%. First, they identify GRT on medical services as a major factor driving doctors to retire early or leave our state.

New Mexico is one of only two states that impose a gross receipts tax (GRT) on the medical services. The other is Hawaii, and that state's tax is capped at 4.7%. New Mexico's GRT averages 7.05% and exceeds 8% in many parts of the state. Unlike most businesses, which simply pass on the GRT to their customers, medical providers cannot pass the tax on to insurance companies, Medicaid or Medicare. As a result, doctors, dentists and other health care providers end up bearing the full burden of the tax, making it more expensive to practice medicine in New Mexico than in other states. House Bill 344 and Senate Bill 295 would fully repeal New Mexico's gross receipts tax (GRT) on medical services.

The Chamber also joins Think New Mexico in seeing a need to expand the Rural Health Care Practitioner Tax Credit. House Bill 52 would include EMTs, paramedics, occupational therapists, audiologists, speech and language pathologists and licensed practical nurses, among others. The shortage of these providers in New Mexico's rural communities is even more severe than in our urban areas, and this tax credit helps encourage practitioners to serve patients in rural areas.

To increase the number of health care practitioners in our state, many steps need to be taken, but these bills are key parts to the overall solution.

A Guide To Speaking Legislature-ese

COMMITTEE HANDBOOK



FOR THE

NEW MEXICO LEGISLATURE

2012 REVISION

There's no question every group – from a federal agency down to a youth sports league – has a jargon that insiders use, and the New Mexico Legislature is no different. When you consider the breadth and depth of what is tackled on those four floors in compressed amounts of time, it's no wonder there's a shorthand, so to speak.

But if you aren't knee-deep in interim committees or tracking committee substitutes, you can get lost in the lingo. (FYI interim committees meet outside of the annual legislative session; committee substitutes are revised versions of bills introduced in committee hearings – see what we mean?)

The folks behind the scenes at the Legislature get this, and they've compiled handy guides to committee procedures and a full list of abbreviations. Below are some of the standard procedures and terms you'll see in the Chamber's RoundUp nightly:

Standing committees - Considered the workhorses in both houses during a session, the names of these committees are the best indicators of the subject matter they deal with (Education, Energy, Judiciary, Tax, etc.). The House has 14; the Senate has nine.

Interim committees - These operate in the period between the adjournment of one Legislature and the convening of another, or between sessions of the same Legislature. There are 23, and each one includes both House and Senate members.

Referral - When a bill is introduced in either chamber of the Legislature, it is almost always sent to one or more standing committees of that chamber. This procedure of sending a bill to a committee is called "referral." Senate rules state that the senator introducing the bill must attach a note to the bill indicating to which committee or committees it should be referred. If any member in the Senate objects, the whole Senate must decide the question. In the case of bills coming over from the House, the rules provide for the whole Senate to make the referral. Actually, the referral is made by the Senate leaders, usually acting through the majority leader. In the House, the speaker has the sole authority to refer bills to a committee or committees, whether or not they originated in the House. If the bill contains an appropriation or requires the expenditure of public money, the rules of both the House and Senate provide that it be referred, in the case of the House, to the Appropriations and Finance Committee and, in the case of the Senate, to the Finance Committee.

Amendments - Since a committee has only the power of recommendation, it cannot actually amend or modify a proposal for legislation referred to it. It can only recommend amendments to the proposal, and these amendments are not effective until the legislative body adopts them. There is no limit to the number of amendments the committee can recommend for a bill as long as they are germane to the original purpose of the bill. However, if there are a great number of amendments proposed by the committee, a committee substitute for the original bill puts them all in one place and makes it easier to read and understand.

Substitute Bills - Substitutes may be made for any bill, resolution or memorial before it is enrolled and engrossed whenever it is open to amendment. When a substitute bill, resolution or

memorial is adopted, it takes the place of the original, and the substitute itself is open to amendment. Since the **committee substitute** (CS) is technically considered an amendment to the bill, the subject matter of the substitute must be relevant to the title and subject matter of the original bill.

Committee Actions - Several courses of action are available to a committee on a piece of legislation referred to it:

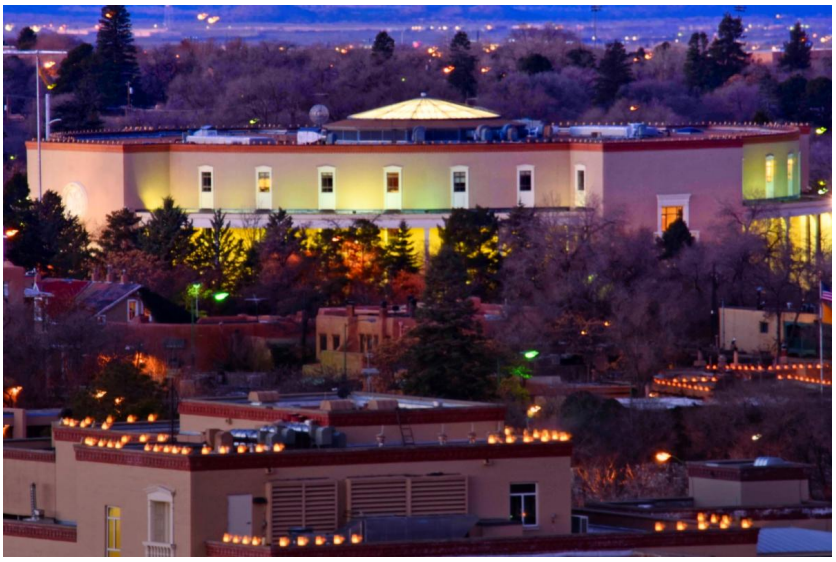
1. If the committee is in favor of the legislation as it was referred, it may recommend in its report that the legislation "**do pass**" (DP).
2. If the committee is in favor of the legislation as a whole but deems it necessary to recommend amendments to certain sections, it may recommend that the legislation "**do pass, as amended**" (DP/a) and attach the proposed amendments.
3. If the committee does not approve of the proposed legislation, it may recommend that the legislation "**do not pass**" (DNP).
4. If the committee does not approve of the proposed legislation in the form in which it was referred to the committee, but feels that legislation ought to be enacted covering the same subject matter proposed in the bill, it may recommend that the proposed legislation "do not pass", but that **a substitute** as drawn by the committee **"do pass".** (DP/CS)
5. If the committee does not wish to make any recommendation upon a legislative proposal, it may make a report "**without recommendation**" (w/o rec). This type of report is frequently used in those cases where the committee is in disagreement on a bill.
6. If the committee chooses simply **not to report a bill out of committee (i.e. "table")**, it may do so (TBLD INDEF). This technique is not generally recommended by parliamentary and legislative authorities, who believe that the entire body should be given the opportunity to adopt or reject proposed legislation, but it is an effective device for filtering out unwanted or unneeded proposals.

Governor's Actions - The governor has three days to act on legislation passed during the session (SGND Mar.4 Ch.9 = Signed by the governor, date and chapter number. VETO Mar.4 = vetoed by the governor and date). If she doesn't act within three days, the bill becomes law. This changes during the last three days of the session, when the governor has 20 days to act, and no action becomes a pocket veto.

Enrolling and Engrossing - In New Mexico, the terms "enrolling" and "engrossing" are used jointly to describe the preparation of the final authoritative copy of a bill passed by both houses of the Legislature.

Want to know more? The Legislature has the Committee Handbook **here**, and a full list of abbreviations **here** so you, too, can understand what's going on and talk like a Roundhouse veteran!

SIGNING OFF FROM SANTA FE



We're still shaking our heads...a half-a-billion-dollar tax increase at the last minute? Nobody, no entity, no where, no how should have a tax increase, period. If the Legislature wants to do something different, then reshuffle the deck and reprioritize. They have more than enough money if properly utilized. *Mama mia*. And to try to take it out of the hide of the oil and gas industry? *Oy vey*. Enough said (until we say some more about it later). Committees and floor sessions tomorrow and likely on Saturday as well. We'll bring you all the news and views. In the

meantime, thanks for joining us and good night.

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

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Legislative RoundUp

2025 Regular Session | Friday, February 28, 2025

57th Legislature | Day Thirty-Eight

BREAKING NEWS
February 28, 2025

BREAKING NEWS:
Family Wellness/Welcome Child Act will be considered on the House floor today

HB 11, the Family Wellness/Welcome Child Act (formerly known as the Paid Family and Medical Leave Act - PFMLA) will be considered on the House floor today. If passed by the House, it will go next to the Senate and, if approved by the Senate, to the Governor. The bill is a fiscal trainwreck in the making. The "rebates" paid to families for childbirth expenses leaves a $200 million fiscal hole - there is no funding source, and the expenses are not covered in the budget, so far.

The fiscal impact report shows a high likelihood of a deficit in the fund created to pay for medical leave, forcing payroll taxes higher - paid for by employers and employees as well. In the event the cap on annual payroll tax increases is reached, then the Legislature would have to step in and bail out the fund - similar to what was necessary to do for unemployment insurance during COVID.
Contact your legislator and ask them to vote no.
Here's a link you can use to find your legislator **click here**. It's important for legislators to hear from you as a constituent. So, we are trying something a little different with our "Breaking News." It's easy. Here are the steps:

Click our link.
You will be taken to a page that says, **"Find Your Legislator by Address."**
Enter your home address - you only need to enter street number, street name and city.
Click Search. This will bring up a picture of your legislator with their email address.
Click on the email address
Ask your legislator to vote no on HB11. Thank you!

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BREAKING NEWS: House Passes Paid Family Medical Leave to Senate

The House passed House Bill 11, which would provide paid family and medical leave, to the Senate on a vote of 38-31 despite overwhelming opposition from businesses throughout the state. Five Democrats joined 26 Republicans in voting "no." Those five are Reps. Miguel Garcia (D-Bernalillo), Wonda Johnson (D-McKinley & San Juan), Patty Lundstrom (D-McKinley), Marian Matthews (D-Bernalillo) and Joseph Sanchez (D-Colfax, Mora, Rio Arriba, San Miguel & Taos).

We will continue to fight against this legislation that is a business and job killer. Stacks of letters were on the desks of Republican members expressing opposition to HB 11. It's clear that businesses don't want this, nor do many employees. In this era of extraordinary inflation yet giant budget surpluses, there is no reason to raise taxes. More coverage on this will be in tonight's Legislative RoundUp.

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Correction: Rep. Miguel Garcia voted "yes" not "no" as earlier reported. Our apologies Rep. Garcia.

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

DUELING BILLS - HOUSE PASSES PFML BILL, AND A LOT OF RED INK, TO THE SENATE



Awash in red ink, the House chose to send a sweeping paid family and medical leave act (known now as the Family Wellness and Welcome Child Act) instead of a more limited and fiscally sound measure to the Senate on a vote of 38-31. House Bill 11, sponsored by Reps. Christine Chandler (D-Los Alamos, Sandoval & Santa Fe) and Linda Serrato (D-Santa Fe) provides six weeks of paid medical leave, funded by new payroll taxes on employees and employers. The measure also provides 12 weeks unpaid leave for childbirth, adoption or fostering plus $9,000 cash to the parent or parents.

Rep. Rebecca Dow (R-Doña Ana, Sierra & Socorro) presented a floor substitute that instead offered six weeks of paid leave plus an optional three weeks (paid for voluntarily by the employee) for childbirth, adoption or fostering. The concept behind the floor substitute is to craft a much more limited program that can be paid for out of existing state revenues, possibly the Early Childhood Trust Fund, requiring no tax increases (or the Legislature can choose to fund the program with other resources). The estimated cost is $19 million. By way of comparison, the Early Childhood Trust fund currently provides $250 million to the Early Childhood Education and Care Department annually, which the department is seeking to increase to $500 million. Obviously, $19 million is a drop in the bucket but perfectly aligns with the mission of the ECEC department, which is to provide services from prenatal to kindergarten. By the way, Dow is one heck of a good debater!



Rep. Rebecca Dow debates amid stacks of letters in opposition to HB 11.

The Welcome Child portion of HB 11 costs $193 million per year, escalated each year by a cost of living adjustment. There is no specified fund to pay for these costs, so the Legislature will have to decide later how to cover them, an unusual situation. Regarding the Family Wellness portion of the bill, in 2029 (the first year after full implementation of the program) the deficit ranges from $42.4 million growing to $227 million by 2031 in the "medium" scenario. Under the "high scenario," the deficit in 2029 is $350 million, growing to $870 million in 2031. Only under the "low" scenario does the fund remain in the black.

The scenarios are based on different assumptions about how many people will participate - high, medium and low amounts. According to the fiscal impact report, "If enacted, New Mexico would be the lowest-income state to implement a PFML program. The lower payroll base could result in the payroll contribution being insufficient to cover the needs of the fund." Here's what would happen to payroll taxes. If the high scenario plays out, t**he tax would go from .2% to .8%, quadrupling the tax rate.** If the medium scenario plays out, the rate would go to . **5%, two and a half times the original rate**. Even under the low scenario, the rate goes to .3%. Also, there's an annual cap of .1% cap on tax increases. So, if raising the tax rate won't cover the costs and keep the fund solvent, then the Legislature would have to bail the fund out. Payroll taxes can't be raised until 2030, so any deficits in 2028 or 2029 would require the Legislature to pony up the bucks, and that's a lot of ponying!

Chandler insists that a shortfall "is never going to happen" and disagrees with these calculations based on other states' experiences. She says before the program goes into effect there will be an actuarial analysis performed. Given that this legislation has been under consideration for at least two years, Rep. Luis Terrazas (R-Catron, Grant & Hidalgo) questioned why an actuarial analysis hasn't already been done so solid numbers could be examined. Terrazas also said he liked Dow's proposal because "it lets us get our toes in the water rather than going head-first." In response to a question from Rep. John Block (R-Otero), Dow revealed that sick leave and other benefits could be stacked against the weeks of leave, bringing it easily up to nine to 12 weeks if a person opts in to the voluntary, employee-paid three week supplement.

We've fought long and hard against this business- and job-killing legislation, and we're not about to give up now. We'll let you know how the battle goes over on the Senate side.

COMPLETE THE ECONOMIC DEVELOPMENT PUZZLE - SITES READY FOR BUILDING



Imagine this conversation: U.S. Megacorp Inc. to New Mexico economic developer, "Hi, I'd like to build a plant here. I'm willing to invest a gazillion dollars, and we'll bring 5,000 jobs. What sites do you have ready to go?" New Mexico economic developer, "Uh, well, let's see...we could have one ready in two or three years."

Senate Bill 169, sponsored by Sen. Michael Padilla (D-Bernalillo), would ensure that conversation never happens. The bill would establish a $24 million fund under the auspices of the Economic Development Department to find and select sites that are prime candidates to become shovel-ready for development. Sites from around the state are eligible for consideration. The sites could be publicly or privately owned and would be selected with the help of a diverse advisory committee.

J. D. Bullington testified in favor of the measure on behalf of the Chamber:

“SB 169 is all about increasing the number of sites ready for business development and reducing the amount of time businesses must wait for their site to be ready for building.

“Right now we have very little inventory for medium- to large-scale commercial, industrial or other uses. And these sites can take anywhere from two to four years or longer to prepare utilities and be 'ready' for development.

“Rather than risk asking the next Netflix or Amazon if they can wait a few years, SB 169 proactively allows New Mexico to create an inventory of strategic economic development sites around the state that will make New Mexico more competitive with other states and attract significant capital investment, tax revenues and jobs.”

Also in support are NAIOP, the N.M. Chamber, N.M. Idea, PNM and the Albuquerque Regional Economic Alliance, which stated that site readiness is a top issue for states across the country. It's estimated that New Mexico is losing 30% or more of prospects because of the lack of building sites. Thirty-six states already have such a program.

Selected sites could be eligible for predevelopment funding, including engineering, site preparation, environmental remediation and housing studies. Predevelopment funding could also include loans or grants for infrastructure extensions such as roadways and utilities.

SB 169 and companion measure SB 170 are very much top priorities for all of us interested in economic development. We'll report on the bill's progress. Its next stop is the Senate floor.

ANTI-HAZING BILL IS MOVING FORWARD



The Senate Education Committee gave a "do-pass" recommendation to Senate Bill 148, sponsored by Sen. Antonio "Moe" Maestas (D-Bernalillo), that puts teeth into laws to stop hazing. The vote was 4-3, and the bill travels to the Senate Judiciary Committee next. J.D. Bullington was on hand to explain the Chamber's position:

"I think we could change the title of this bill to 'Lowering the Boom on Hazing." And, in our view, the time has more than come. In a sense, organizations that employ hazing, especially that leads to great trauma and/or physical harm, are engaging in gang violence. And that needs to be dealt with harshly.

"SB 148 does that through a series of increasing penalties and requiring incidents of hazing to be reported. Moreover, it requires our institutions of higher learning to include prohibitions against hazing in their codes of conduct and communicate hazing policies. Finally, the bill would allow a person subjected to hazing to engage in a civil action for either injury or damages resulting from the hazing. These are all sensible requirements, and we urge you to vote 'yes' on SB 148."

Also appearing in support were the secretary of Higher Education; University of New Mexico student activity center representatives; Jacqueline Vigil, a mother whose son committed suicide as a result of hazing; and William Benjamin, whose son was hazed during the New Mexico State University basketball incident. Appearing in opposition were the Law Office of the Public Defender and the ACLU, which routinely oppose criminal penalties. Some members of the committee also subscribe to the "penalties don't change behavior" school. Don't know about you, but getting grounded by our parents or not getting our allowance certainly caused a behavioral change in a lot of us.

Maestas and his expert witness, Sean Sullivan with the Department of Justice, displayed a deep knowledge of the issue and how to best tackle the problem. This bill mirrors national best practices and would place New Mexico among the vast majority of states that have similar laws. Right now, New Mexico is one of only six states that doesn't have a law. The bill now moves to the Senate Judiciary Committee. We'll keep you posted on its progress.

BILL TARGETS SWATTING, WHICH THREATENS OUR STUDENTS AND OUR COMMUNITIES



Senate Bill 18, introduced by Sen. Craig Brandt, defines and criminalizes swatting, which is knowingly making a false or misleading report of an ongoing emergency or threat of violence to a public safety agency, agency personnel, or to a public safety answering point, with the intent to cause an immediate response from law enforcement and other first responders. This act is classified as a fourth-degree felony under the bill.

The term "swatting" comes from sending a SWAT team to investigate the alleged incident, which is often to harass a neighbor or interrupt a school day. This bill puts swatting on the same plane as making a shooting or bomb threat. The Senate Judiciary Committee gave a unanimous 8-0 "do-pass" recommendation.

Terri Cole, president and CEO of the Chamber, sent the following letter of support to the committee today:

> February 28, 2025
>
> Honorable Senate Judiciary Committee Members:
>
> On behalf of the Greater Albuquerque Chamber of Commerce, I want to register our strong support for SB 18.
> Nothing is more terrifying to a student than to be threatened with violence, especially our youngest and most vulnerable. Swatting is a form of violence and intimidation that can leave lasting emotional scars. For those that commit such crimes, a slap-on-the-wrist misdemeanor is not nearly enough of a consequence for perpetrating violence. SB 18 would bring a meaningful consequence by making swatting a felony. It's what we should do for our children.
>
> According to an analysis by TDR Technology Solutions, the impact of swatting nationwide is tremendous:
>
> - Impact on Schools: Over 2,000 schools experienced swatting incidents in September 2024 alone, leaving students traumatized and disrupting education nationwide.
> - Taxpayer Burden: The annual cost of swatting to taxpayers has soared to $500 million, driven by school disruptions, lost instructional time and mental health impacts - excluding the costs incurred by emergency response and first responders.
>
> Every fake threat diverts resources away from genuine emergencies, putting entire communities at risk. The toll on mental health, especially for students, is immeasurable. These children should feel safe in their schools, not terrified by hoaxes designed to cause chaos.
>
> As you can see, this is a big problem, and a growing problem. SB 18 is an important tool that can help. We urge your support of SB 18. Please vote "yes." Thank you for considering our input.
>
> Sincerely,

Terri Cole, president and CEO
Greater Albuquerque Chamber of Commerce.

There was no support nor opposition to the measure mentioned in the meeting. Brandt has diligently worked on this measure for years, and it's great to see the bill finally move forward. It will next be considered by the Senate Finance Committee. Let's hope this is the year SB 18 sees the top of the governor's desk.

MAKE CLASSROOMS A NO-CELL-PHONE ZONE



The iPhone was first released 17 years ago, on June 29, 2007. The Android phone was introduced just a year later. That means that every single student in school today has never known a world where we don't have instant access to texts, Instagram or a camera.

But the ubiquitous cell phone has become a major problem in classrooms throughout the country. Nearly 30 states have already implemented some type of policy to curtail the distractions that cell phones pose during instructional time. Today Sen. Crystal Brantley (R-Catron, Doña Ana, Grant, Hidalgo, Luna, Sierra and Socorro), presented Senate Bill 11 to the Senate Finance Committee, which approved the measure on a 9-0 vote, sending it to the Senate floor. This bill was combined with a similar bill sponsored by Sen. Moe Maestas (D-Bernalillo) so there is one approach moving forward.

Brantley hopes to obtain funding in this year's budget so the Public Education Department (PED) can reimburse local school districts that voluntarily implement anti-distraction programs that include the use of specialized pouches that educators can "lock" during instruction time. The pouches, which cost about $30 each, provide for emergency access to the phones if necessary. If all 300,000 students statewide receive pouches, it would cost $10 million; however, a pilot program for $1 million or $2 million would be a good start. Development of policies is left to local school districts but must meet minimum requirements prescribed by PED.

The Chamber's lobbyist, J.D. Bullington, stood in support of the bill:

"The Chamber advocates for policies that support teachers, raise student academic performance and support healthy social development of our students. We support this bill because it will align with all those policies that we believe will improve our education system.

"Indeed, we think curtailing cell-phone use in the classroom will help students focus on the blackboard, not on a circuit board. Studies and anecdotal evidence show that classroom cell phone bans lead to better test scores, improved mental health and the improved development of social skills."

Also joining in support were the New Mexico Superintendents Association, the New Mexico School Boards Association, PED, New MexicoKidsCan and the American Federation of Teachers. The teacher's union reported this is the No. 1 issue that teachers complain about and want help with. The representative pointed to the Taos school district as a pioneer in this area.

Former U.S. Education Secretary Miguel Cardona has observed:

"In one study, some 16-year-old students saw their test scores increase after schools banned phones, with most of this change driven by the most disadvantaged and lower-performing

students. Another study showed 10.6%t lower test scores among students who retained their cell phones compared to student groups not interrupted by text messages. A study focusing on girls shows that removing cell phones led to higher grades and an increased likelihood of attending an academic high school. Some parents and students who initially are less supportive of limits support them after seeing the benefits and having a voice in the schools' approach."

We'll let you know how this develops. Check your phone for updates!

HOUSE JUDICIARY NARROWLY ADVANCES MISGUIDED NURSE-TO-PATIENT RATIOS



On Wednesday afternoon, the House Judiciary Committee picked up where it left off on Wednesday with House Bill 72.

The bill, Nursing Staff-To-Patient Ratios, sponsored by Rep. Eleanor Chávez (D-Bernalillo), had public comment Wednesday and was back in the committee for discussion.

The bill directs the Health Care Authority to develop rules to create and enforce minimum nurse-to-patient staffing ratios for hospitals. The authority is authorized to waive staffing requirements for rural general acute care hospitals, while certain exceptions to the staffing ratios are granted. It would also create the staffing advisory committee.

On Wednesday, Chávez presented a committee substitute with definitions to what critical care is, as well as what defines rural. The substitute also includes a committee called the Hospital Network Committee that would be established by each hospital across their network.

Joining the Chamber in opposition were the Gallup-McKinley Chamber of Commerce, Christus Health System, New Mexico Hospital Association, San Juan Regional Medical Center, New Mexico Chamber of Commerce, University of New Mexico Hospital and Sierra Vista Hospital.

Our opposition is based on the severe nursing shortages in the state, which make staffing ratios impractical. The net result is likely to be fewer beds available, not improved care.

With an updated committee substitute on the table, Speaker of the House Rep. Javier Martínez (D-Bernalillo) made a motion for a "do-pass" vote. The motion passed on a vote of 5-4. The bill will now head to the House floor.

HOUSE JUDICIARY GIVES 'DO-PASS' TO BILL THAT LIMITS OIL AND GAS NIMBLENESS



Earlier this evening, the House Judiciary Committee heard House Bill 258 as amended, Natural Gas Venting, Flaring Capture Requirement, sponsored by Rep. Matthew McQueen (D-Sandoval & Santa Fe).

The bill creates new gas-capture requirements for natural gas well operators but provides significant exemptions.

An amendment was made prior to getting to House Judiciary. The amendment included that beginning Jan. 1, 2027, an operator shall ensure at least 98% of the natural gas produced or gathered by the operator's facilities is captured in a calendar year; provided that natural gas shall not be included in the determination of an operator's overall capture percentage if that gas is:

- Released during an emergency,
- Beneficially used by the operator,
- Not suitable for transportation or processing due to nitrogen, hydrogen sulfide or carbon dioxide concentrations.

McQueen said what the bill does is put into statute the core element of the state's existing methane-capture rules. "We already have the rules, and this bill puts them into statute. It doesn't seek to change the rules in any way," he said.

Adrian Gomez, SVP of Policy and Programs of the Greater Albuquerque Chamber of Commerce, testified in opposition to the bill:

"As we read the legislation, this bill codifies what's pretty much in OCD rules already. Chiseling those rules into statute reduces the ability to adapt to changing technology and operating conditions. The industry has been very successful at capturing natural gas, and we have every reason to believe that innovation will continue, as it improves profitability.

"This seems to us to be a solution in search of a problem and potentially puts a heavy regulatory thumb on the scales that should balance regulation versus innovation. This bill's purpose appears to be more of a way to protect existing rules against the possibility of changes by a future administration than it does solving an obvious problem. We urge a 'no' vote on HB 258."

Joining the Chamber in opposition were the New Mexico Oil and Gas Association, Permian Basin Petroleum Association and the Independent Petroleum Association of New Mexico.

A motion was made for a "do-pass" vote, which was approved 7-3. The bill now heads to the House floor.

WITH NO OPPOSITION, DENTIST/ DENTAL HYGIENIST COMPACT GETS A 'DO-PASS'



On Thursday morning, the House Health and Human Services Committee heard House Bill 441, Dentist and Dental Hygienist Interstate Compact, sponsored by Rep. Gail Armstrong (R-Catron, Sierra, Socorro & Valencia).

The bill enters New Mexico into the Dentist and Dental Hygienist Interstate Compact in order to allow out-of-state dentists and hygienists to practice here to improve public access to dental services. The Dental and Dental Hygienist Compact Commission would serve as the national administrative body.

Adrian Gomez, SVP of policy and programs for the Greater Albuquerque Chamber of Commerce, testified in support of the bill, saying:

"The Health Care Authority says HB 441 may help increase the number of dentists and dental hygienists available to patients with Medicaid in New Mexico, improving access to care, especially in underserved areas. This helps make New Mexico competitive.
"The compact ensures that dentists and dental hygienists meet consistent licensure standards across participating states, which could lead to improved quality of care.
"The Chamber is pleased to support this bill as it aims to bring more care to New Mexicans, and we ask you to vote to pass it."

Also testifying in support of the bill were the New Mexico Dental Association, New Mexico Dental Hygienist Association, Choice Health Care Services and New Mexico Board of Nursing.

There was no opposition.

The committee voted 9-0 for a "do pass.". The bill moves on to the House Judiciary Committee.

SIGNING OFF FROM SANTA FE



Ah...the weekend...for the Legislature, not so much. There will be committee and floor sessions in both chambers tomorrow, and at least one committee meeting on Sunday. Ouch. Of high importance tomorrow is a bill sponsored by Sen. Craig Brandt (R-Sandoval) that would expand the number of crimes covered by the state racketeering law. This would be a terrific tool for prosecutors to use against organized crime and gangs engaged in fentanyl (and other drug) trafficking, selling of stolen weapons, human trafficking and sexual exploitation. As former Gov. Bruce King probably would have said, "Have a mighty fine weekend." Thanks for joining us, and we'll be back with you soon.

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Legislative RoundUp

2025 Regular Session | Saturday, March 1, 2025

57th Legislature | Day Thirty-Nine

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

ANTI-OIL AND GAS BILL GETS DERAILED IN HOUSE ENERGY COMMITTEE (YAY!)



We've observed that every time one turns around in this Roundhouse, you find a bill that targets oil and gas. But today, one of those bills was voted down in the House Energy, Environment and Natural Resources Committee. House Bill 481, the Oil and Gas Well Plugging and Abandonment Responsibility, was sponsored and presented this morning by the committee's chairman, Rep. Matthew McQueen (Sandoval & Santa Fe).

After a lengthy discussion with major concerns expressed by several committee members, the panel tabled the bill on a 6-3 vote. Democrat Reps. Nathan Small (D-Doña Ana) and Meredith Dixon (D-Bernalillo) joined with Republicans to stop this bill in its tracks.

So let's talk about what this bill hoped to do. Imagine that your business owns a truck. You use it for a few years. It's a good truck, and it serves you well. At one point, you sell the truck to somebody and move on with new equipment. Years later, the new owner of that truck gets into a serious accident. Imagine government employees knocking on your door to let you know that you are liable for that accident. "But, I had nothing to do with that," you might say. "I sold that truck years ago."

That's the approach HB 481 would take with owners and former owners of oil wells in New Mexico. When it comes time to cap a well and clean up after a well's useful life, it's the responsibility of the current owner. If that owner doesn't comply or is bankrupt or otherwise unable to pay, there is a state remediation fund that the industry funds through a tax levied on them. HB 481 foresaw a system where oil regulators could collect fees from PAST owners of these oil wells. Keep in mind, that well may have gone through several owners. HB 481 contemplated giving state government the ability to collect or sue each of the past owners.

Rep. Mark Murphy (R-Chaves) is in the industry himself. He started his questioning by taking a point of personal privilege and calling out several of the environment groups that provided public testimony on the bill.

“I recognize that everybody is entitled to their own opinion, right? But we're not entitled to making up facts. It was said twice that New Mexico pays for industry's messes,” Murphy said. “Listen to the reclamation bill discussion… the industry pays for this. …if people stand up in this chamber and call my industry looters and polluters, I'm going to take a point of personal order and call them out on that, chairman, because it's offensive, and I've had enough.”

The Chamber was represented by Enrique C. Knell, who opposed the bill and said:

“The oil and gas industry is contributing nearly half of general fund revenues. We are concerned that this bill will have a negative impact by decreasing economic activity with fewer jobs and lower tax revenues for the state. We’re also concerned that retroactive liability places an unfair burden on past owners, some who may have sold their interests years ago. And from an economic development standpoint, the bill will have a chilling effect on investor activity in New Mexico’s oil and gas sector, as investors will fear future liabilities for properties they no longer own or control.”

McQueen made the case that the remediation fund is like uninsured motorist insurance. Basically, we pay more for our insurance to compensate for irresponsible drivers. “So this bill is good for responsible operators, because eventually it will lower their costs. It will lower the rate that we charge for that ‘uninsured motorist insurance’. And that's good for the industry,” he said.

Murphy quickly shot back:

“I’ve gotta go against your logic there a little bit. And the reason being is that we've never, ever seen a tax be reduced or come off this industry. … I would challenge you to ever show me where a tax on the oil and gas industry has actually gone down."

McQueen responded, 'Rep. Murphy, that is a valid point. I appreciate that.”

Murphy wrapped up his questioning with a thought shared by several of the committee's members, “I feel like that this (bill) has taken a sledgehammer to a pretty minor problem.”

Several other members asked pointed questions as well, and that all led to a bipartisan vote to stop this bill in its tracks.

BUSTING ORGANIZED CRIME MEANS EXPANDING NM'S RACKETEERING STATUTE



Senate Bill 70, sponsored by Sen. Craig Brandt (R-Sandoval), received a "do-pass" recommendation from the Senate Judiciary Committee today. The bill goes next to the Senate Finance Committee.

The Chamber strongly supports this legislation, as J.D. Bullington explained in his testimony:

"SB 70 is aimed at dealing with heinous crimes committed by organized groups. These criminal enterprises need to be stopped in their tracks. That’s why the Chamber supports SB 70, which would expand the state’s Racketeering Act to include such heinous crimes as sexual exploitation of children, threats to our law enforcement officers and threats to some of our communities’ most

vulnerable with human trafficking.

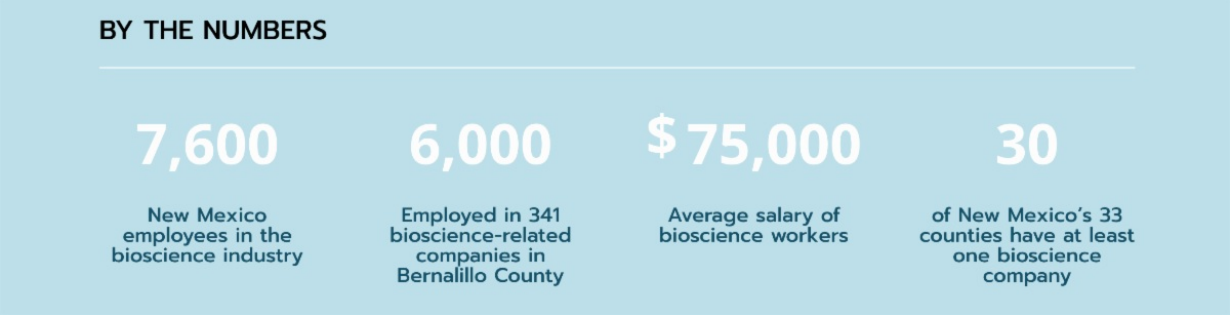
"The bill would also target the leaders of such enterprises, specifically making it a crime to solicit or coerce another person, including a minor, into being a member of or working with their criminal enterprise, as well as financing or supervising racketeering activity. SB 70 offers those in our legal system a better tool by casting a wider net over criminal gangs."

Bullington added that *"we know that human trafficking is a growing problem, largely because organized crime is involved - preying on women and children. Racketeering statutes are designed to go after just these kinds of organizations, but New Mexico's statute does not now encompass so many heinous crimes. That's why we need SB 70 to pass."*

A representative from the New Mexico Department of Public Safety also spoke in support. There was no opposition.

The bill was amended to remove some less-horrible crimes or crimes that are likely covered by other laws - for example, breaking out of prison or jail. The amendments were acceptable to Brandt, who's been working on the legislation for quite some time. This really is an important tool to give law enforcement and prosecutors, and it deserves to hit the governor's desk.

SENATE FINANCE APPROVES BIOSCIENCE INVESTMENT, SENDS IT ON TO SENATE FLOOR



The Senate Finance Committee today took up Senate Bill 119, Investment in BioScience Companies, sponsored by Sens. George Muñoz (D-Cibola, McKinley & San Juan) and Martin Hickey (D-Bernalillo).

SB 119 increases investment capital available for New Mexico-based bioscience and biotech firms by adding the Bioscience Authority to the current group of existing funds and investors assessing and making investments in N.M. companies. This industry is fast-growing and has enormous economic impact. New Mexico has 7,600 people employed in the bioscience industry with an average salary of $75,000. Geographically, 30 of New Mexico's 33 counties have at least one bioscience company, with 341 of them in Bernalillo County.

J.D. Bullington represented the Chamber and said, "We want to ensure that New Mexico gains a larger share of this very lucrative industry with good, high-paying jobs. The bioscience industry is responsible for major medical advancements and technology, everything from modern lab equipment to new, highly effective medications and cures for a range of diseases."

While the state has other investment and venture capital funds, none are dedicated solely to attracting and growing bioscience investments. This sector is highly competitive and requires dedicated attention.

We need to get into this game in a much bigger way, and SB 119 is a good start. The bill passed Senate Finance on an 8-2 vote and has been through two committees now (Senate Judiciary was first). It heads to the Senate floor next.

BIPARTISAN PLAN WOULD SET UP A MEDICAID PIGGY BANK, HELP ATTRACT DOCTORS



About 50% of New Mexicans rely on Medicaid to receive health care services. The problem? Doctors lose money by providing treatment to Medicaid patients, despite the Legislature's efforts to bolster reimbursement rates. It's a key reason doctors choose not to practice here. Enter Senate Bill 88, sponsored by a bipartisan all-star line-up of senators: George Muñoz (Senate Finance Chair); Bill Sharer (Senate Minority Leader); Liz Stefanics (Chair, Senate Conservation Committee) and Pat Woods (Senate Minority Whip). The main purpose of the bill is to build a trust or permanent fund (as has been done to meet other financial needs). The fund will ensure that despite potential federal budget reductions or volatile economic times, Medicaid spending can be sustained in order to keep doctors and other health care professions in our state. The Senate Finance Committee sent the bill to the Senate floor on an 11-0 vote.

The Chamber stood in support of this measure, with J.D. Bullington providing this testimony:

"This bill does a lot of things, which are all aimed at ensuring the state can sustain the Medicaid program whether there are reductions in federal matches or through expanded usage or levels of care. As we know, the costs of Medicaid have grown exponentially to the point where it places the second-largest demand on the general fund, just below public education. In brief, the bill:

- *Creates a new Medicaid trust fund, which would be seeded with a $300 million appropriation from the general fund.*
- *Receives revenues from state agency reversions, unexpended/unencumbered balances from prior year general appropriation acts, and interest earnings on state treasury balances, until the fund reaches $2 billion.*
- *Receives all reversions from capital outlay appropriations made between 2021 and 2024.*
- *Distributes money annually to gain federal matching funds after the trust fund reaches $500 million.*

"This bill addresses what is likely to be a critical need, and we ask for a favorable vote."

The bill also contains a "trigger" that allows the Legislature to appropriate money in the case of significant funding reductions in the future.

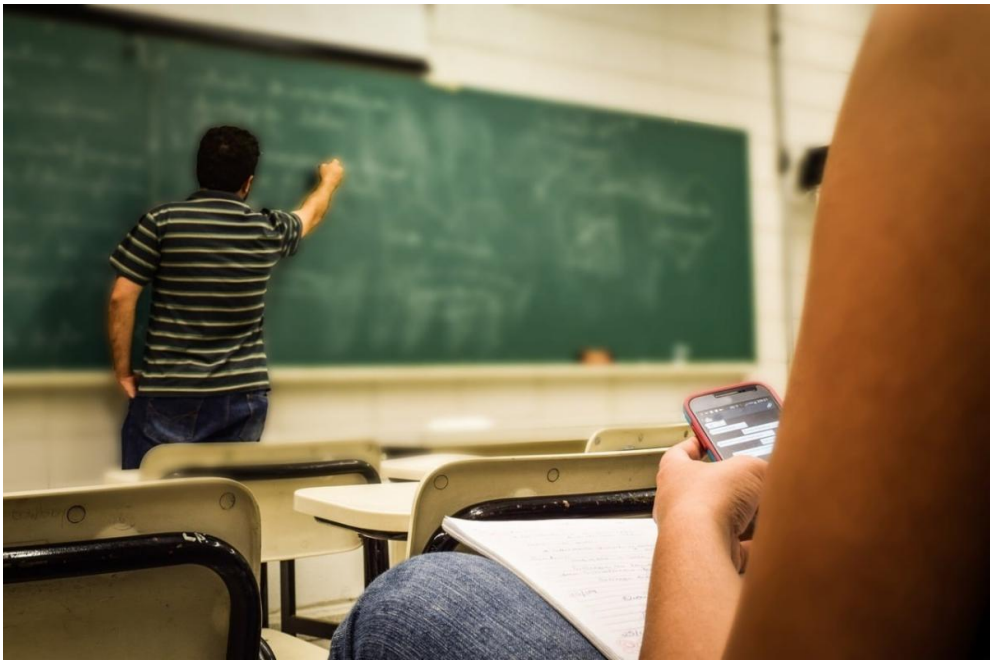
According to Fred Nathan, executive director of *Think New Mexico* (a prime mover behind the bill), "the trust fund will generate $100 million a year for the state's share of the Medicaid program. Every one of those state dollars is matched by $3 in federal funding, meaning that this fund will ultimately generate $400 million annually, making it an extremely valuable long-term return on investment for all New Mexicans!" Nathan pointed out that we're the only state to have lost doctors, while thousands of newly trained doctors are choosing to practice elsewhere.

Dr. Michael Richards with UNM Health Sciences made this poignant statement, "Where we go with Medicaid is where we will go with health care in New Mexico." Richards points out that Medicaid funding supports training for medical students, and New Mexico will soon have the largest training program in the nation. However, these soon-to-be doctors won't be attracted to stay here unless barriers are removed.

Annie Jung, executive director of the New Mexico Medical Society, added that “the stability of long-term funding is crucial to accessing care. Removing barriers means an enhanced ability to recruit and retain doctors. The benefits all roll downhill, ultimately to patients."

Other key barriers to be addressed include removing GRT on medical bills and addressing the really out of whack, high levels of medical malpractice insurance rates. There are other bills in process to address these issues. Quality health care is not only deserved by all New Mexicans, but it's also vital to making our state economically competitive. It's a big part of quality of life - no one wants to move to a place where they can't get a doctor's appointment. We'll keep you informed of the progress of all these bills.

SCHOOL CELL PHONE BAN DEBATED, AND PASSED, ON THE SENATE FLOOR



Senate Bill 11, Anti-Distraction Policy in Schools, hit the Senate floor Saturday evening and saw a healthy discussion about trying to minimize the distraction that cell phones have become in New Mexico's classrooms.

We've told you before about two separate bills that address those pesky and ubiquitous cell phones and efforts to address school policies on a statewide level. Both Sens. Crystal Brantley (R-Catron, Doña Ana, Grant, Hidalgo, Luna, Sierra & Socorro) and Antonio "Moe" Maestas (D-Bernalillo) had similar bills with the same goal. They teamed up and presented a unified bill to the Senate today.

Several senators, including William Soules (D-Doña Ana), Shannon Pinto (D-McKinley & San Juan), President Pro Tempore Mimi Stewart (D-Bernalillo), Antoinette Sedillo Lopez (D-Bernalillo) and Nicole Tobiassen (R-Bernalillo), expressed concerns about not giving local school districts flexibility in their "distracted learning" policies. Pinto and Tobiassen also expressed concerns about the lack of training for school board members, school administrators and students while saddling them with new requirements.

Sen. George Muñoz (D-Cibola, McKinley & San Juan) was worried about students not having access to their phones in case of an emergency, especially a catastrophic schoolwide emergency like an active shooter. He pointed out that many times, in those instances, it's students who are calling 911 and giving law enforcement critical information, like where the suspect is moving within school buildings.

Brantley and Maestas went back and forth fielding questions and answering concerns, including the fact that most school districts probably have cell phone policies already.

Maestas said, "We've had 15 years of struggling with these issues. We want to find out best practices so that our kids are listening to instruction and not being distracted."

Brantley said this bill will help with mental health issues and is a part of efforts to improve academic performance.

Stewart said there was a "one-word problem with this bill" and one of her fellow educator senators was coming with an amendment to fix it.

Soules presented his amendment, which, in amendment parlance: On page 2 line 2 replaced the word "shall" with "may". He said that one-word change would preserve local control. The bill would still require schools to adopt a local policy but give them flexibility on what that policy is.

After Brantley deemed the amendment "friendly," meaning she agreed with it and didn't object, the amendment was passed.

Sen. Michael Padilla (D-Bernalillo) made a point that probably resonates with many business

owners:

“I support this bill,” he said. “It’s going to extend into our work areas. And I will tell you, I really wish I could have policies like this where I could tell my people in my business, turn those things off for the period of time that you're working. It would reduce liability, it would improve quality of service, any number of things. And so the reason I support it is because it's going to start to condition our children when they go out into the world that this is what you do when you're in a setting where you don't need to be having your cell phone glued to your ear or your face.”

And with that, the bill passed 29-8 and now crosses over to the other side: the House.

You read this story on your cell phone, didn’t you? Don’t worry, we won’t tell. But we WILL let you know what happens on this bill next.

AROUND THE ROUNDHOUSE

Let's Make a Deal!



For many of us, it's a decades-old game show. For others, it carries a slightly negative connotation. Yet, "deals" are made every day - bargaining to purchase a car is perhaps one of the bigger deals we make. Businesses make deals every day. For a deal to be a good deal, all parties to the transaction have to benefit. Bad deals are when one or more of the folks is disadvantaged.

And so it is in the Legislature. Deals are often made. Take the budget bill, for example: The House comes up with its version, and the Senate has things it wants. Bargains, deals, whatever you want to call them, happen. It's good, old-fashioned horse-trading until agreement is achieved. Sometimes a governor, any governor, might threaten to veto some piece of legislation unless another piece of legislation gets to the governor's desk. Much of this bargaining goes on behind closed doors, and people guard the details closely.

As the old adage goes, "If you love the law and sausage, you should watch neither being made." It's true, and it's been going on since our nation was founded. The U.S. Constitution is a "deal" made to accommodate the different wants and needs of diverse regions. Without the "deal," all the states would not have voted for the Constitution, and we wouldn't have the nation we have today, even though some of the deals weren't particularly good and had to be unwound over time.

So, next time you hear a "deal was cut," put that information in context. Did it advance the public interest? Is it good public policy? Did all the competing interests come away with something they wanted? In other words, was it a good deal? So, do you want what's behind curtain number one, number two or number three?

SIGNING OFF FROM SANTA FE



Today actually turned out to be kind of a big deal. First, a totally punitive and, may we say, ridiculous anti-oil and gas bill was shot down in committee. Finally, someone said, enough is enough. Next, two very significant bills moved forward, the racketeering and Medicaid Trust fund measures. Not bad for a Saturday. Only the Senate Health and Public Affairs Committee is meeting tomorrow. Action will resume in full swing Monday, which is when we'll be back with the next Legislative RoundUp. Today is national domestic pig day and national "dadgum that's good" day (meaning good food), which, of course, brings us back to pigs and bacon. We hope the rest of your weekend is dadgum good, and we'll see you Monday.

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Legislative RoundUp

2025 Regular Session | Sunday, March 2, 2025

57th Legislature | Day Forty

BREAKING NEWS
March 2, 2025

BREAKING NEWS: Action Needed! Stop a Half-Billion Dollar Tax Increase

Good evening, Chamber members. Tomorrow the House Tax and Revenue committee will consider HB 548. **This bill will increase oil taxes by half a billion dollars** and drive energy production to neighboring states. With the cash the Legislature has on hand, no tax on anyone is necessary or justified! Please join us in asking legislators on that committee to vote "no." Our partner, Missi Currier, the president of the New Mexico Oil and Gas Association, has asked us to send this message to you for help. Please let the committee know this is a bad idea. This alert system will send your message to them efficiently and fast. Thanks so much!

Terri Cole, president and CEO
Del Esparza, chairman of the board.

New Mexico's economic future is at risk.
Right now, lawmakers are considering HB548 - legislation that would make the state even more reliant on the oil and gas industry and decrease our opportunity to diversify the state's economy. This isn't just another bill; it's a direct threat to:

- · Thousands of New Mexico jobs.
- · The revenue that funds our schools and health care.
- · Affordable energy for families and businesses.
- · Economic growth in our communities.

This bill will make the state even more dependent on oil and gas production and risk further diversifying our economy. If passed, this new tax will drive energy production to neighboring states like Texas and Oklahoma, where the regulatory environment is more favorable. We'll lose jobs but still face higher energy costs.
Your voice can make the difference.

It takes just 60 seconds to send a message to your representative using our easy online tool. We've made it simple - just click the button below, and you'll be able to send a pre-written message (which you can customize) directly to your lawmaker.

TAKE ACTION NOW

The oil and gas industry contributes over $7.4 billion to New Mexico's economy and funds about 49% of our state's budget. This new tax puts that revenue at risk - revenue our communities desperately need.

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GREATER ALBUQUERQUE CHAMBER OF COMMERCE

Legislative RoundUp

2025 Regular Session | Monday, March 3, 2025

57th Legislature | Day Forty-One

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

HUGE OIL TAX INCREASE TEMPORARILY TABLED AS IT AWAITS TAX PACKAGE



This morning, the House Taxation and Revenue Committee, without objection, temporarily tabled House Bill 548, sponsored by Reps. Nathan Small (D-Doña Ana) and Meredith Dixon (D-Bernalillo). What this means in practical terms is that some form of HB 548 will be rolled into the overall tax package. Small alluded a few times to perhaps a midpoint wherein the gas tax rate would come down a little and the oil tax rate will increase a little. Well, that depends on what "a little" means. One thing is for sure - the oil tax rate will go up a lot more than the gas rate will come down in order to generate more spending money for the Legislature.

For now, however, this late-introduced bill (it was introduced right at the bill introduction deadline) seeks to impose a 27% tax increase on every barrel of oil produced on state lands, which would raise nearly a half a billion dollars in new state revenues. The new revenues would go to the general fund for more spending on state programs and projects, as if OVER THREE BILLION DOLLARS in new state revenue this year weren't enough. As you can tell, we're not really keen on this idea.

Tons of Opposition

Terri Cole, president and CEO of the Chamber, stated our opposition to the bill:

"We have just one simple question: Why? Next fiscal year's general fund revenue is estimated at $13.6 billion - nearly three billion higher than the HB 2 budget of $10.8 billion, which contains a 6% spending increase. This is more than enough money - no one in the state should receive a tax increase. No one.

"What we learned from history is that the gas rate was hiked temporarily because of a gigantic federal tax credit that disappeared over 20 years ago. If we want to equalize the rates,

we should lower the gas rate. It's too high. This would be a great benefit to production in the San Juan basin - an area especially hard hit by the closure of a power plant and a coal mine. Raising taxes, even though hidden, ultimately flows down to consumers - consumers already reeling from inflation's sticker shock. Please vote 'no'. "

Joining in opposition are the New Mexico Business Coalition, the Rio Grande Foundation, Manzano Company (small oil producer from Roswell), Economic Development Commission of Lea County, the Independent Petroleum Producers Association, the New Mexico Chamber of Commerce, New Mexico Idea (economic developer association), the Permian Basin Petroleum Association and the New Mexico Oil and Gas Association (NMOGA).

Punishment to an 'Out-of-Favor Industry'

That's how the New Mexico Oil and Gas Association continues to characterize HB 548. For this reference, later in committee discussion, Speaker Javier Martinez (D-Bernalillo), a committee member, chastised NMOGA. In a veiled threat, the speaker said that oil and gas isn't an out-of-favor industry because if they were, they wouldn't be here. He did go on to say that we are blessed to have what we have in the state. NMOGA made it absolutely clear this would change oil field economics (and not in a good way), making it less attractive for investment and decreasing production and jobs. In fact, marginal production would likely shut down, lowering state revenues. This viewpoint was widely shared by all those in opposition. The only organized support for the bill came from the Sierra Club.

Keep Hitting the Piñata, but at Some Point, There's No More Candy

That was Rep. Jon Henry's (R-Eddy, Chaves and Otero) analogy for what's happening to the oil industry in New Mexico. Whether this bill is the straw that breaks the camel's back or it's the next tax or level of regulation, at some point, there's no more candy. As a local government official for many years, he's seen the booms and busts and knows how devastating to a community it is to have a downturn in oil production. Small continues to assert, however, that New Mexico's oil is so valuable and that production has increased so much, he's doubtful this tax increase will affect production at all.

Why?

Both Reps. Rod Montoya (R-San Juan) and Mark Duncan (R-San Juan) repeatedly asked why? Raising taxes has to be for a purpose. Small said that there is great concern of potential federal budget cuts, which he says could hit the New Mexico budget for $1 billion. He also talked about the need to improve "affordability" for New Mexicans for things such as health care. Montoya pointed out that we should not be raising taxes for a possibility. If the federal cuts are made, the governor has already said she'll call a special session to deal with it.

In the meantime, this proposal could receive interim committee study, giving all parties a chance to participate and explore whether this is the best option for a tax increase should one become necessary. Better yet, why not some interim study to size up the potential federal cuts and develop a comprehensive plan that would include curtailing spending or tapping some of the permanent funds before we get to raising taxes? Does the Early Childhood Education and Care Department really need more than an $11 billion trust fund? There are a lot of trade-offs to consider - taxing New Mexicans more should be last on the list of things to do.

Montoya also reaffirmed testimony from the Independent Petroleum Producers that the number of small companies in New Mexico has decreased from 518 in 2017 to 414 in 2023. These are the companies that are community builders, supporting local clubs and organizations. Losing them is more than just losing jobs and tax revenues. He pointed out that just a 3% decline in production would cost the state $350 million in lost revenue.

Hell Bent on a Tax Increase

You might have heard that expression all your life and have wondered, what exactly does that mean? According to Collins Dictionary, it means that, "you are emphasizing that they (people) are determined to do it, even if this causes problems or difficulties for other people." You may remember last week that we wrote about good deals and bad deals. This bill is a bad deal because all the parties to the transaction weren't consulted or involved and some parties (namely state government) get all the benefits at the expense of others. Nevertheless, expect to see this bad deal get rolled into the overall tax package, which will be similar to a piñata full of candy, making it hard to vote against. As Gov. Bruce King might have said, "We're just going to have to see where all this broken glass lands." Yep.

A BAD IDEA ADVANCES: APPOINTED STATE BOARD OF EDUCATION GETS A ‘DO-PASS’



Today the Senate Rules Committee heard Senate Joint Resolution (SJR) 15, a constitutional amendment to create an appointed state board of education that would, in turn, appoint a state superintendent of public education. The superintendent of public instruction as the head of the Public Education Department would set policy for public schools as provided by law. The elected Public Education Commission would continue to serve as the chartering authority for state-authorized charter schools.

Terri Cole, president and CEO of the Greater Albuquerque Chamber of Commerce, testified in opposition of SJR 15:

“It is problematic that this legislation gives no indication of who the board members would, could be, or the mechanism by which they'd be appointed. It's a heart-of-the-matter issue. So far this session, we've heard proposals for a 15-member partially elected board, an 11-member board, a fully elected 10-member board, and now this nine-member appointed, in what looks like an undetermined way.

“Some would keep the PEC, some would scrap. Changing the governance of public education is just too important an issue to be handled this way. The parameters on who could serve as superintendent under this proposal, we think, are just too restrictive. It wouldn't be hard to think of any number of great people who could do this job but wouldn't be able to because of the restrictions.

“Finally, the number of adult decision-makers is not driving students’ unacceptably low-academic performance in New Mexico. This resolution is not going to fix what's broken. Let's not advance a so-called solution that hasn't worked before and won't again.

“Thank you very much madam chair members of the committee.”

Joining the Chamber in opposition were NewMexicoKidsCan!, Public Charter Schools of New Mexico, Teach Plus+ New Mexico, the League of Women Voters and the New Mexico Public Education Department.

Gregory Frostad, assistant secretary of education at the Public Education Department, said there is no body of research to support that having a state board would be a better system of governance. “I also wanted to mention that you're likely to hear that this will increase the stability of the secretary or the superintendent, because prior to this, prior to 2003, we had long-term stability in those positions,” Frostad said. “That is not specific to New Mexico. That is a national trend. In 2008, the tenure for a chief state school officer was six years nationally. In just seven years that was cut in half to just about three years and has continued to decline. There's no guarantee that going to a State Board of Education would increase stability.”

Sen. William Soules (D-Doña Ana) said he came up with a different way of doing a state board of education that might be considered a “board of stakeholders.” “What the vision would be is the PEC would stay as it is, they would still oversee charters. But the state board would consist of nine members all appointed from the various stakeholders – one from the Senate, one from the House, one from the minority in the Legislature, one from the governor, one from the school

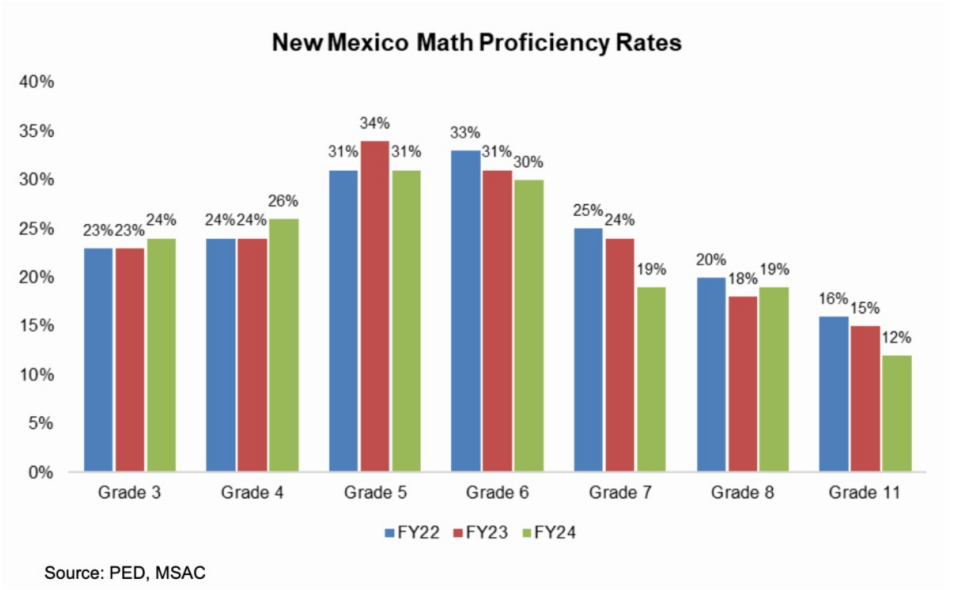
board association, one from the unions, one from the superintendent association, one from tribal nations and one from the charter schools," Soules said. "What that would do is it would take away what has become the culture wars in school board elections where people who really aren't interested in high-quality public education but are more interested in their particular ideology, whether it be left or right, but would now have the board run by people who are deeply invested in and care about education, and are appointed by those other groups that care and are deeply invested in education."

Sen. Crystal Brantley (R-Catron, Doña Ana, Grant, Hidalgo, Luna, Sierra & Socorro) said she wanted to see the education system de-politicized. "It was noted that under Gov. Richardson, he had one PED secretary. And so there was continuity there. And under Martinez, there were two for a long time. And now under the current administration, we had seven secretaries, if you count the interims. And so it just seems that this is a leadership problem and not a systems problem," Brantley said. Brantley pointed out that under the current system there is one person to hold accountable in the form of the PED secretary. She's concerned that between the board and the superintendent that accountability will be diffused and fragmented.

After much discussion. Sen. Elizabeth "Liz" Stefanics (D-San Miguel, Santa Fe, Torrance & Valencia) made a motion to table the bill, but that motion was voted down 5-3.

The bill then passed on a 5-3 vote, and it will next head to Senate Education.

SB 235 - SCHOOL MATH CHANGES ADD UP AND ARE HEADED TO THE SENATE FLOOR



The Senate Health and Public Affairs Committee worked through Sunday supper and took up a bill by career educator and Senate Education Chair Bill Soules (D-Doña Ana).

His Senate Bill 235 School Math Changes establishes a framework for math education and professional development for teachers. Improving reading education seems to get a lot of attention, and math is sometimes left out of the equation. This bill is an effort to strengthen math education as well.

"As we all know, after the Martinez-Yazzie lawsuit, there's been a large focus on reading and instruction in that area," Soules told the committee. "Though when Judge Singleton came down with the ruling, math was actually a larger concern. (But) we've kind of put off the math side of all of that as we put in the science of reading. And now it's time that we start focusing in education on the changes that we need in math."

Enrique C. Knell laid out the Chamber's view in support of the bill:

"LESC figures show that only 24% of third-graders were math proficient in 2024. By the 11th grade, that drops to a frightening 12%. Those numbers don't add up to long-term success for our students. But we can turn that around and give our kids better outcomes. We believe every New Mexico child can learn, and SB 235 will ensure our schools and teachers have the tools they need to help all children learn math."

Beginning in the 2026-2027 school year, Soules' proposal requires public schools to use a PED-approved early numeracy screener to assess students' math performance prior to completion of

the second grade. If a student in kindergarten through fifth grade is identified as having trouble with math, SB 235 requires schools to provide that student with appropriate interventions and written notice to the parents within 15 days of the administration of the early numeracy screener. The bill defines “math difficulty” as a student’s inability to perform at grade level when learning or applying mathematical concepts.

SB 235 requires PED to establish a mathematics instructional leadership framework providing standards for mathematical content, instruction, ongoing professional learning, mathematics coaching and program evaluation. PED would also be required to determine minimum course requirements for licensure for prekindergarten through third grade, kindergarten through eighth grade, fifth through ninth grade, special education, and alternative licensure.

When you put this together with other bill that will institute the “Science of Reading” in our classrooms, we’re starting to have a cohesive strategy that we hope will pay dividends sooner rather than later. We need to help our students succeed. This is the way.

SB 235 passed the committee 6-3. Next stop: Senate floor.

BILL ALLOWING RENT CONTROL, WHICH WILL HURT HOUSING SUPPLY, ADVANCES



Senators sparred on Sunday over a bill that could violate private property rights while instituting price controls on rental properties. Senate Bill 216, sponsored by Sen. Linda M. López (D-Bernalillo), removes the prohibition on rent control in New Mexico. The bill itself does not enact rent control but allows local political subdivisions or home rule municipalities to discuss and potentially enact ordinances or resolutions that control rental rates for privately owned rental properties. The existing prohibition on rent control was established in 1991. The sponsor says she wants to repeal that prohibition to allow New Mexicans to consider rent control as a tool to address local housing crises.

Enrique C. Knell spoke in opposition to the bill on behalf of the Greater Albuquerque Chamber of Commerce:

“New Mexicans need and deserve affordable housing. However, we do not feel that rent control is the solution. Freezing rents will stop new development at a time we most need it. And that ripple effect will kill local construction jobs and severely hamper economic development efforts. The only real solution for our current housing shortage is to build more units for people to live in. In other words, we need more housing, not more regulations. Things like streamlined permitting, zoning reform and incentives will help lower rents.”

Rep. Cynthia Nava (D-Bernalillo) worked for the federal Housing and Urban Development Department. She explained that she grew up in apartment homes her entire life and understands the challenges of paying rent. However, she sees both sides. “We know that there is a lot of research out there that studies and examines the impacts of rent control, which, yes, folks have been correct. It lowers supply of rental accommodation. It provides also less new rental housing construction. And sometimes there is a fall in the quality of rental housing as well. So I see both sides of this coin.”

Sen. Larry Scott (R-Chaves, Eddy, & Lea) pointed out that the committee had just spent at least an hour discussing other bills that sought to spur housing supply, “Sen. Nava was right on target: rent control will reduce the amount of available housing… it will reduce the supply, and we just spent the last hour, trying to figure out how to increase the supply.”

Both Scott and Sen. Jay Block (R-Bernalillo & Sandoval) said they found themselves conflicted. While they oppose rent control, they both explained they are big advocates for local control.

Scott summed it up, “As public policy, this is a terrible idea. From a local control standpoint, it's a great idea. But we don't want this (rent control) to happen.”

Sen. Angel Charley (D-Bernalillo, Cibola, McKinley, Socorro & Valencia) thanked the sponsor for her bill, saying, “When all of the opposition is the system, I know you're doing something right.” Charley was referring to the individuals who testified against the bill, including the Apartment Association, the N.M. Association of Realtors, the Associated General Contractors, NAIOP and the Greater Albuquerque Chamber Of Commerce. Scott retorted, “Without the system, nobody has a place to live. Madam Chair, I came down on the side of private property rights, which is the ultimate expression of local control.”

The bill ultimately passed on a 6-3 party-line vote and heads next to the Senate Judiciary Committee.

TRADE PORT DEVELOPMENT SENT TO SENATE

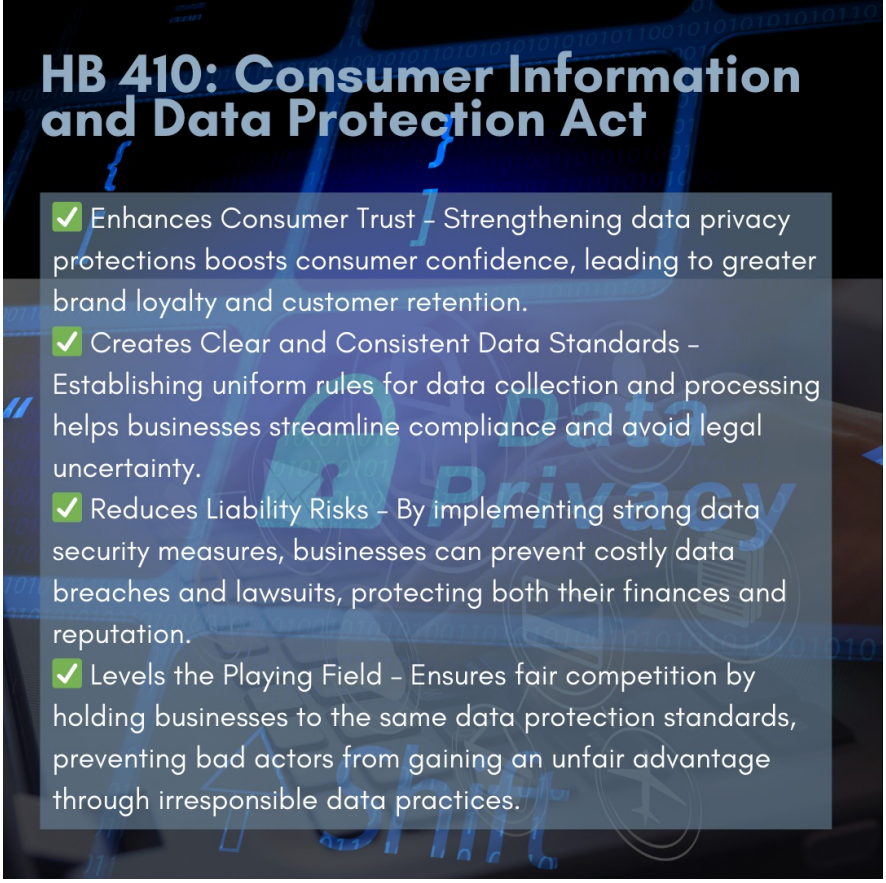


By a wide margin of 56-4, the House sent Rep. Patty Lundstrom's (D-McKinley) House Bill 19 to the Senate today. The Chamber has supported the bill all along the way to the House floor. Lundstrom's forward thinking would provide the funding and coordination for building inland ports of entry to facilitate trade, improve infrastructure and create more jobs. She wants New Mexico to be more than a "bridge state," in other words more than just an overnight stopping place for rail, truck and aviation traffic. She foresees trade ports as a place where business is conducted, much like what is happening in Santa Teresa, for example.

Containing $90 million in the budget bill, HB 19 would stimulate the development of integrated business plans that would surface viable projects for approval and leverage not only the money in this bill but other state funds. For example, part of a project may call for wastewater treatment improvements that might find funding support from the Environment Department. While Lundstrom's primary interest is in Gallup, where 7,000 trucks pass daily, she pointed to other areas of the state that might also benefit, such as Bernalillo County, Carlsbad and Farmington. The Chamber has been working with Bernalillo County on the Interstate 40 Inland Trade Port for some time, and the county's economic development experts have amassed close to $40 million in funding for the project.

Though all these would be public projects, ultimately belonging to a government entity, some could be developed through public-private partnerships. Lundstrom is an economic developer by trade, and her expertise and experience are obvious in this progressive idea.

PROTECTING CONSUMER DATA GETS A UNANIMOUS GREEN LIGHT TO PROCEED



Rep. Linda Serrato (D-Santa Fe) was back before the House Commerce & Economic Development Committee today, presenting House Bill 410, Consumer Info & Data Protection Act. Serrato had altered the bill to address concerns highlighted the last time the bill was heard in this committee.

HB 410 prohibits businesses that conduct operations in New Mexico or offer products and services targeted to residents from providing employees or contractors access to consumer health data unless that individual is contractually or statutorily obligated to confidentiality. The bill restricts businesses from providing a processor (an entity that processes personal data on behalf of a business) with access to consumer health data and from selling or offering to sell the consumer's health data without first obtaining the consumer's consent.

Enrique C. Knell shared the Chamber's support for the measure:

"All of us would agree that our health data is among the most personal and private information there is. Strong data privacy protections protect consumers and boost their confidence that they are dealing with a responsible business. Establishing uniform rules for data collection and processing will help businesses streamline compliance and avoid legal uncertainty. Also, data security measures can prevent costly data breaches and lawsuits. Having the same data standards weeds out the bad actors and limits gaining competitive advantage through irresponsible data practices."

The bill was adopted on a 9-0 vote and proceeds next to the House Judiciary Committee.

GOOD IDEAS SOMETIMES DIE: ALTERNATE FAMILY LEAVE BILL TABLED IN COMMITTEE



Rep. Rebecca Dow (R-Doña Ana, Sierra & Socorro) presented House Bill 446, Parental Leave and Fund, before the House Health and Human Services Committee this morning. If you recall, she previously presented this bill as a floor substitute to the onerous HB 11, Family Wellness and Welcome Child Act, that is awash in red ink.

Dow's version is a much more limited — some may say more reasonable — program that can be paid for out of existing state revenues, including the Early Childhood Education and Care Trust fund. It requires NO payroll tax increases and has an estimated cost of $19 million. The costlier bill comes with a first-year price tag north of $193 million plus over $200 million in payroll taxes that are likely to increase in the future. A $19 million investment in parental leave from the ECEC Trust fund perfectly aligns with the mission of the ECECD, which is to provide services from prenatal to kindergarten.

J.D. Bullington spoke in support on behalf of the Chamber:

"The subject of paid family leave has received a lot of attention and debate, with the House recently passing HB 11. Unfortunately, that bill is a bridge too far for us to support because of our concerns about new taxation and uncertain fiscal soundness. In contrast, HB 446 is more limited in scope, allowing us to get more experience, before expanding to a larger program. Its cost is a modest $19 million per year, funded from the soon-to-be $11 billion Early Childhood Trust fund if the Legislature chooses to appropriate it in that manner. This bill avoids a tax increase and fiscal uncertainty. It provides paid parental leave of six weeks, with the option of a parent purchasing an additional three weeks. This is a proposal that the business community would enthusiastically support and should be moved ahead. We encourage a 'yes' vote."

Several advocates opposed the bill, including the executive director of Equality NM. He said he opposes the legislation because he "can't support a leave schedule where any new child supersedes the need for spending time with a dying loved one or caring for a trans-family member after gender-affirming surgery which, by the way, takes more than six weeks to recover from… (This) is an inherently inequitable approach to protecting workers."

The National Organization of Women, the Women's Institute and the ACLU also opposed this parental leave plan.

Jim Copeland, the Executive Director of the Association of Developmental Disabilities Community Providers, stood in support of Dow's legislation. Copeland said that the employer contribution in HB 11 is a "premium or a tax" that would be an unfunded mandate for contracted providers who provide services to more than 8,000 disabled New Mexicans. He asked for the panel to support and vote for HB 446 as a more fiscally responsible alternative.

Freshman Rep. Nicole Chavez (R-Bernalillo) said this would help her daughter, who is expecting her first child in April. But she worries about the effect of HB 11 on New Mexico's economy. "Most of our businesses in this state are small-business owners. They will not be able to afford continuing to keep their doors open if the bigger bill passes. However, today we are talking about this wonderful bill (HB 446). It's going to help new parents that need the help that can bond with their children and be able to take that leave with pay. So thank you so much for bringing this forward, Rep. Dow."

Dow said, "I cannot believe that the National Organization of Women is opposing paid maternity and paternity leave at the birth of a child, the adoption of the child, and for fostering. I cannot believe that the Women's Institute and ACLU are opposing paid leave for families at the birth of a child, the adoption of a child, and fostering. Apparently, advocacy groups oppose this bill. No one else does. And apparently, people who are not willing to compromise oppose this bill. No one else does. I hear the word compromise all the time. This is good for families. It's good for New Mexico. It's fiscally responsible. We have the funds for it. This is a win-win. The people who support it want to support their employees, they want to support their families, and they want their businesses to thrive. The Chamber agrees with Rep. Dow, the disability community and several of the members of the panel that this bill is a reasonable compromise that business

owners, employees and families can support."

But, good ideas all too often die in committee in the Legislature. And that's what happened here. The bill came to an unceremonious end on a vote to table that narrowly succeeded, 5-4.

INTERSTATE TEACHER MOBILITY COMPACT GETS NO OPPOSITION, GOES TO JUDICIARY



On Monday morning, the House Education Committee heard House Bill 110, Interstate Teacher Mobility Compact, sponsored by Rep. Debra M. Sariñana (D-Bernalillo), though Rep. Joy Garratt (D-Bernalillo) stepped in for Sariñana to present the bill.

HB 110 would enter New Mexico into the Interstate Teacher Mobility Compact, which allows teachers with an eligible license from a compact member state to be granted an equivalent license in another compact member state. License recipients would be required to meet New Mexico licensure requirements when they renew or advance. It also aids military members and their spouses, as it streamlines the process for educators to obtain teaching credentials when moving between states.

Adrian Gomez from the Greater Albuquerque Chamber of Commerce said the Chamber supports this bill because it would get "qualified teachers to fill (teaching) vacancies and (would have) positive effects on student achievement. It would keep New Mexico competitive – and is a real way to do so." Joining the Chamber in support of the bill were the Military Base Planning Commission and New Mexico Chamber of Commerce. There was no opposition to the bill.

Adam Diersing, senior policy analyst for the Council of State Governments in the National Center for Interstate Compacts, said the compact does allow for state-specific requirements to stand — and he suggests that those be placed after the point of the license being granted prior to the first renewal of that license.

The motion was made for a "do-pass," which was approved on a vote of 10-0. The bill moves to the House Judiciary Committee.

MEDICAL LICENSURE COMPACT MOVES TO HOUSE FLOOR WITH UNANIMOUS 'DO-PASS'



The House Judiciary Committee was in session after the House floor this afternoon and moved to business quickly. The committee began by hearing House Bill 243, Interstate Medical Licensure Compact, sponsored by Rep. Marian Matthews (D-Bernalillo). The bill enters New Mexico in the Interstate Medical Licensure Compact for the purpose of facilitating interstate practice by physicians and improving public access to physician services. The Interstate Medical Licensure Compact Commission would serve as the national administrative body, and the bill authorizes the governor to appoint two members to the commission.

Adrian Gomez, testifying for the Greater Albuquerque Chamber of Commerce, said the Chamber has lent its support to a number of medical compacts this legislative session. Using data from the New Mexico Medical Board, the Chamber believes that entering into this compact could increase licensed doctors in New Mexico by 10 to 15% — which is a significant increase during a time when getting a doctor's appointment can take months. It is a very critical piece in helping build up our health care system.

Joining the Chamber in support for the bill are:

- New Mexico Medical Board
- New Mexico Military Base Planning Commission
- Greater Albuquerque Medical Association
- Think New Mexico
- Los Alamos County
- AARP NM
- Planned Parenthood of the Rocky Mountains

Matthews said there were 30% of doctors lost in 2019 and the state hasn't recovered. "The statistics on losing doctors come from a group called the Physician Advocacy Institute, and they do a nationwide survey of billing physicians. They found between 2019-2014, the number of physicians billing nationwide increased by 44,000, but the number billing in New Mexico decreased by 248. We are the only state that saw a decrease; it's a loss of doctors providing care." (The survey counts the number of physicians that are billing patients. In New Mexico, there are a number of retired physicians who keep their license current, despite not practicing.)

If passed into law, the compact would begin in June. A motion was made for a "do-pass," and the committee voted in favor by a vote of 10-0. The bill will head to the House floor.

HEALTH PRACTITIONER TAX CREDIT BILL HEADS TO HOUSE TAX AND REVENUE



The House Education Committee kept the ball rolling Monday morning as it also heard House Bill 395, Health Practitioner Tax Credit, sponsored by Rep. Anita Gonzales (D-San Miguel & Torrance).

The bill would allow a nonrefundable income tax credit up to $1,000 per preceptorship for preceptors for medical students. A preceptorship provides, on an uncompensated basis during a period of supervised clinical training at UNM or other New Mexico universities, a program of personalized instruction, training and supervision to an eligible graduate student to obtain an eligible professional degree. The preceptorship must last at least four weeks and limits claims to five preceptorships per taxable year.

Gonzales made an amendment to the bill that said a preceptor is a volunteer that oversees any sort of residencies. In the original language, it only specified that they were employees of a university. The amendment clarified that they could also be a volunteer for the university that is overseeing that residency, opening it up to community preceptors. The other clarification was to find a way for nurse midwives to be included in this bill.

Adrian Gomez, SVP of policy for the Greater Albuquerque Chamber of Commerce, testified in support of the bill, saying, “This bill helps keep New Mexico competitive as there are eight other states offering a program similar to this as the state faces a medical personnel shortage. The Chamber is pleased to support this bill as it is one avenue in retaining health care officials in the state, and we ask you to vote to pass it.”

Also standing in support of the bill were the New Mexico Nursing Association, the New Mexico Nurse Practitioner Council, Think New Mexico, Southwest Bone and Joint Institute and American College of Nurse Midwives.

Matthew Probst, a long-time physician assistant, said the state’s health care workforce crisis is real and a major priority in this Legislature as there are so many pressing current demands on the health care workforce, yet there are so few to take care of so many.

Probst said among all of those pressing demands is also an intrinsic, altruistic need to pay it forward, which means they were all once mentored as required to become licensed health professionals during their academic programs.

“And it is upon us as a limited workforce to now precept and mentor the next generation,” Probst said. “Without that, we cannot have more licensed health care professionals in New Mexico. That is currently an unpaid demand. We all know we need to do it, but with all the other pressures upon us, it is becoming increasingly difficult. What this tax credit really does is bust open that bottleneck currently right now as we try to expand spots in all of our academic programs – be that social work programs, nurse practitioner programs, physician assistant residencies.”

With no opposition, House Bill 395 received a “do-pass” as amended by a vote of 10-0. The bill heads to the House Taxation and Revenue Committee.

SOCIAL WORK LICENSURE COMPACT GETS A ‘DO-PASS,’ HEADS TO SENATE JUDICIARY



On Sunday afternoon, the Senate Health and Public Affairs Committee, heard Senate Bill 105, Social Work Licensure Interstate Compact, sponsored by Sen. Linda M. Trujillo (D-Santa Fe). This is one of many compact bills sponsored by Trujillo during this legislative session and aims to facilitate interstate practice of regulated social workers and improve public access to competent social work services.

Trujillo reminded the committee that the bill is supported by the Department of Defense, as it is a family-friendly policy that allows spouses and other family members to be gainfully employed almost immediately upon getting a new assignment at a New Mexico military base.

Trujillo said if the bill passes, the social work licenses aren't being issued just yet, but New Mexico will be at the front of the line.

The Chamber has supported the other medical compact bills during this session.

Adrian Gomez, SVP of policy, testified in support of the bill for the Greater Albuquerque Chamber of Commerce, saying:

"Entering the Social Work Licensure Interstate Compact will make it easier for licensed providers in other states to treat New Mexicans – in person or in a telehealth setting. This bill is a real way to get more New Mexicans the care they need and address our serious lack of providers.

"It also helps New Mexico remain competitive. The Chamber is pleased to support this bill as it aims to bring more care to New Mexicans, and we ask you to vote to pass it."

Joining the Chamber in support were the University of New Mexico Hospital and Bernalillo County. There was no opposition to the bill.

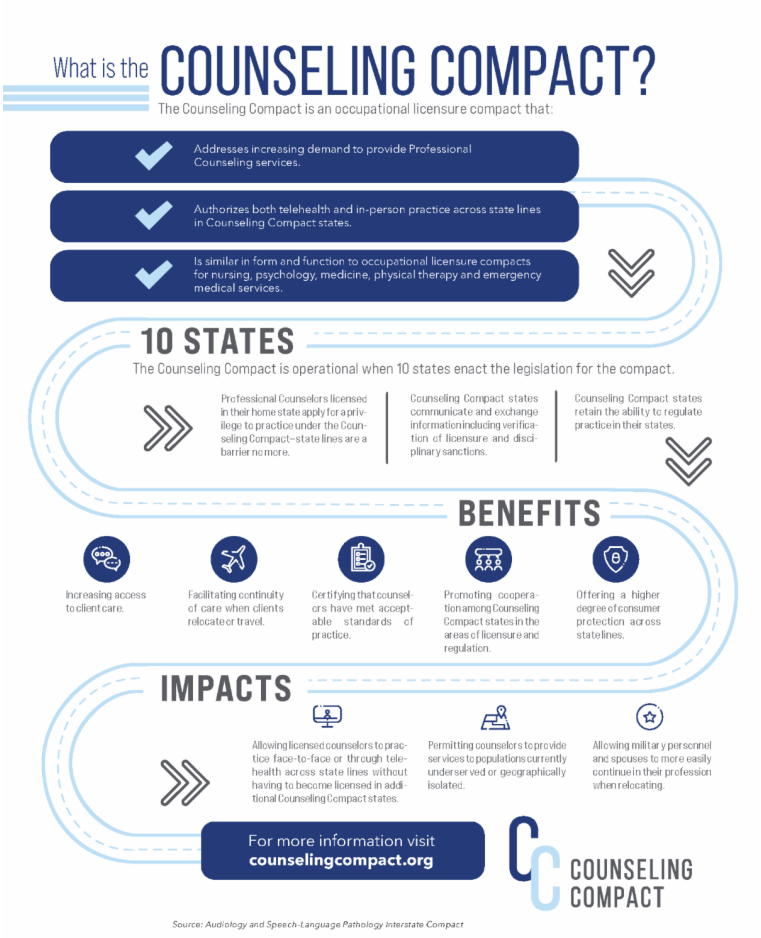
Sen. Shannon D. Pinto (D-McKinley & San Juan) asked if there's been a review to determine compatibility of service requirements with the New Mexico state law. Trujillo said the state's standards for social work do match the national standards.

Sen. Jay C. Block (R-Bernalillo & Sandoval) questioned a clause in respect to qualified immunity, defense and indemnification and why it's been put in all the compact bills. He said without this, he would show his support for all compacts on the Senate floor.

Sen. Linda M. López (D-Bernalillo) also was concerned with the wording, but she said she hopes it will be worked out by amendment in the Senate Judiciary Committee as all the compact bills move forward so the bills are uniform.

The committee voted "do-pass" by a vote of 5-4, with López as the lone Democrat voting "no" with the Republicans. SB 105 now heads to the Senate Judiciary Committee.

HOUSE JUDICIARY GIVES A 'DO-PASS' TO NM JOINING THE COUNSELING COMPACT



This afternoon, the House Judiciary Committee heard House Bill 217, Counseling Compact, sponsored by Rep. Pamelya Herndon (D-Bernalillo). The bill proposes that New Mexico join in the Counseling Compact, a contract among states, allowing professional counselors licensed and residing in a compact member state to practice in other compact member states without need for multiple licenses. According to Rep. Herndon, there are more than 35 states in the compact.

The Greater Albuquerque Chamber of Commerce's Adrian Gomez was there to testify in support of the bill, saying:

“There are a number of bills authorizing New Mexico to enter various health care compacts. All are designed to bring health care professionals to our state. We all know how important attracting mental health professionals is as we wrestle with rebuilding the state's behavioral health system. HB 217 offers one answer to how do we attract these professionals to New Mexico. We urge your support of HB 217.”

Joining the Chamber in support of the bill were Think New Mexico, New Mexico Military Base Planning Commission, United States Department of Defense, AARP New Mexico, and the National Alliance on Mental Illness Santa Fe. A motion was made for a “do-pass,” and it was approved on a 10-0 vote. The bill now heads to the House floor.

SIGNING OFF FROM SANTA FE



Half baked. That's what today feels like. A half-baked massive tax increase on oil is going to be swept into the tax package. A half-baked restructuring of public education moves ahead. On both, no interim study, little stakeholder involvement, just off-the-top-of-the-head, last-minute shots in the dark. The Legislature is generally better than this - insisting on fact-based evidence, metrics and solid analysis. The train jumped the tracks today. However, we do have some happy ideas - today is national Read Across America Day, and we're darned proud of our Albuquerque Reads program that has volunteers reading to children. It's also national I Want To Be Happy Day. So, don't worry, let's be happy! And happily, we leave you with our best wishes for a good evening and see you tomorrow. Good night.

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

GREATER ALBUQUERQUE CHAMBER OF COMMERCE

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GREATER ALBUQUERQUE CHAMBER OF COMMERCE

Legislative RoundUp

2025 Regular Session | Tuesday, March 4, 2025

57th Legislature | Day Forty-Two

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

SENATE FINANCE GIVES 'DO-PASS' TO RACKETEERING BILL, SENDS IT TO FLOOR



On Tuesday, the Senate Finance Committee heard Senate Bill 70, Add Racketeering Crimes, sponsored by Sen. Craig W. Brandt (R-Sandoval). The bill amends the Racketeering Act to include 11 additional crimes within the definition of "racketeering"; defines "criminal gang" and creates two felony crimes related to membership or participation in racketeering activities of criminal gangs and other enterprises.

Brandt said the bill — which had a committee substitute in the Senate Judiciary Committee — includes sexual exploitation of children, criminal sexual penetration, criminal sexual contact, dogfighting, bringing contraband into places of imprisonment and human trafficking. "This (bill) is to go after the person that's organizing the groups or these crimes," Brandt said. "What it doesn't change is any of the penalties in there, just adds these." Sen. George K. Muñoz (D-Cibola, McKinley & San Juan) offered an amendment to strike cockfighting as it is currently a misdemeanor for the first two offenses, with the third offense a felony. The amendment was accepted.

J.D. Bullington testified in support of the bill on behalf of the Greater Albuquerque Chamber of Commerce:

"This bill targets the leaders of enterprises that are committing heinous crimes that should be felonies. Specifically, it makes it a crime to solicit or coerce another person, including a minor, into being a member of or working with a criminal enterprise. And we also know that human trafficking is a growing problem, largely because of the organized criminal development that's involved. Racketeering statutes are designed to go after these kinds of organizations and these kinds of people, and prosecutors need Senate Bill 70 to have a new set of tools to protect the public."

Joining the Chamber in support of SB 70 were Animal Protection Voters and New Mexico State Police. There was no opposition. A motion was made for a “do-pass,” and the committee passed it with a 10-0 vote. The bill moves on to the Senate floor.

10-0 VOTE MEANS THE SENATE FLOOR IS THE NEXT STOP FOR 'SWATTING' BILL



The Senate Finance Committee concluded its morning agenda with Senate Bill 18, False Reports: Crimes of Swatting, Bomb and Shooting Threats, also sponsored by Sen. Craig W. Brandt (R-Sandoval). The bill creates the crime of “swatting” to address false or misleading reports to a public safety agency of an ongoing emergency with intent to cause an immediate agency response. It also makes the crimes of swatting, making a bomb scare and making a shooting threat all fourth-degree felonies.

Sen. Brandt said the bill is not in its original form because the shooting threat became a felony in House Bill 8, which has already been signed by the governor. He said the bill adds swatting, which has become a real issue around the country. (The name refers to false calls requiring a SWAT response.) “We've had some instances here in this state, but swatting, right now, is not illegal in this state. This bill makes it a felony to commit swatting,” Brandt continued.

J.D. Bullington testified in support of the bill on behalf of the Greater Albuquerque Chamber of Commerce. There was no opposition.

“Swatting is a form of violence and intimidation that can leave lasting emotional scars. Senate Bill 18 is going to bring a meaningful consequence by making swatting a felony. It's what we should do for our children. There was a recent analysis that just in September of this last year, there were 2,000 swatting incidents nationwide affecting our public schools. This costs taxpayers annually a soaring $500 million in terms of school disruptions, lost instructional time, mental health impacts, and of course, there are the costs incurred by emergency responders and first responders. This has become a huge problem, and Senate Bill 18 is an important tool that can help mitigate this situation.”

Sen. Linda M. Trujillo (D-Santa Fe) thanked Brandt for bringing the bill forward and said, “This is a really deep, dangerous activity. And it really rises to the level of what used to be bomb threats when I was a kid.” With a motion for a "do-pass," the Senate Finance Committee voted 10-0 in favor, and the bill heads to the Senate floor.

QUESTIONS STRIKE IMPORTANT TAX LIGHTNING BILL DOWN ON SENATE FLOOR



A bill to prevent tax lightning on multifamily housing was struck by lighting on the Senate Floor this morning. Conservative and liberal senators alike voted against it, leading to its demise. Senate Majority Leader Peter Wirth (D-Santa Fe) carried the bill and explained it to fellow senators: “Senate Bill 186 deals with a property tax lightning issue in our state dealing with multifamily housing. We’ve talked a lot about housing and the shortage of 30,000 units here in New Mexico."

"This bill ensures that counties continue to see growing valuations through new development, new transactions, but it makes sure that those multifamily valuations that have been tremendously undervalued don't get brought current and correct all the way up to the top, which could result in almost a 75% increase in property value if that were to happen."

"So what this bill does is basically allow existing multifamily properties, which are considered units with more than five different units within them under our property tax code, for those that are valued down at the 28% mark, this does put a cap in place so they can be brought up to 40% of value. For new property it gives an option either current and correct or the actual cost of construction. This bill is super important because right now multifamily housing is stuck. The older units are not getting rehabilitated, and newer units are not being built. This bill will allow things to move forward and provide affordable housing and multifamily housing in all of our districts.”

Sen. George Muñoz (D-Cibola, McKinley & San Juan) said, “I think this bill is timed just right. I mean, we have so much money that we want to invest in low-income housing and build new construction. I heard a number of 30,000 houses short in just Albuquerque alone.” However, some senators felt like this tax incentive is a “sweetheart deal” for developers that would undercut local counties, robbing them of revenue. Other senators felt that this would pass the tax burden on to small residential multifamily property owners, like seniors renting out the other side of the duplex or those renting out a home inherited from a parent. Wirth believes, “this is going to stimulate the construction of more multifamily. And so, I actually think local governments are going to get increased revenues as a result of this.”

The majority leader made one final, strong push for his bill: “You know, this is going to create a whole bunch more supply. That's a good thing, especially when we're talking about housing and supply by its very nature. When you get enough of it, that helps prices go down. That's the positive benefit of this. But I appreciate the questions. I think they're good ones. I really appreciate the debate and respect the different sides of this issue. I think when it comes to housing, it needs to be all of the above. The reality is, I think this bill will increase the supply of housing."

Minority Whip Sen. Pat Woods (R-Curry, Harding, Quay & Union) said, put some more cards in the deck. Ultimately, too many people questioned the bill for one reason or another. The bill was shelved on a vote of 16-23. The Chamber is supportive of this legislation, and there is a mirror bill in the House. We believe Wirth is exactly right in his description of the benefits of this legislation and its impact on the affordable housing market. We hope legislators can find a way to enact this important reform.

CONTROVERSIAL WATER REGULATION BILL

IS ON ITS WAY TO THE HOUSE FLOOR



We've covered a lot of bills this session, but we've seen none that attracted so many supporters and opponents as Senate Bill 21, sponsored by Senate Majority Leader Peter Wirth and Rep. Kristina Ortez. It would take over all surface water regulation from the federal government. The bill received a "do-pass" recommendation from the House Agriculture, Acequias and Water Resources Committee on a 5-2 vote, sending it to the House floor.

Senator Wirth has worked long and hard to develop this legislation and has amended it several times to accommodate various needs of different groups. It certainly has come a long way, and we tip our hats to the senator for his diligence and patience. Reluctantly, we still have some concerns about the bill, which causes us to stand in opposition, as Chamber President and CEO Terri Cole explained in her testimony:

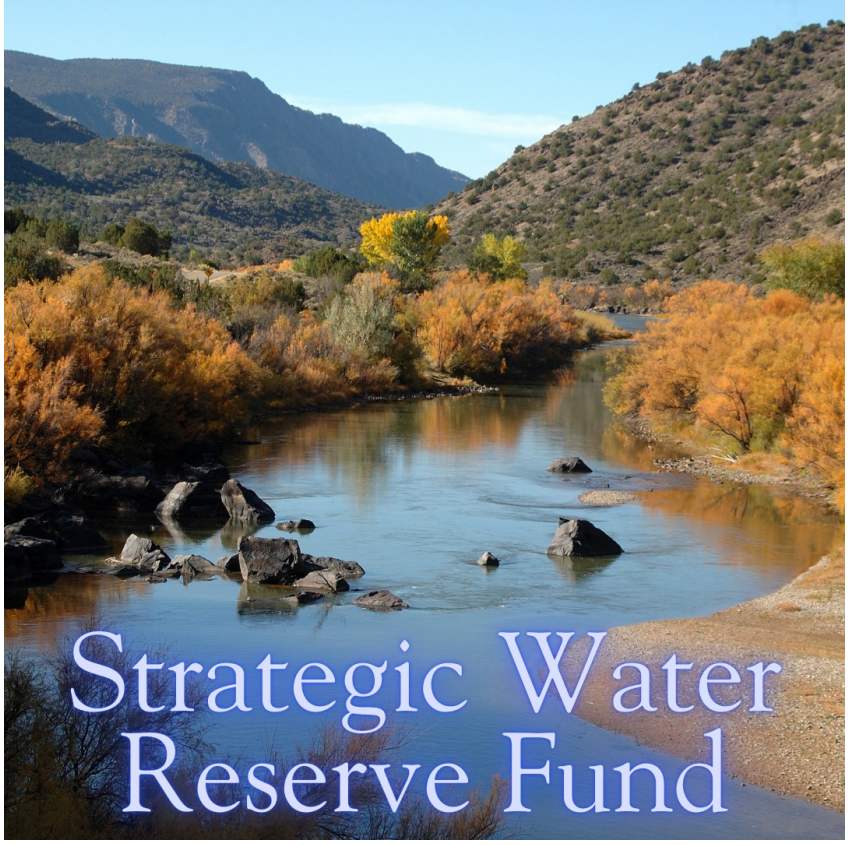
"It's a very big leap to take over federal regulation. Adding 50 employees is a real challenge in today's workforce environment. Where will the qualified employees be found? These aren't just any 50 employees, they're employees that require education and, hopefully, some experience. The quality of the workforce matters as they will be charged with important rulemakings and enforcement.

"The Sackett case is almost two years old. We agree with the need to protect New Mexico's water from pollution. We're just questioning why this couldn't be put to interim study to look at alternatives for enforcement that could be easier to implement and less costly."

The proposed rulemakings are at the heart of those opposing the bill. Many have had bad experiences with rulemakings that exceed or contradict the intent of the Legislature, resulting in appeals and lawsuits. There is, consequently, residual distrust, which, for example, caused the agricultural advocates to argue for language to be included in the bill that guarantees they will have a role in the rulemakings. The list of supporters and opponents is too long to list today but, in general, water and environmental advocates were in support and agricultural, mining and business advocates were in opposition.

What motivates the introduction of the bill is a 2023 U.S. Supreme Court decision known as the Sackett decision. The court held that the EPA, under the Clean Water Act, can only regulate flowing waters of the U.S. and associated wetlands. In New Mexico, this only covers about 10% of our waters, most of the rivers and streams being ephemeral or intermittent. In order to protect pollution from being introduced into these kinds of waters, SB 21 would have the state Environment Department take over the administration of the Clean Water Act. New Mexico is only one of three states that haven't already taken over administration. The takeover process would be phased and likely take two years to accomplish, given the staffing and rulemaking requirements. To some degree, it's a bit like changing a tire on a car going 70 mph. We'll see what happens on the House floor.

SENATE PASSES BILL CREATING WATER FUND, SENDS IT OVER TO THE HOUSE



The Senate floor heard Rep. Liz Stefanics' (D-San Miguel, Santa Fe, Torrance & Valencia) Senate Bill 376, Strategic Water Reserve, today and approved it 25-15 on a party-line vote. The Chamber is in support of this measure.

Stefanics explained her bill to her colleagues:

"This is not to be confused with the Strategic Water Supply, which is a governor's initiative winding around right now. This is the Strategic Water Reserve. The Strategic Water Reserve is an important and effective water management tool overseen by the New Mexico Interstate Stream Commission. It allows the state to acquire interstate stream water rights, through lease, purchase, or donation to benefit interstate compacts or to support threatened or endangered species, including to prevent the listing of new species."

Stefanics' bill creates a fund for the Strategic Water Reserve that is capped at $15 million. The catch on this bill is that it's an empty vessel. It only establishes a fund, but it doesn't fund it. Funding would come in future Legislatures. "The bill does not appropriate any new money. It simply creates an account in which current or future appropriations can be deposited," said Stefanics.

The strategic water reserve, created by the Legislature in 2005, grants authority to the Office of the State Engineer and the Interstate Stream Commission to allow certain water rights to be designated for public use and allows the agency to acquire water rights to be held in the reserve. Currently, appropriations made to the strategic water reserve go to the Office of the State Engineer, with funds reverting to the general fund at the end of the fiscal year. Senate Bill 37 would add a non-reverting fund to supplement strategic water reserve functions.

This bill floats over to the House now to begin the committee process there.

LOW-INCOME PUBLIC UTILITY RATES BILL PASSES ITS FIRST SENATE TEST



House Bill 91, Low-income Public Utility Rates, crossed over from the House to the Senate and faced its first Senate assignment this morning in the Senate Conservation Committee, where it passed 6-3. The bill heads next to the Senate Tax, Business and Transportation Committee.

The bill was sponsored and presented on the Senate side by Senate President Pro Tem Mimi Stewart (D-Bernalillo). It allows the Public Regulation Commission (PRC) to approve low-income rates for gas and electric customers or other programs that can help low-income customers lower their home energy bills. According to sponsors, low-income consumers spend as much as 20% of their household income on utility bills.

Enrique C. Knell supported the bill on behalf of the Chamber:

“It's pretty obvious that many people are struggling to make ends meet post-COVID, and with the high prices for just about everything. This bill is designed to help low-income utility customers pay their bills. We think of this bill as a short-term measure of necessity rather than a permanent way of life. Our long-term goal should be the creation of many good, high-paying jobs in the private sector.”

El Paso Electric, PNM and New Mexico Gas Co. all support the measure. The bill provides an exception to the general rule of cost-based ratemaking. Currently, the PRC has been given exceptions for economic development rates, rates designed to retain load, or energy-efficiency programs aimed at lowering energy costs for low-income customers. HB 91 would allow, but not mandate, an additional exception. Opposition is based on concerns that the cost of lower rates to low-income consumers will result in raising rates to other customers to subsidize the rate reduction.

VETERAN PROPERTY TAX EXEMPTION ON FAST-TRACK TO THE SENATE FLOOR



House member Art De La Cruz (D-Bernalillo) wandered over to the other side of the Roundhouse today to present his bill, House Bill 47, Property Tax: Veteran Exemption. De La Cruz presented late Tuesday evening before the Senate Tax Committee.

His bill passed the House 62-0 a few days ago and is now on its way to the Senate floor. The bill enacts two veteran property tax exemption changes that New Mexico voters approved as constitutional amendments in the November 2024 general election. The first change is increasing the property tax exemption from $4,000 to $10,000. The second change expands the

disabled veteran property tax exemption to include a proportionate exemption reflecting a veteran's partial disability. The current exemption only provides the exemption for 100% disabled veterans.

Enrique C. Knell testified on behalf of Chamber members:

“New Mexico is home to 141,000 veterans who are proud of their service in defense of our country. The Chamber is proud of them, too, and we want to make New Mexico more attractive for veterans to serve here and stay in our great state.

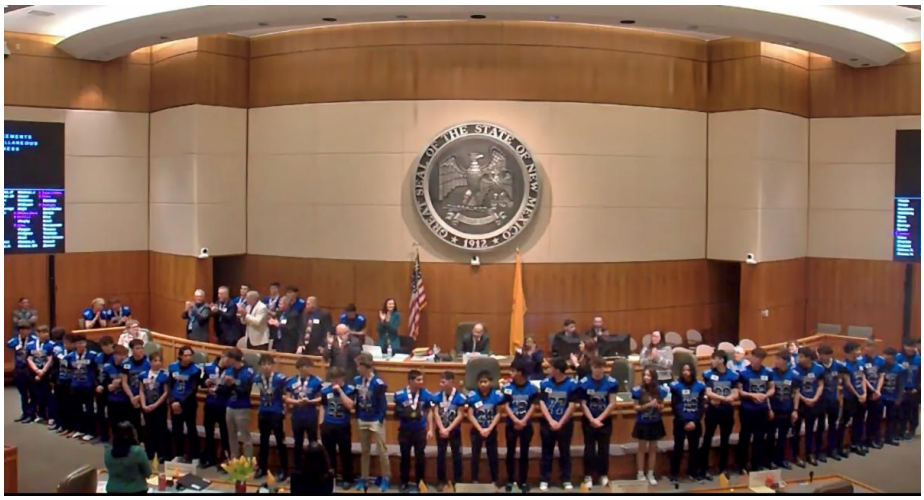
"HB 47 is a good investment in New Mexico’s economy and the many veterans who are business owners, consumers, and contributors to our state’s success. We urge your support.”

De La Cruz told the committee there’s a reason to act quickly “This bill is, in fact, time critical because (county) assessors have to give notice to the property owners. And so we actually needed to have this enacted yesterday, Madam Chair and senators, so we need to get this to the floor as quickly as possible because that's why we declared an emergency, because of that issue.”

Senators did quickly approve the bill on a 9-0 vote and sent it straight to the floor. Once there, if the bill passes without amendments, it will head directly to the governor’s desk for final approval by the executive. Because of the emergency clause, the bill will become law the minute the governor signs it. We’ll let you know what happens.

IN THE HOUSE

ST MICHAEL'S HORSEMEN RECEIVE PLAUDITS FROM HOUSE



It's a two-peat. On Saturday, Nov. 30, 2024, the St. Michael's Varsity Boys Football team won their Ivan Head Stadium game against Dexter High School by a score of 28-26, making them the Division 3-A champions two years in a row. Will it be a three-peat? Kansas City couldn't do it, but we're betting St. Michael's can! Go Horsemen!

SIGNING OFF FROM SANTA FE



Two very important crime-fighting bills moved forward today, both sponsored by Sen. Craig Brandt (R-Sandoval). Brandt has championed these measures for more than one session, and his tenacity is paying off. This could be the year both reach the governor's desk. One deals with broadening the number of crimes included in the Racketeering Act, and the other makes "swatting" (false calls requiring a SWAT response) a crime. The Chamber has supported these measures from the get-go.

Speaking of get-go - get ready for Ash Wednesday tomorrow and go celebrate Fat Tuesday. How did the name "Fat Tuesday" come about? The French name Mardi Gras means Fat Tuesday, because people felt bloated having eaten up all the rich foods before Lent. If you're down New Orleans way, you'll hear "*laissez les bons temps rouler"* (pronounced lay-say le bon tom roo-lay) over and over again at Mardi Gras celebrations. It means “let the good times roll” in Cajun French. The deeper meaning for Fat Tuesday actually comes from its traditional name, Shrove Tuesday. The word “shrove” means to give absolution — to be forgiven. However you say it, Happy Mardi Gras and we'll see you *mañana. Buenos noches*.

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

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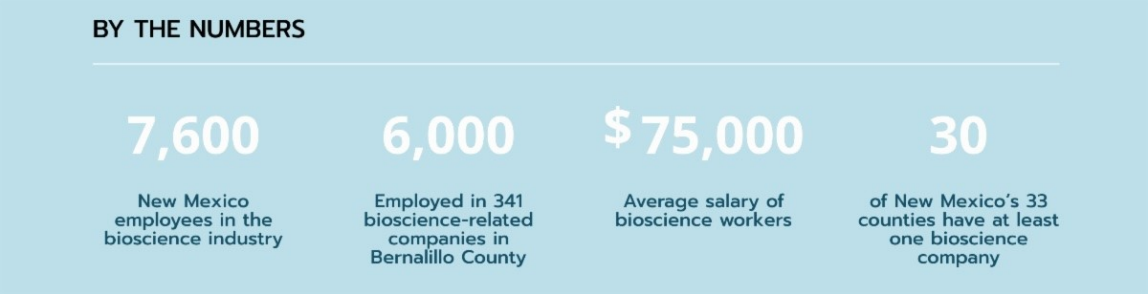
Legislative RoundUp

2025 Regular Session | Wednesday, March 5, 2025

57th Legislature | Day Forty-Three

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

BIOSCIENCE INVESTMENT ACT HURDLES OVER OBJECTIONS, HEADS TO HOUSE

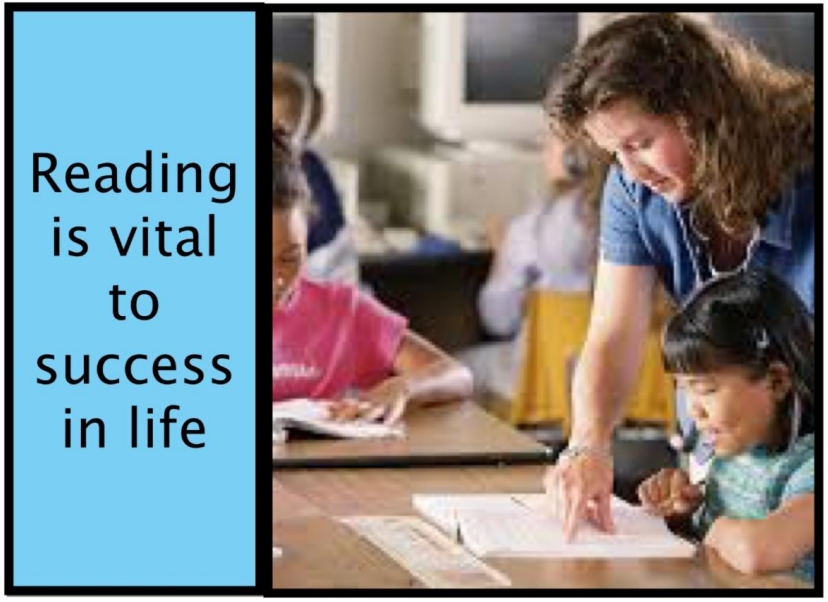


After protracted debate over definitions and meanings as well as a "friendly" floor amendment tightening up conflict-of-interest issues, the Senate sent Senate Bill 119 to the House on a vote of 26-15. The bill is sponsored by Sen. Martin Hickey (D-Bernalillo) to ramp up New Mexico's investment in this $3 trillion industry. Specifically, the bill is aimed at helping startups get off the ground. Frequently, these startups arise from work done at our universities, but the lack of investment capital here sends them to other states for funding. No other state investment funds target individual bioscience startups.

SB 119 increases investment capital available for New Mexico-based bioscience and biotech firms by adding the Bioscience Authority to the current group of existing funds and investors assessing and making investments in N.M. companies. This industry is fast-growing and has enormous economic impact. New Mexico has 7,600 people employed in the bioscience industry, with an average salary of $75,000. Geographically, 30 of New Mexico's 33 counties have at least one bioscience company, with 341 of them in Bernalillo County.

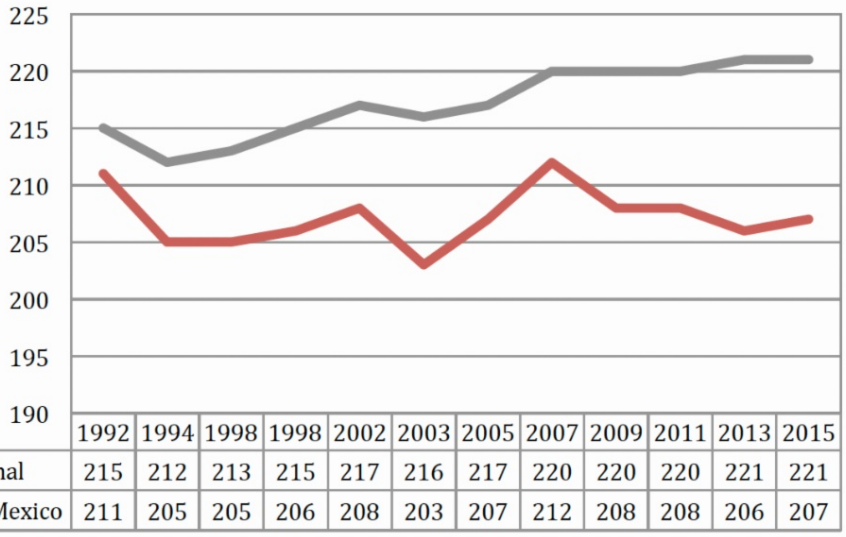
The Chamber supported this bill all the way to the Senate floor debate today because we want to ensure New Mexico gains a larger share of this very lucrative industry with good, high-paying jobs. The bioscience industry is responsible for major medical advancements and technology, everything from modern lab equipment to new, highly effective medications and cures for a range of diseases. We need to get into this game in a much bigger way, and SB 119 is a good start.

FORGET GOVERNANCE - IT SHOULD BE ABOUT NM STUDENTS LEARNING TO READ!



There has been a big debate raging for the last few sessions about how the state should govern state education. Proposals abound on replacing the secretary of Education (who reports to the governor) with a state board of education - either elected or appointed - that, in turn, appoints a state superintendent of public education. These proposals, in our opinion, are a tempest in a teapot and completely miss the point on how to turn student achievement around. The fact is, regardless of how we govern public education, student achievement in New Mexico has historically been below the national average. The charts, from the National Assessment of Education Progress (NAEP), illustrate the point:

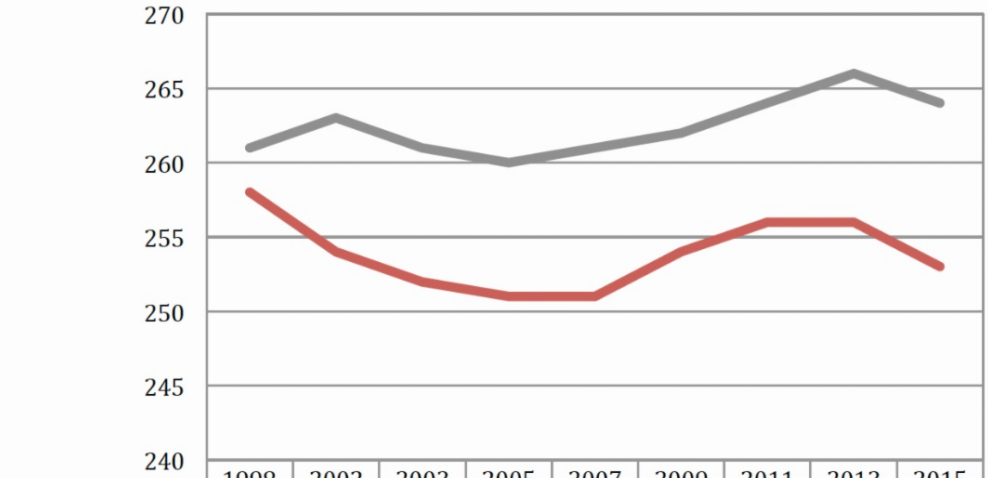
Figure 4. NAEP Grade 4 Reading, national and state, for selected years.



	1992	1994	1998	1998	2002	2003	2005	2007	2009	2011	2013	2015
National	215	212	213	215	217	216	217	220	220	220	221	221
New Mexico	211	205	205	206	208	203	207	212	208	208	206	207

Note. Based on raw scores for selected years, New Mexico fourth graders students as a whole have never caught up to the national average in reading, but interestingly the state came close in 1992.

Figure 5. NAEP Grade 8 Reading, national and state, for selected years.



	1998	2002	2003	2005	2007	2009	2011	2013	2015
National	261	263	261	260	261	262	264	266	264
New Mexico	258	254	252	251	251	254	256	256	253

Note. Based on raw scores for selected years, New Mexico eighth graders as a whole have never caught up to the national average in reading, but the state's participants came close in 1998.

While the graphic data is somewhat dated, we can assure you New Mexico continues to lag way behind the nation. Up until 2003, education was governed by a state board of education and, as you can see, the results were no better than under a secretary of education. Achievement in math parallels that in reading - below national average. If governance isn't the solution, what is?

The Mississippi Miracle

According to *Chalkbeat,* an education reporting journal:

In the last decade, Mississippi students have rapidly closed the test-score gap with the nation as a whole, particularly in fourth grade. State officials, education wonks and national journalists have attributed these improvements to ***the state's 2013 early reading law, which included emphasizing phonics and holding back third-graders who struggle to read.***
The purported link between the state's policies and its upward trajectory has become one of the nation's most talked-about education stories.
"Mississippi has shown that it is possible to raise standards even in a state ranked dead last in the country in child poverty and hunger," *New York Times columnist Nick Kristof* wrote.

Florida, an early leader in this strategy, moved its achievement to much higher levels, and many states are now moving in this direction. We're happy to say that Senate President Pro Tempore Mimi Stewart (D-Bernalillo) is carrying the "science of reading act" and Sen. Bill Soules (D-Doña Ana) is carrying "school math changes." Both of the bills are aimed at changing the way these subjects are taught and are on the right path.

SJR 15 - Going Backward on Governance

While we support Soule's math bill (read more about it and why below), we can't support his attempts to change the governance structure. His constitutional amendment (CA) would create an appointed state board of education that would then appoint and oversee a superintendent of public education. Exactly who would sit on the board, how they would be selected and to whom they would be accountable are left for "enabling legislation" to come after the voters approve the constitutional amendment

As we see it, it's buying a pig in a poke (defined as buying something you can't see and check out). Terri Cole, president and CEO of the Chamber, explained our thinking in her testimony:

"Mr. Chair and members of the committee, I'm Terri Cole, president and CEO of the Greater Albuquerque Chamber of Commerce, appearing in opposition to SJR 15. At the heart of our concern are two things:

"First, we've had proposals brought forward that are all over the map. It is problematic that this legislation gives no clarity on whom the board members might be and how they will be appointed.

This is a heart-of-the-matter issue. While great detail can't be put in the Constitution, Sen. Michael Padilla solved that problem by bringing both a constitutional amendment and enabling legislation together when presenting the Early Childhood Education and Care Trust fund.

"Second, changing the governance of public education is so important, we must take the time to get this right. The Legislative Education Study Committee should compare and contrast different modes of governance and come back with a proposed constitutional amendment and enabling legislation IF the LESC really thinks a change is necessary. This measure won't be on the ballot until 2026, so we have time to get it right.

"We believe the lack of focus on teaching kids what they need to be successful is the problem. But, if a governance change is the will of the Legislature, then let's make sure it's well-vetted and thought through."

Proponents of the CA are frustrated about low student achievement (we all are) and the lack of leadership stability due to the level of turnover in secretaries of education. Changing the governance structure doesn't necessarily provide any more stability than any other system, as educational leaders turn over in great numbers. Sen. Natalie Figueroa (D-Bernalillo), a teacher, pointed this out in committee discussion of the measure. She observed that the attitudes about work have changed greatly. Gone are the days of a person sticking with a job for an entire career. She pointed out that school superintendents typically only stay in their jobs for three or four years. Trying to reduce the amount of turnover is the subject of other legislation because it is detrimental to student achievement.

However, with a 6-2 vote, the Senate Education Committee gave a "do-pass" recommendation to SJR 15, sending it to the Senate floor.

MATH AND MONEY BOTH START WITH 'M'



There's a reason math and money both start with "m," Sen. Bill Soules (D-Doña Ana) said today on the Senate floor as he presented his Senate Bill 235 School Math Changes. Read on to find out why.

Soules, chair of the Senate Education Committee, is a retired math teacher who taught AP statistics, algebra, algebra II, remedial algebra and geometry in Las Cruces Public Schools. As he presented his bill, Soules said, "For many years, we have talked about the importance of reading. We've begun to turn the ship in reading in the state of New Mexico through the 'science of reading.' We're starting to see the numbers turn in that very important area. However, math continues to lag behind, and it's now time that we have a similar push in the state of New Mexico to elevate math to that same level because low math scores are hurting our students and hurting the potential for the state of New Mexico."

His bill establishes a framework for K-12 math education and professional development for teachers. Soules said when he was a teacher, and even now, "I hear people make comments like, 'Well I'm not good at math, and my mother wasn't either.' As if math is genetic. It's not. Every time we hear comments like that, we are hindering the ability of our students to do well in the field of math. And so we need to change how we talk about math, in society but also in our schools."

Sen. Antoinette Sedillo-Lopez (D-Bernalillo) introduced a floor amendment that would require the

Public Education Department to, as she explained it, “measure the effectiveness of efforts to improve mathematics and science outcomes for students in each school district by race and ethnicity, tribal affiliation, family income, gender, ethnicity, and disability status, English proficiency and disability status. These are what the findings were … in the Yazzie-Martinez case.” Sen. Shannon Pinto (D-McKinley & San Juan) spoke in favor of Sedillo-Lopez’s amendment. However, Soules deemed the amendment "unfriendly," meaning he opposed it. The amendment failed 16-22.

Sen. Candy Spence Ezzell (R-Chaves & Eddy) asked if the bill would conflict with another bill the Chamber has supported, SB 116, which is sponsored by Sen. Craig Brandt (D-Sandoval) and would introduce hands-on math learning in our schools. Soules said, “They are not in any way in conflict with each other. They absolutely work hand in hand, or at least side-by-side.”

Math Jokes

Sen. Crystal Brantley (R-Catron, Doña Ana, Grant, Hidalgo, Luna, Sierra & Socorro) told Soules that she supports the bill. “Mathematics can open up a number of career opportunities that reach far beyond just science and technology careers. In fact, as agriculturists, our farmers and ranchers have to have math and use math every single day, from plant crop rotations to seed count to livestock weights to meds to acreages, everything. And we need to encourage more mathematics in our classrooms. I see that with my own daughters in public schools.”

Brantley wasn’t quite done. “Senator, on that note, discussing the importance to our farmers and ranchers, could you tell me, how does a mathematician plow a field?” Soules didn’t know the answer, so Brantley explained to him, “Well, a farmer plows a field with a pro-tractor.”

Addressing Student Subcategories

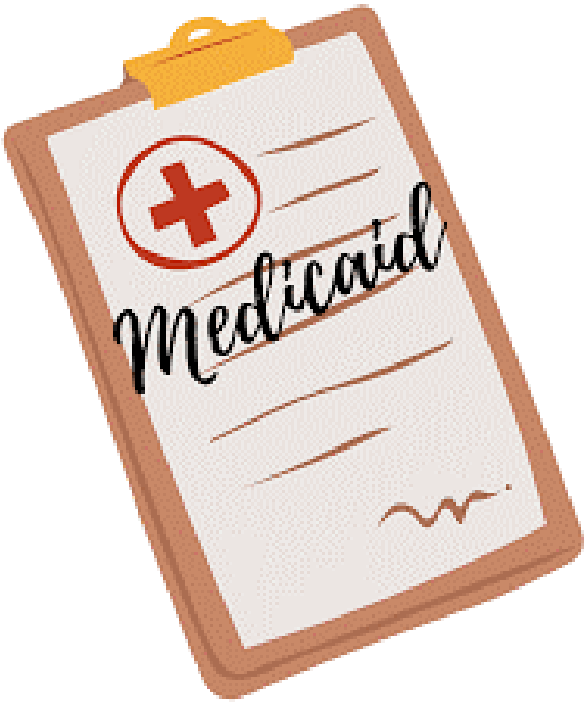
Back on serious business, Sedillo-Lopez continued her line of questioning after her amendment was defeated, “How can we be assured that these math plans will address the needs of English language learners, girls, ... race, tribal affiliation, family income, gender, English proficiency and disability status. How can we be assured that those plans will include instructional materials and approaches and strategies to address the students' needs where they are?”

Soules answered that those assessments are currently made in several places throughout the system, from the classroom up to PED leadership. Sedillo-Lopez was not convinced, “Again, I don't think that that's any assurance that the data will be disaggregated and that experts and culturally linguistic relevant education will develop appropriate strategies for these students. I'm afraid I have problems with this bill, and I will not be able to support it.”

To wrap up the debate, Soules made the point that “investments in education and in these particular areas are like investing in savings bonds. You have to hold on to them for a while to start seeing the long-term results.” He also said something we think most Chamber members can agree with, “You know, math and money both start with an 'm' for a reason. If you continue to be good at math, you're going to do well in life because so many of the high-paying jobs we're trying to bring into New Mexico rely on math. And so we need to, as a state, start elevating that, start moving ourselves up out of the bottom.”

We agree, senator. And with that, the math added up for this critical education bill as it passed 37-4 and now moves on to the House. Senators Sedillo-Lopez and Pinto were among the “nay” votes.

MEDICAID TRUST FUND GETS ITS WINGS AND IS HEADED OVER TO THE HOUSE



About 50% (768,000) of New Mexicans rely on Medicaid to receive health care services. The problem? Doctors lose money by providing treatment to Medicaid patients, despite the Legislature's efforts to bolster reimbursement rates. It's a key reason doctors choose not to practice here. Enter Senate Bill 88, sponsored by a bipartisan all-star line-up of senators: George Muñoz (Senate Finance Chair); Bill Sharer (Senate Minority Leader); Liz Stefanics (Chair, Senate Conservation Committee) and Pat Woods (Senate Minority Whip). The main purpose of the bill is to build a trust or permanent fund (as has been done to meet other financial needs). Medicaid is now the second-largest component of the general fund, behind only public education. The fund will ensure that despite potential federal budget reductions or volatile economic times, Medicaid spending can be sustained in order to keep doctors and other health care professions in our state. The Senate sent the bill to the House on a 37-0 vote. The Chamber has been a strong supporter of this measure.

Specifically, the bill:

- Creates a new Medicaid trust fund, which would be seeded with a $300 million appropriation from the general fund.
- Provides the fund revenues from state agency reversions, unexpended/unencumbered balances from prior year general appropriation acts, and interest earnings on state treasury balances, until the fund reaches $2 billion.
- Directs all reversions from capital outlay appropriations made between 2021 and 2024 to the fund.
- Distributes money annually to gain federal matching funds after the trust fund reaches $500 million.

The bill also contains a "trigger" that allows the Legislature to appropriate money in the case of significant funding reductions in the future. Muñoz has said that federal cuts could result in a $1 billion hit to New Mexico. Sponsors of SB 88 were widely praised by their colleagues for having great foresight and planning ahead. Senate Majority Leader Peter Wirth (D-Santa Fe) said, "Medicaid has been a game-changer, and this bill ensures its future."

According to Fred Nathan, executive director of Think New Mexico (a prime mover behind the bill), "the trust fund will generate $100 million a year for the state's share of the Medicaid program. Every one of those state dollars is matched by $3 in federal funding, meaning that this fund will ultimately generate $400 million annually, making it an extremely valuable long-term return on investment for all New Mexicans." Nathan points out that we're the only state to have lost doctors, while thousands of newly trained doctors are choosing to practice elsewhere.

Dr. Michael Richards with the University of New Mexico Health Sciences Center made this poignant statement, "Where we go with Medicaid is where we will go with health care in New Mexico." Richards points out that Medicaid funding supports training for medical students, and New Mexico will soon have the largest training program in the nation. However, these soon-to-be doctors won't be attracted to stay here unless barriers are removed.

Other key barriers to be addressed include removing GRT on medical bills and addressing the really out-of-whack, high levels of medical malpractice insurance rates. There are other bills in process on these issues. Quality health care is not only deserved by all New Mexicans, but it's also vital to making our state economically competitive. It's a big part of quality of life - no one wants to move to a place where they can't get a doctor's appointment. We'll keep you informed of the progress of all these bills.

MEDICAL RECRUITMENT AID ON A DUAL TRACK WITH BILLS IN BOTH CHAMBERS



The Senate Health and Public Affairs Committee took up a bill today to recruit more medical professionals, especially throughout rural New Mexico. Senate Bill 338, Recruit Health Care Providers, sponsored by Sen. Bobby Gonzales (D-Los Alamos, Rio Arriba, Santa Fe, & Taos) passed quickly this afternoon on a 10-0 vote and now goes to the Senate Finance Committee. Enrique C. Knell spoke today on behalf of the Chamber:

“New Mexico’s shortage of health care workers threatens our economic future in a big way. Not to mention what it does to the health of New Mexicans, particularly those who are low-income and live in rural New Mexico. SB 338 makes a relatively modest investment in helping train doctors in exchange for the promise that they will work in our state for at least two years.”

Rep. Tara Lujan (D-Santa Fe) has a similar bill, HB 393, making its way through the House. That bill is awaiting a hearing in the House Appropriations Committee. The goal of the identical bills is to support the recruitment and retention of health care providers in rural or underserved areas. The bills appropriate $5 million for tuition help for medical students in exchange for a promise to serve rural New Mexico for at least two years.

BEHAVIORAL HEALTH SCHOLARSHIP GETS A ‘DO-PASS,’ HEADS TO APPROPRIATIONS



The members of the House Health and Human Services Committee hit the ground running Wednesday morning with a full docket of bills. One was House Bill 347, Higher Ed Scholarship Funds in Behavioral Health Fields, sponsored by Rep. Kristina Ortez (D-Taos). The bill is an appropriation of $10 million to support practicums for behavioral health and addiction counselors.

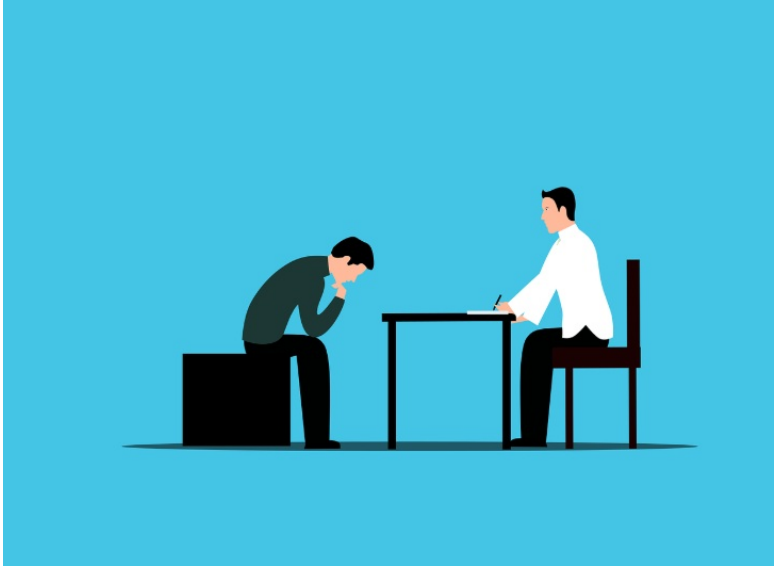
Ortez said the bill presents a laser-focused approach to increase public safety as well as workforce development, with the goal of the bill to provide financial aid for behavioral health provider students or addiction counselors because when they are serving their practicum, they do not get paid. According to the bill, the Higher Education Department would be responsible for the funds to be distributed to students on the behavioral health track. “That is something that actually dissuades some of these students from getting their practicum because they need to work, they need to have money to support their families and themselves,” she said. “This would provide a stipend during this period of a practicum, when they're working under the supervision of a licensed provider that usually lasts for about a year until they are qualified for licensure.”

J.D. Bullington testified in support of the bill on behalf of the Greater Albuquerque Chamber of Commerce, saying “as New Mexico begins to turn the tide with its behavioral health services network, this bill is going to help keep us on the right track. A great way to expand higher ed enrollment and increase the number of grads who are able to work in behavioral health fields in our state is to create scholarships for students studying in behavioral health fields, including substance addiction counseling at our universities and tribal colleges. This bill represents a smart, much-needed approach as it will help keep New Mexicans in the state providing behavioral health services for other New Mexicans.” Joining the Chamber in support were the National Alliance on Mental Illness New Mexico and Albuquerque Health Care for the Homeless. There was no opposition to the bill.

Rep. Elaine Sena Cortez (R-Lea) questioned why PhD students aren’t included in the bill. Ortez said there is no need for a PhD to practice in addiction counseling or a behavioral health specialist. “We want to make sure we cover those folks that are graduating from their bachelor’s program with the cost of practicums.”

After a short discussion, a motion was made for a “do-pass” and the bill was approved on an 8-0 vote. It now heads to the House Appropriations and Finance Committee.

COUNSELING COMPACT FLIES OFF THE HOUSE FLOOR, 62-0, HEADS TO SENATE



Wednesday afternoon, House Bill 217, Counseling Compact, sponsored by Rep. Pamelya Herndon (D-Bernalillo) was heard on the House floor. The bill enters the state of New Mexico into the Counseling Licensure Compact. The purpose of the compact as described in the bill is to facilitate interstate practice of licensed professional counselors with the goal of improving public access to professional counseling services. The compact establishes flexibility for counseling licenses in member states.

The Greater Albuquerque Chamber of Commerce has testified in strong support of this and other health care practitioner compacts proposed in legislation this session as one means of addressing our state's severe provider shortage.

Herndon made a motion for a "do-pass" to the floor. Without any discussion or opposition, the bill cleared the House by a vote of 62-0 and is on its way to the Senate.

PHYSICIAN ASSISTANT COMPACT BILL GETS A UNANIMOUS ‘DO-PASS,’ GOES TO HOUSE FLOOR



There have been many compact bills during this legislative session. On Wednesday afternoon, the House Judiciary Committee heard House Bill 413, Physician Assistant Licensure Interstate Compact, sponsored by Rep. Gail Armstrong (R-Catron, Sierra, Socorro & Valencia). The bill enters New Mexico into the Physician Assistant Licensure Interstate Compact for the purpose of strengthening access to medical services and enhancing the portability of a license to practice as a physician assistant.

Adrian Gomez, SVP of policy for the Greater Albuquerque Chamber of Commerce, testified in support of the bill, saying:

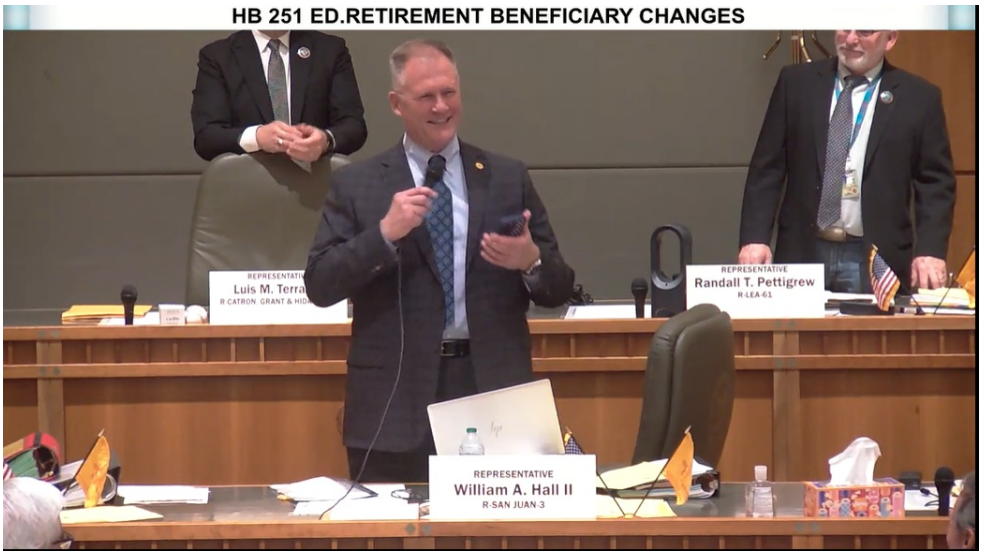
“Making it easier for licensed physician assistants in other states to treat New Mexicans – be it in person or in a telehealth setting – is a real way to get more New Mexicans the care they need, and address the lack of providers in the state.

"The compact is an avenue that helps the state move forward. The Chamber is pleased to support this bill as it aims to bring more care to New Mexicans, and we ask you to vote to pass it."

Standing in support with the Chamber were Think New Mexico, AARP of New Mexico, the Department of Defense, the Kirtland Partnership, Conference of Catholic Bishops and Council of State Governments. There was no opposition to the bill.

A motion was made for a "do-pass," and HB 413 passed with a vote of 10-0. The bill now heads to the House floor.

IN THE HOUSE



Fun on the House floor

On Wednesday, Rep. William A. Hall II (R-San Juan) had his first bill make it to the House floor. Representatives heard his House Bill 251, Educational Retirement Beneficiary Changes. The bill allows a retired member to change their beneficiary once. Knowing it was Hall's first bill, representatives opened discussion to ask questions like "What if I'm married more than once?" And then took turns to ask again, increasing the possible number of marriages. It was a great showcase of camaraderie.

It's tradition in the House that a representative's first passing bill requires the members to vote "no" until the last minute, and then upon passage for the sponsor to sing a song. So as the vote on HB 251 started, it looked as if it wasn't going to make it, but as voting time ran out, the bill sailed through on a vote of 60-0. With his first successful bill under his belt, Hall sang a rendition of James Brown's "I Feel Good," changing the words to, "I feel good, I knew that I would, now. So good, so good, I've got the bill passed!"

SIGNING OFF FROM SANTA FE



Seeing the bioscience investment bill move to the House is a big deal for economic development. Yes, this is a small start, there's only $6 million in the budget. But, if the Legislature can see successful investments materialize, this could lead to great things in the future. It's often talked about - diversifying our economy and bringing high-paying jobs to the state - but this is real, concrete action, and we applaud Sen. Martin Hickey (D-Bernalillo) for tackling this issue.

Well, it being Ash Wednesday, can you guess what national day it is? Cheese doodle day. Wouldn't you know it, just as we're supposed to be giving up stuff, fasting and generally behaving, they drag out cheese doodles. No, that crackling was from a bag of ... well okay, just a few instead of the whole bag. Thanks for joining us today, and we'll look forward to bringing you all the news and views tomorrow. Have a great evening.

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

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GREATER ALBUQUERQUE CHAMBER OF COMMERCE

Legislative RoundUp

2025 Regular Session | Thursday, March 6, 2025

57th Legislature | Day Forty-Four

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

SENATE COMMITTEE APPROVES PAYING PREVAILING WAGE ON IRB PROJECTS



House Bill 6, co-sponsored by House Majority Floor Leader Rep. Reena Szczepanski (D-Santa Fe) and Senate President Pro Tempore Mimi Stewart (D-Bernalillo), was given a "do pass" by the Senate Tax Business and Transportation Committee today on a 6-4 party-line vote, D's in favor, R's in opposition, sending the bill along to the Senate Judiciary Committee. HB 6 would require paying prevailing wage rates on Industrial Revenue Bond (IRB) projects. Prevailing wage rates, generally stated, are calculated as an average of wage rates by category of employment, i.e. electricians, heavy equipment operators, etc. The wage rates are significantly higher than minimum wages and are often influenced by wages earned by union labor, although labor availability affects the cost of labor also.

At the heart of this debate are two things: first, are projects financed with IRBs public or private? (Prevailing wage must be paid on public works projects paid for by public funds.) Second, do prevailing wages increase the cost of projects, making New Mexico less competitive compared to neighboring states? In answer to the first question, IRBs are investments made by private industry to build a project of public benefit in exchange for tax exemptions. The private financier is on the hook for repaying the bonds. By any reasonable interpretation, these are not public works projects in the true sense. Terri Cole, president and CEO for the Chamber, provided this testimony:

"The Chamber opposes HB 6 because it will make New Mexico less competitive in attracting private investment for industrial development. We all know that New Mexico already has trouble attracting capital, so we shouldn't make the problem worse. We also know that raising the price of anything generally results in getting less of that thing - it's among the basic laws of economics. Increasing the cost of industrial revenue bonds will not defy that basic law.

"States around us don't put this kind of additional cost burden on their industrial revenue bonds. Developers are consumers like the rest of us - if they can get the same thing for a lower cost, they'll shop there instead of here. The more private sector money we can attract for infrastructure development, the less public money is needed. And that stretches the amount of money available from the public sector. While perhaps well intended, we believe that HB 6 violates

another immutable law: the law of unintended consequences. We ask for you to vote 'no.' Thank you."

Also joining in opposition were NAIOP and the Economic Development Association of Mesilla Valley, which stated that developers just aren't going to use IRBs if this bill passes, taking away an important tool. Supporters were several labor unions that argued higher wages produce higher quality work and, overall, the net result is that project costs are not increased but workers are paid a "fairer" wage, whether they are union or not.

Other States, Higher Labor Costs

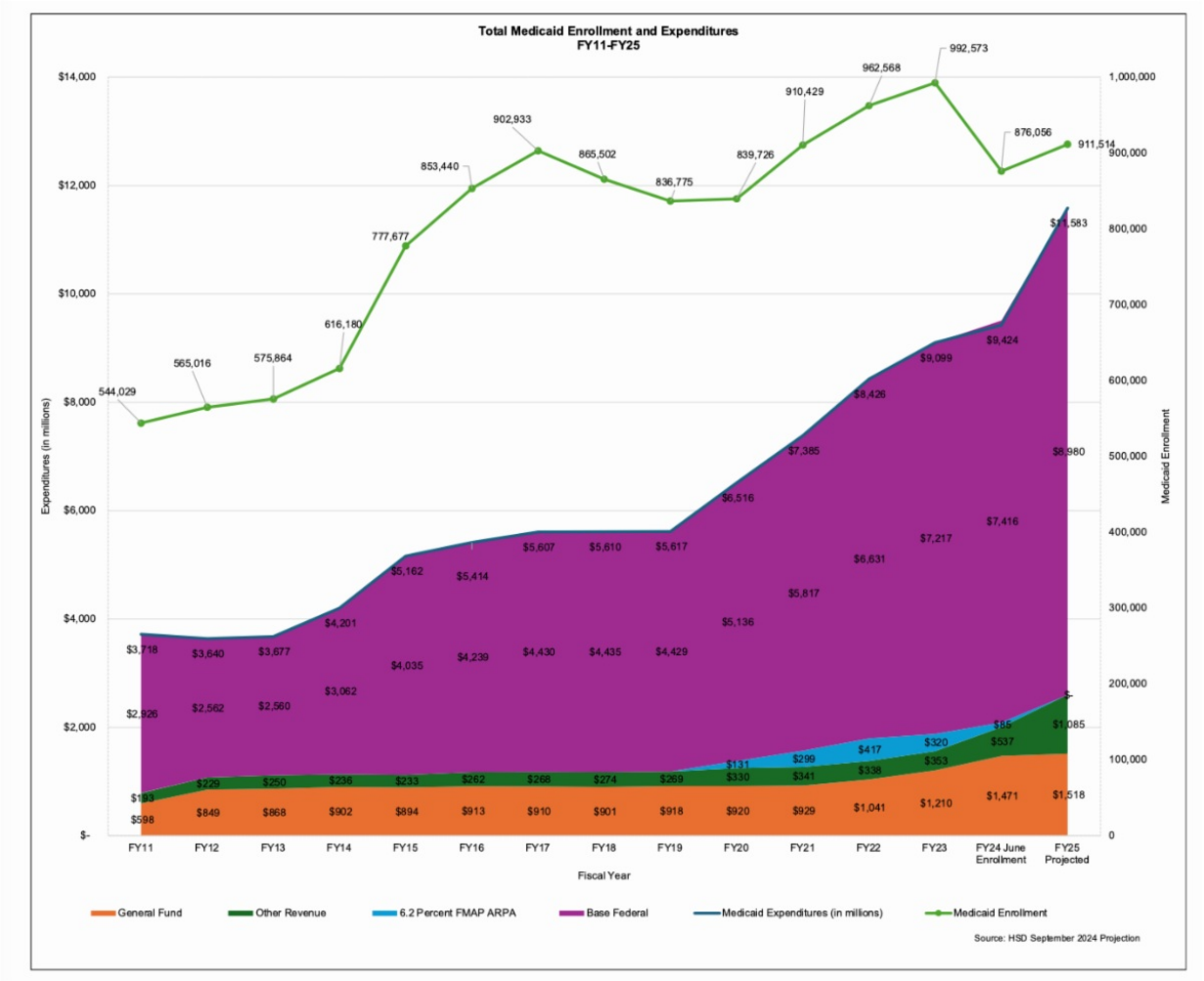
Our research indicates that both Colorado and Texas have state prevailing wage laws that are strictly limited to public works projects, normally things such as road construction paid for out of public funds. Arizona has no state prevailing wage law and uses the federal Davis-Bacon Act, which confines prevailing wages to public works.

On average, labor is about 25% of the total cost of a construction project. So, higher labor rates are significant in terms of total costs. The answer to whether prevailing wage rates raise costs depends on where you stand. Generally, proponents of HB 6 say any higher costs are offset by higher productivity. A leading source of information for the construction industry, Gordian, says that on federal projects, costs can increase by 12-20%. Industry says that productivity does not offset most or all of these higher costs. As we said in our testimony, and given the fact that our surrounding states do not require prevailing wages on IRB projects, it's pretty easy to conclude that HB 6 will result in New Mexico being less competitive.

OUR STATE HAS A SLEEPING BUDGET GIANT - DO YOU KNOW WHAT ITS NAME IS?



The answer? Medicaid. The sleeping giant, unnoticed by many, has a huge and insatiable appetite when he wakes. Medicaid commands around $2.5 billion of the general and other funds and is growing (public education is around $4.5 billion of the general fund). With federal funds, the total is about $11.5 billion. The chart from the Legislative Finance Committee (LFC) below traces the history of Medicaid budget growth and participation by New Mexicans:



The large and increasing purple section is the growth in federal funds; the orange, green and light blue are various state funds. The top line is the number of participants in Medicaid - it's projected to exceed 900,000 in fiscal 2025. Federal funds account for about 75% of total Medicaid costs. According to the LFC, between FY 2019 and FY 2025, the Medicaid budget has more than doubled. This is why there's a little black cloud hovering over some decision makers. They're concerned that federal budget cuts could cost the state $1 billion in lost revenue.

This may well explain why there is legislation proposing to increase oil taxes by nearly half a billion dollars. Yet, at the same time, there is legislation to enact "Medicaid Forward," which would put virtually every New Mexican on Medicaid. We don't know if the feds would approve this and, if they did, how much federal matching money would be available. In any event, it doesn't seem like a good time to be adding Medicaid costs when we're not sure that we can cover the current expenditures.

Medicaid's Effects on Health Care

Since about 50% of New Mexicans are enrolled in Medicaid (and another 20% are on Medicare and 8% are uninsured), this means two out of three patients cause health care providers to either lose money (Medicaid) or maybe break even (Medicare) Our state nears the top of states in percentage of participation at about 50%. Most states are in the mid 20s - Texas is at 18.5%; Colorado at 28.4%, Utah at 13.8% and Arizona 30.5%. Why is this important? Because Medicaid doesn't cover the full cost of providing service, much less allow for any profit. Medicaid reimbursement rates have been increased by the Legislature in the last few years, but it's a constant game of catch up, trying to keep up with increasing costs of health care.

Private insurance, of course, pays much better - about 145% of the cost of care. So, if you're a doctor, wouldn't you rather practice in a state with a lower percentage of Medicaid patients and a much larger percentage of privately insured? Of course you would. You'd like to make more money to pay off those huge medical school debts, pay for state-of-the-art equipment and office staff. In New Mexico, it means that hospitals and health care providers have less money to hire employees and build facilities. The long-term goal should be to create more good-paying private-sector jobs and bring down the percentage of people on Medicaid, not increase enrollment. In the short term, we've got no choice but to try to find ways to keep the giant well-fed and asleep for as long as possible. (We'd like to acknowledge that some of the information used in this article comes from an excellent 25th anniversary report done by *Think New Mexico.* You can read the entire report which lays out solutions to the healthcare crisis HERE.)

SENATE APPROVES ADDING CRIMES TO NM'S RACKETEERING STATUTE; HOUSE GETS BILL



The Senate today passed Senate Bill 70, Add Racketeering Crimes, sponsored by Sen. Craig Brandt (R-Sandoval). The bill amends the Racketeering Act to include 11 additional crimes within the definition of “racketeering.”

Brandt explained that his bill “adds several crimes to our RICO statute to go after organized crime. The crimes that it adds are money laundering, sexual exploitation of children, criminal sexual penetration, criminal sexual conduct, dog fighting, bringing contraband to places of imprisonment, and human trafficking. All heinous crimes in themselves, and they need to be added to this. This allows our DAs to actually go after criminal organizations that engage in these activities and hopefully cut off the head of the snake and break those organizations up.”

Sen. Jim Townsend (R-Eddy & Otero) highlighted the importance of the bill’s changes. “One of the reasons that I was told by the DA is that it hasn't been used in our state, is because it doesn't cover the most heinous crimes that are being done today, like human trafficking. We have a huge increase in human trafficking in the state of New Mexico over the last four or five years, and if you'll notice, every one of those recent cases have been charged by the feds because our RICO statute didn't cover it. Our attorney general wanted to charge but couldn't because our RICO statute didn't cover it. Thank you, Sen. Brandt.”

Cockfighting was added back in to SB 70 as a crime that could be prosecuted as a RICO violation. Cockfighting had been removed in committee, but Rep. Jeff Steinborn’s (D-Doña Ana) floor amendment to restore it passed 30-6. Steinborn said, “cockfighting is absolutely, law enforcement will tell you, often involved in criminal activity, organized crime, in fact. And so this belongs on the list as well.”

SB 70 passed 30-0 and heads to the House next.

HAND IN THE COOKIE JAR? SENATE FLOOR GETS TOUGHER EMBEZZLEMENT PENALTIES



This morning the Senate Finance Committee quickly and without fanfare approved Senate Bill 155, Determination of Embezzlement Penalty, sponsored by Sen. Antonio “Moe” Maestas (D-Bernalillo). The bill passed 9-0 and heads to the Senate floor next.

J.D. Bullington provided testimony in strong support of the bill, comparing it to a retail-theft bill that passed in 2023 and is effectively helping law enforcement lower the incidences of that crime. This particular bill will help law enforcement take a stronger stand when someone is caught with their hand in the cookie jar — stealing several cookies over a period of time.

“SB 155 would allow aggregating embezzlement charges over a consecutive 12-month period so that serial embezzlers could be punished with higher-level felony sentences. In a sense, this bill is similar to legislation passed in 2023 that allowed aggregation of retail-theft charges. And that new law is working.

“Whether it's stealing a physical item or embezzling funds from a government, business or private account, it's theft. And, this can include diverting equipment for personal use that was intended for government or business use. Unfortunately, in New Mexico we've seen embezzlement in some pretty high places, including law enforcement officials. Often, just like with retail theft, there are repeat offenders, and they would be targeted by this bill, potentially raising their penalty from a petty misdemeanor to different degrees of a felony. This makes good sense. It's working on the retail-theft side, and we believe it will work with embezzlement.”

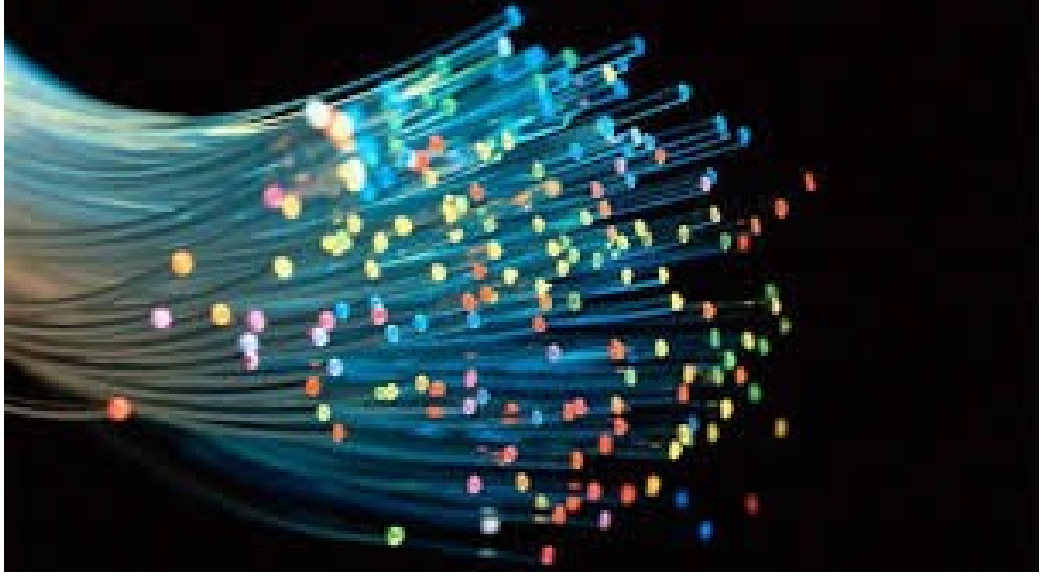
The Albuquerque Police Department has charged more 100 repeat offenders under the retail theft aggregation provision. According to APD Commander of Investigative Services Jeffery Barnard, "Year-to-date starting in November, we were down in shoplifting for the year overall. While it takes more time and work to get people on the felony charge, it's worth it."

SB 155 will give law enforcement an additional tool to go after people embezzling:

- Petty misdemeanors: when the value embezzled or converted is $250 or less in any consecutive 12-month period.
- Misdemeanor: more than $250 but not more than $500 in any consecutive 12-month period.
- Fourth-degree felony: more than $500 but not more than $2,500 or in any consecutive 12-month period.
- Third-degree felony: more than $2,500 but not more than $20,000 in any consecutive 12-month period.
- Second-degree felony: more than $20,000 in any consecutive 12-month period.

We’ll keep an eye out as this bill heads to the Senate floor. By consolidating multiple offenses into a single chargeable amount, the bill seeks to address repeat offenses and ensure appropriate sentencing based on cumulative financial harm.

GIVING BROADBAND ACCESS A BOOST; FUNDING INCREASE CROSSES OVER TO HOUSE



Senate Bill 126, sponsored by Sen. Michael Padilla (D-Bernalillo), was on the Senate floor today. It amends the Rural Telecommunications Act and increases the cap on the state rural universal service fund (SRUSF) from $30 million to $40 million. The bill also increases the amount dedicated to the broadband program from the SRUSF from $30 million to $40 million, less the amounts expended for the other programs.

The Public Regulation Commission has recommended increasing the cap for the broadband program from $30 million to $40 million to address the demand for broadband and stated, “the RTA’s $30 million cap is preventing the broadband program from being fully responsive to the urgent broadband access needs generated by the pandemic. Thus, the commission believes that the cap is temporarily interfering with the broadband program’s purposes.”

The Senate passed the bill to the House on a vote of 38-0. The Chamber is very supportive of SB 126 and acknowledges the tremendous leadership Padilla has and is providing on expanding broadband services in New Mexico.

Quality, affordable broadband service is very important to the economic health and development of our state. Of course, digital transactions rule the world, but let's also not forget the opportunities it brings for distance learning, in class instruction and telehealth, to mention but a few of the benefits to both our economy and our quality of life. Now, let's see, Netflix has a new series. ...

HOUSE CONSUMER & PUBLIC AFFAIRS TABLES JUVENILE CRIME REFORM BILL



Thursday evening went late for the House Consumer & Public Affairs Committee as it heard House Bill 134, Delinquency Act Changes, sponsored by Rep. Andrea Reeb (R-Chaves, Curry &

Roosevelt).

The bill extensively amends the Delinquency Act to impose harsher provisions on minors who have committed certain criminal acts and to grant greater discretion to the court in extending probation or commitment.

Reeb introduced a committee substitute that defined serious youthful offenders and lowered the age from 15 to 14. It also added four crimes — murder in the first degree, voluntary manslaughter, robbery armed with a deadly weapon and shooting out of a dwelling or occupied building that results in great bodily harm to another person or shooting.

According to Bernalillo County data, in 2024 there was a total referral of 1,542 cases involving a juvenile defendant. Of those, 24 were for murder, 52 were for armed robbery and 73 were for shooting from a vehicle or at a dwelling.

Adrian Gomez of the Greater Albuquerque Chamber of Commerce testified in support of the bill, saying:

“Reform of the juvenile justice system is much needed and long overdue. Our state, tragically, has one of the highest youth homicide rates in the United States. Homicide ranks as the second leading cause of death among those aged 15–24, with firearms involved in 79% of cases. With rising juvenile violence, we have to do better for the safety of our communities and the well-being of the youthful offenders themselves. Please vote 'yes' on HB 134.”

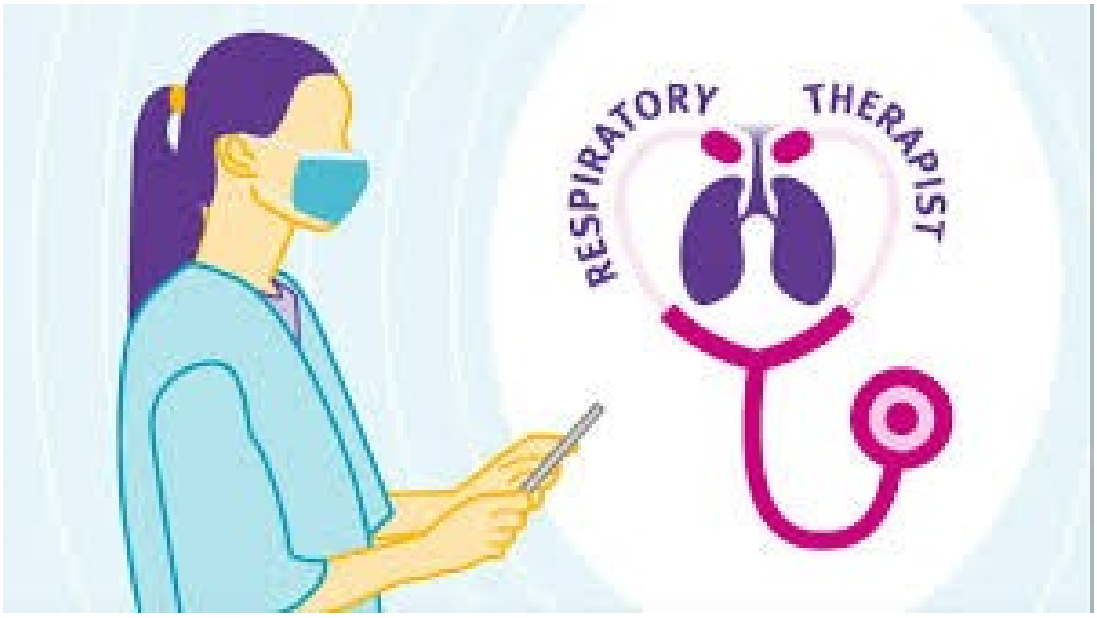
Also in support of the bill were the New Mexico State Police and New Mexico District Attorney Association.

Reeb said the bill is targeting the worst of the worst youthful offenders.

“We need to be reality-based about where we are right now in New Mexico and the violence that we're dealing with,” Reeb said. “Reminding the committee that the majority of the crimes listed, they do get an amenability hearing. So if they are amenable to treatment, they will have that option. It's just the serious violent offenders, the ones that are killing people, that may not have that option. So I would just say for too long, we've been kicking this can down the road. We've made promises to the people of New Mexico to take action on crime. And I believe now it's time to deliver.”

After more than an hour of questions, a motion was made to table the committee substitute. The committee voted 4-2 along party lines to table the bill, Democrats in favor, Republicans opposed. After the vote, Rep. John Block (R-Otero) and Rep. Stefani Lord (R-Bernalillo & Torrance), both visibly frustrated, apologized to the sponsor and decried the inability of the Legislature to address juvenile crime in any meaningful way.

EXPANDED RURAL HEALTH CARE TAX CREDIT MAY GO INTO OMNIBUS PACKAGE



Senate Bill 424, sponsored by Sen. Pat Woods (R-Curry, Harding, Quay & Union) would make respiratory care practitioners and polysomnographic technologists (read on to find

out what they are) eligible for the $3,000 annual rural health care practitioner tax credit. The Senate Tax, Business and Transportation Committee temporarily tabled the bill pending the development of a comprehensive tax package. The cost to the general fund would be $350,000 a year.

According to the Department of Health, "the proposed addition of respiratory care practitioners and polysomnographic technologists in SB424 could encourage health care practitioners to live and stay in rural and medically underserved areas to provide needed health care services.

Terri Cole, president and CEO of the Chamber, provided support for this measure in her testimony"

"Clearly, a theme of this session is to construct and improve the framework for attracting and retaining health care professionals to our state, especially in the rural areas. SB 424 contributes to that framework, and we urge you to vote yes today.

"As noted in the FIR, 'there is a significant demand for medical care specialists like respiratory practitioners and polysomnographic technicians in rural areas.' I even know what the word I can't pronounce is - it's sleep studies. The expansion of the $3,000 annual rural health care practitioner tax credit to these professionals comes at a very small cost to the general fund, yet it will do a lot of good. In the economic development field, health care is increasingly important. As is often said, it isn't health care if you can't get an appointment. Let's help keep our professions in New Mexico."

We'll let you know what does, and doesn't, make it into the final tax package.

AROUND THE ROUNDHOUSE

LIKE READING, NM STUDENTS' MATH SCORES LAG BEHIND NATIONAL AVERAGES, AND SJR 15 WON'T HELP

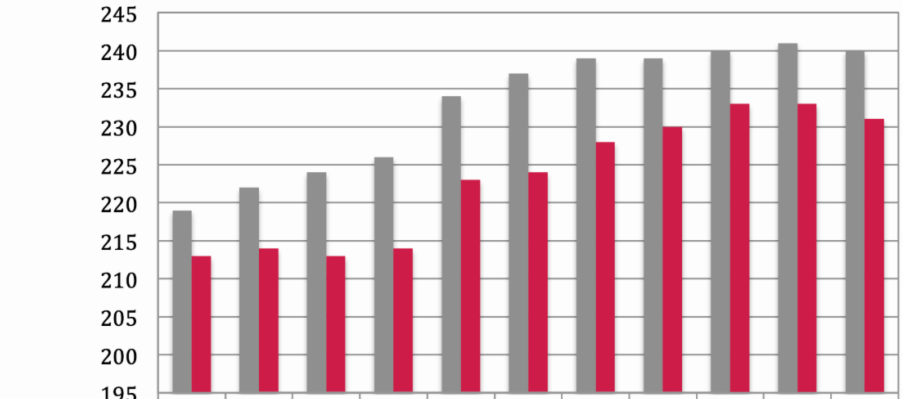


Yesterday in the Legislative Roundup we presented an article discussing Senate Joint Resolution 15, sponsored by Sen. Bill Soules (D-Doña Ana), a proposal to move to an appointed state education board and replace the current secretary of Public Education, a part of the governor's Cabinet, with an appointed board and independent state superintendent of public instruction. SJR 15 will soon be considered on the Senate floor. The point of our article was that it's not how we govern education that matters - New Mexico has had poor-performing schools under different governance structures. What does matter is teaching kids using modern curricula that will improve their competency, particularly in reading and math.

We demonstrated this point by showing achievement levels for fourth- and eighth-grade reading from 1972 to 2015, a period overlapping both an elected state board of education and an

appointed secretary of Public Education. And, unfortunately, New Mexico's results were poor then, just as they are today. Here's a look at that same period concerning fourth- and eighth-grade math competency:

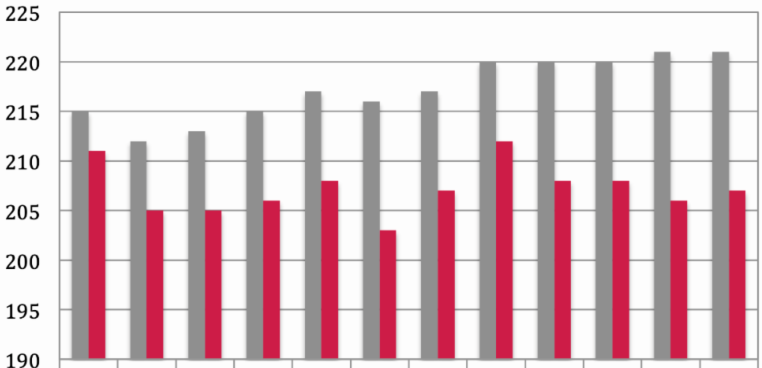
Figure 2. NAEP Grade 4 Math, national and state, for selected years.



	1992	1996	2000	2000	2003	2005	2007	2009	2011	2013	2015
National	219	222	224	226	234	237	239	239	240	241	240
New Mexico	213	214	213	214	223	224	228	230	233	233	231

Note. Based on raw scores for selected years, New Mexico fourth graders as a whole have never caught up to the national average in math.

Figure 3. NAEP Grade 8 Math, national and state, for selected years.



	1992	1994	1998	1998	2002	2003	2005	2007	2009	2011	2013	2015
National	215	212	213	215	217	216	217	220	220	220	221	221
New Mexico	211	205	205	206	208	203	207	212	208	208	206	207

Note. Based on raw scores for selected years, New Mexico eighth graders as a whole have never caught up to the national average in math.

NAEP stands for the National Assessment of Educational Progress (NAEP), which provides important information about student academic achievement and learning experiences in various subjects. Also known as the Nation's Report Card, NAEP has provided meaningful results to improve education policy and practice since 1969. Results are available for the nation, states and 27 urban districts.

We also presented information on the miraculous turn around in Mississippi due to a state law that required focus on teaching reading to the point of even holding students back at the third-grade level in order to give them the help they need to become proficient. Here's the reality - you have to be able to read in order to learn. Right behind reading comes math - both are critical to overall academic achievement, leading to higher education or certification in various trades - no reading, no math, no success in life. We strongly support Soule's Senate Bill 235 that focuses on improving math instruction. That's on the right path and should be the focus of our attention, not tinkering with a governance system that doesn't make a difference in student outcomes at the end of the day.



We had a little oops in reporting on Senate Bill 88 last night. This is the bill that seeks to establish a $1 billion trust fund for Medicaid. We had reported that a source of revenue for the fund would come from inactive capital outlay projects. That was amended out of the bill. There also is no appropriation in the bill, that will be worked out as part of the House Bill 2 budget bill considerations. Finding $1 billion this year could be a mountain too high to climb. We wouldn't be surprised for it to take a few years to get all the way to the top.

SIGNING OFF FROM SANTA FE



For a while this morning we were concerned that a public safety power shutoff might be in the offing. Fortunately, Santa Fe was not affected. However, going outside felt like Dorthy being swept up to the land of Oz.

A really important bill, Senate Bill 70 sponsored by Sen. Craig Brandt (R-Sandoval), cleared the Senate without a dissenting vote. This bill expands the racketeering statute to include heinous sexual crimes and human trafficking, among others. Often cases are referred to federal prosecution because their RICO statute does include these kinds of crimes. However, their plate is pretty full, so we need a tool for our local law enforcement to use. Brandt has tenaciously pursued this legislation for two years, and we hope the House follows suit, quickly sending this bill to the governor.

Yesterday, tempting us during Lent, it was national cheese doodle day. It's even worse today - it's national Oreo and national cheesecake day. Get behind us, Satan. And we're getting this day behind us, wishing you a very pleasant evening. We'll see you tomorrow with more news and views.

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GREATER ALBUQUERQUE CHAMBER OF COMMERCE

Legislative RoundUp

2025 Regular Session | Friday, March 7, 2025

57th Legislature | Day Forty-Five

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

BILL TARGETING UNFUNNY PRANK OF 'SWATTING' CROSSES OVER TO HOUSE



Imagine relaxing in your living room one night, watching television or maybe napping. Suddenly, you see a bright flash and hear a huge bang as your door is knocked down, and SWAT officers swarm into your living room, holding you and your family at gunpoint. It's complete chaos and absolutely terrifying. It may take a few of the longest hours of your life until everything is sorted out and officers figure out the entire thing was a hoax. You were just "Swatted."

Sen. Craig Brandt (R-Sandoval) has worked for a few years now to increase the severity of making a false report that leads to a forceful police response. Currently, it's a misdemeanor, but under Senate Bill 18, Crime of Swatting, it will become a felony. The Chamber has been supporting the bill every step of the way this session. Brandt's bill passed the Senate floor today on a 36-0 vote and now heads over to the House.

Swatting is falsely reporting an emergency to law enforcement with the intent of getting a "SWAT team" response to a location where no emergency exists. The calling party will often report they are involved or nearby as a witness to a home invasion, active shooter or hostage situation, attempting to muster the largest response possible. Often, the law enforcement response is substantial, with police confronting the unsuspecting victims at gunpoint, only to learn there is no real emergency. It's done as a prank, or sometimes as retaliation. It's just as dangerous for both the unsuspecting victims and for law enforcement, and it's an incredible waste of resources.

We'll continue to work this bill with the hope it makes its way to the governor's desk.

GOVERNOR'S STRATEGIC WATER SUPPLY

LEGISLATION MOVES OVER TO SENATE



House Bill 137, sponsored by Rep. Susan Herrera (D-Rio Arriba, Sandoval, Santa Fe & Taos), passed the House today on a 57-4 vote. The bill now moves to the Senate. The thrust of the bill is to move forward on projects and research to clean brackish water for use in New Mexico. The Chamber supports the bill and the goal of creating a strategic water supply in order to improve the state's drought resilience and for use in a wide variety of applications.

New Mexico has the most brackish water in the nation - almost as much water as in Lake Superior. The purpose of the bill is to accelerate the use of brackish (salty) water found in deep aquifers. The town of Cuba, for example, is facing dire water shortages and is preparing to install a desalination (de-sal) plant. The bill is aimed at helping fund these kinds of projects and advance scientific work at New Mexico Tech and New Mexico State University. Tech is working on characterizing aquifers throughout the state - geological mapping to understand possible effects of tapping brackish aquifers. NMSU is working on how to improve treatment technology.

El Paso has been desalinating brackish water since 2007, as have many towns throughout Texas and the world, for that matter. The Kay Bailey Hutchison Desalination Plant, the largest inland de-sal plant in the world, produces 27.5 million gallons a day of potable water, and there are plans to expand the plant to 42 million gallons per day. That would be enough to serve nearly 300,000 residences. The plant is cost-effective, in part, because a mineral processing plant is situated next door that buys the byproducts, contributing revenue to the cost of the de-sal treatment plant. As Rep. Jack Chatfield (R-Colfax, Curry, Harding, Quay, San Miguel & Union) pointed out in floor debate, the cost of the water from the plant for a family of four is about $24 per month, and the water is so pure it has to be remineralized so as not to leach minerals from human bodies.

Chatfield offered a floor amendment that was accepted as "friendly" and adopted without dissent. The amendment provides for public notice, hearing and appeal for brackish water projects, the same as is the case for any water permit or project in the state.

The bottom line is there are existing cost-effective desalination options available right now. Through expanded research and development, costs can be reduced further - like we've seen with wind energy, for example. Forty-million dollars has been set aside in the budget bill to get this initiative started. It's a wise investment to improve our state's drought resilience and ensure we can remain competitive in attracting and expanding businesses - it's a win on several fronts.

UTILITIES AT SPEED OF LIGHT (AT LEAST A BIT FASTER) HEADS TO SENATE FLOOR



Another piece of our economic development puzzle passed this morning in the Senate Finance Committee and heads to the Senate Floor next. Senate Bill 170, NMFA Definitions, Funds and Rates for Economic Development, by Majority Whip Sen. Michael Padilla and Rep. Meredith Dixon (both D-Bernalillo), passed 9-1.

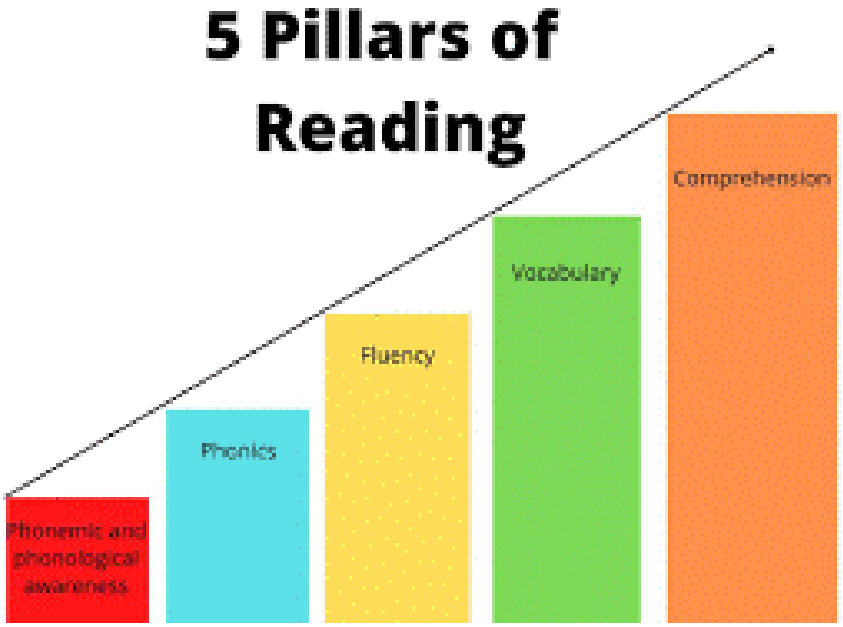
The bill is directly connected to the Greater Albuquerque Chamber of Commerce's theme this session of increasing New Mexico's competitiveness. Enrique C. Knell shared the Chamber's view:

"SB 170 is another pragmatic bill that allows New Mexico to do the literal groundwork necessary to be truly ready when economic development opportunities arise. Allowing public utilities to recover prudent and reasonable costs for certain economic development projects will encourage investment in future projects today. And oversight from both the Economic Development Department and the Public Regulation Commission as well as a 10-year sunset are designed to ensure projects indeed pay dividends."

Padilla's expert witness, Rob Black, Secretary-designate of the state Economic Development Department, explained, "we do believe that the ability to deploy utilities quickly is essential for us to be competitive for economic development, and we think this bill goes a long way to helping us do that. It really just expedites the timeframe that the Public Regulation Commission has to review economic development projects. We've worked with the PRC on this language to make sure that it works for them… just simply, a lot of the uncertainty when you're taking a look at New Mexico to do business, whether you're out of state or in state, is just how long it takes to get your utility scenario kind of sorted out. It's anywhere from 18 months to three years. This is going to require the PRC to act on these items within six months."

"When you get off the airplane, we want to be able to immediately usher you over to locations that are ready to rock and roll," said Padilla. He added that goes for New Mexico businesses looking to expand as well. We'll let you know what happens when this bill hits the Senate floor.

PROVEN STRUCTURED LITERACY BILL STALLS IN HOUSE EDUCATION COMMITTEE



Senate Bill 242, sponsored by Senate President Pro Tempore Mimi Stewart (D-Bernalillo), seeks to require colleges and universities to adopt "structured literacy" in curricula for teacher preparation training and to prohibit use of part of the "balanced literacy" current system, which trains children to guess at words. Part of structured literacy involves phonics, but there is more - as depicted in the chart above. The bill was rolled over by the House Education Committee in order to try to develop amendments to overcome opposition, but we doubt that it will be scheduled to be heard again this session.

Chair G. Andres Romero (D-Bernalillo) said he couldn't guarantee when or if the bill would be heard again. Romero was very upset with "the unacceptable kind of pressure put on members of the committee." He said, "it's very troubling to me." Romero indicated he thought the measure should be put before the Legislative Education Study Committee during the interim study period.

Structured literacy is part of the science of reading, which converges decades of research into a structured system that teaches how to break apart words and apply that approach to boost vocabulary and comprehension. Terri Cole, president and CEO of the Chamber, stood in support:

"All of you on this committee are very familiar with what the science of reading is about. What's important to us as business people is that a high-quality workforce is available, and the foundation for that starts with children learning to read and comprehend. The Chamber has long been involved in efforts to help lift student achievement. Through all that work, going back almost two decades, we know how critically important learning to read is.

"It's one of the reasons we started the Albuquerque Reads program, staffed by volunteers reading to children, helping them to love reading. The current method of teaching simply hasn't worked. After decades of research, including brain science, there has emerged effective strategies of teaching kids to read. It's said that the science of reading is the converging evidence of what matters and what works in literacy instruction. We believe this is the right direction and urge you to vote 'yes' on SB 242."

While the state has been moving toward structured literacy (the former system is called balanced literacy), SB 42 requires that aspiring teachers must be taught structured literacy, that structured literacy be the method of teaching in schools, that balanced literacy ("word guessing") be banned and that parents receive feedback on how their child is progressing. Three school districts have produced excellent results, boosting student reading competency to 60%. Current statewide results are 39% and last in the nation. As Stewart points out, "if we keep doing what we're doing now, then we're going to get the same results." Another point in favor of structured literacy is that it works well for those learning English as a second language and preserves fluency in both languages. (And structured literacy is the foundation of the student performance turnaround we've written about that's known as the "Mississippi Miracle.")

Opponents argue that mandating structured literacy is forcing a one-size-fits-all approach. They say teachers should be allowed to use their professional judgment in choosing how to approach reading. Some also expressed concern about whether structured reading really does work for English language learners. Several members of the committee asserted that local control and teacher discretion should not be taken away. Stewart countered by saying that structured literacy is a method and structure - there are lots of tools that fit the structure. What she doesn't want to see is the balanced literacy approach of having students guess at words.

The committee considered and debated the measure for more than two hours, and members were under pressure to attend the House floor session. It was clear from the discussion that there was widespread opposition to mandating structured literacy. Consequently, Stewart offered to remove the mandate; however, there wasn't time to do amendments "on the fly," so the bill was rolled over. This bill will surely be on our list of big disappointments from this session if it doesn't reappear. It was very troubling to us today that a demonstrated successful method to teach our students to read stalled in one of our education committees. We'll keep you posted. But, we look forward to working with Sen. Stewart in the interim and getting this bill back to our Legislature.

ANTI-OIL-AND-GAS FRACKING BILL PASSES AND IS ON ITS WAY TO THE HOUSE FLOOR



The oil and gas industry fuels our state coffers and rainy day funds for items like education, child care and our universities. But every day during the session, it is an easy target for bills that seek to tax and regulate it out of existence.

Rep. Andrea Romero (D-Santa Fe) was in House Judiciary tonight pushing her legislation that would prohibit oil and gas producers from using per- and poly- fluoroalkyl — PFAS — in recovery. The state agency responsible for regulating oil and gas production wrote that House Bill 222 could "create a chilling effect for (oil and natural gas) development in the state." The bill passed 6-3 along party lines and now heads to the House floor.

Enrique C. Knell provided the Chamber's view in opposition and why this bill is a bad idea:

"There are just too many uncertainties to make this legislation viable. First, the impact on production in our state is unknown. Secondly, there's legal jeopardy, well-stated by the attorney general. Third, there's rulemaking going on right now to address this subject that would be completely derailed if this bill passes."

Gov. Michelle Lujan Grisham's Energy, Minerals and Natural Resources Department (ENMRD) expressed concerns on HB 222 in a written analysis:

"EMNRD notes House Bill 222's impact on operators, trade secrets materials, and the use of them in operations has the potential to either simply incentivize operators to not use trade secret material in the state, which could potentially impact effective operations, or incentivize the industry to move to states that do allow for use of trade secret materials. EMNRD analysis notes either instance could impact state revenues."

We'll be on the House floor as the debate continues.

BILL BEING AMENDED TO GET BETTER CARE FOR BABIES BORN EXPOSED TO DRUGS



Senate Bill 42, a rather complex measure, seeks to significantly improve the care given to babies born with exposure or addiction to a range of drugs or alcohol. Tonight, the bill was rolled over until Monday by the Senate Judiciary Committee to develop clarifying amendments. A 2023 Legislative Finance Committee evaluation says the state's implementation of its Comprehensive Addiction and Recovery Act (CARA) policy has substantive gaps and recommends many of the statutory and program changes reflected in this bill.

The Chamber is supporting SB 42 as Terri Cole, president and CEO, stated in her testimony:

"It's clear from LFC analysis that we're not reaching mothers with substance abuse through the current system. The National Institutes of Health reported that overdose deaths among pregnant women aged 35-44 tripled between 2018 and 2021. It's a problem all the states are grappling with.

"In New Mexico, the LFC tells us that rates of newborns with substance-withdrawal symptoms in New Mexico have climbed to more than twice the national average. And yet only one in seven local families with substance-exposed newborns accepts referrals to addiction treatment, We need to close the gaps on service delivery, and SB 42 seeks to do just that. It's a complicated problem that we want to try to solve through treatment rather than penalization. Yet, this is very real child abuse that has to be dealt with. We urge a 'yes' vote on SB 42.

Specifically, the bill will:

- Require the Department of Health to ensure a care coordinator is available in each birthing hospital in the state and that care coordinators implement plans of safe care. The baby may not be discharged unless a plan of care is developed and agreed to. If a plan is not followed, a referral to CYFD may occur.
- Make DOH responsible for all training for hospitals and providers related to plans of safe care.
- Allow for the creation of plans of safe care prenatally and perinatally and direct all hospitals to use an evidence-based screening tool (SBIRT—for screening, brief intervention and referral to treatment) at prenatal and perinatal appointments.
- Require plans of safe care include a referral to home visiting and substance use treatment.

According to the bill's fiscal impact report, SB 42 will make "the Department of Health (DOH) the lead agency with more specific expectations about the roles and responsibilities of care coordination, including in-person and active support and follow-up with families to engage them in referred services. The bill would also make DOH responsible for ensuring the completion of federally-required reporting related to plans of safe care, developing an annual report related to the creation and implementation of plans of safe care for several interim legislative committees, and delivering training. The bill also provides DOH with rule-making authority." Other aspects of the bill include providing criminal penalties for assaulting or harming child welfare workers, similar to the protections given to teachers and health care workers. Also included are improved services for foster care providers. If the bill gets Senate Judiciary Committee approval, it will go to the Senate floor.

PROSECUTING SOCIAL MEDIA AND TEXT HARASSMENT ADVANCES TO HOUSE FLOOR



We've lived with "smartphones" for more than 18 years now, and the kids graduating from high school in a few months have never known a world without emojis, likes and Instagram reels. Unfortunately, texting, e-mails and social media can also be used to harass and intimidate people. Not surprisingly, a TikTok video can go viral far quicker than we can update our criminal statutes.

Modern challenges require modern solutions. That's why former-prosecutor-turned-lawmaker Rep. Andrea Reeb (R-Chaves, Curry & Roosevelt) presented House Bill 287, Telephone, Text & Social Media Crimes, to the House Judiciary Committee this evening.

Enrique C. Knell gave the committee the Chamber's view in support of Reeb's bill:

"We absolutely support Rep. Reeb's bill to update criminal law and account for the changing ways in which we communicate with each other. Our No. 1 goal this session is to position our state to better compete for new businesses, workers, residents and visitors. A major part of achieving that goal is to make it hard to be a criminal in New Mexico. We think HB 287 is a good step in that direction."

Reeb presented officer Berling from the Las Cruces Police Department as her expert witness. He says he has investigated hundreds of crimes over the last decade that involve threatening behavior over text or social media, from domestic violence, to neighbor disputes and gang activity.

"It's been on the books since at least the '60's. I don't know that they anticipated the prevalence of social media and text messaging when the law was adopted," said Berling. "So I think it's important to update it to make our jobs as police officers in doing these investigations a little bit easier, and to give proper recourse for victims of this type of conduct."

Basically, the current law is just insufficient for addressing the unique nature of telephonic harassment, and passing Reeb's bill will modernize the statute. HB 287 passed on an 8-0 vote and now goes to the House floor. We'll use electronic media to let you know what happens next.

IN THE SENATE



Gov. Michelle Lujan Grisham and Barbara Richardson (middle row, second and third from left) were in the Senate today as former Gov. Bill Richardson was honored. Richardson was New Mexico's governor from 2003 to 2011; he died in 2023 at the age of 75.

Gov. Michelle Lujan Grisham made a rare appearance on the Senate floor this afternoon to honor former Gov. Bill Richardson. She was joined by his widow, Barbara Richardson, and several other people who were close to him, including his chief of staff, Brian Condit.

Sen. Joe Cervantes (D-Doña Ana) presented a certificate that was read into the record. It highlighted Richardson's achievements:

- Served as New Mexico governor, U.S. congressman, U.N. ambassador and U.S. secretary of Energy.
- Noted for his work in diplomacy, renewable energy and infrastructure development.
- Authored three books and founded the Richardson Center for Global Engagement.
- Nominated five times for the Nobel Peace Prize.

Several senators from both parties shared personal anecdotes, highlighting Richardson's approachable nature and significant impact on New Mexico. There’s no doubt, Richardson was a huge figure in New Mexico, and his impact on the state will be felt for generations to come.



Former N.M. Gov. Bill Richardson

AROUND THE ROUNDHOUSE



Medial Malpractice Reform Can't Catch a Hearing

Trial lawyers are successfully blocking consideration of very necessary medical malpractice reform legislation. Apparently, they're reluctant to have their day in the court of public opinion.

High malpractice insurance rates and frequent lawsuits are a major obstacle to physicians practicing in our state, and hospitals bear a heavy cost. Senate Bill 176, sponsored by Sen. Martin Hickey (D-Bernalillo), himself a licensed physician and former hospital executive, seeks to take the handcuffs off doctors by making these reforms:

- capping attorney fees both in settlements and trials
- prohibiting lump-sum payments in order to ensure patients receive payouts to cover medical needs as they are incurred
- establishing a patient safety improvement fund that would receive 75% of punitive damages
- setting limits on the recoverable amounts in malpractice claims, adjusted by the consumer price index

Where New Mexico Stands

New Mexico has the second-highest number of medical malpractice lawsuits per capita in the nation. There is one medical malpractice lawsuit for every 14,000 New Mexicans, more than twice the national average. As a result, medical malpractice insurance premiums are about twice as high as other states in our region. The average malpractice insurance policy costs an independent practitioner $43,000 per year. In Arizona the cost is $22,030, in Colorado $23,772, in Texas $28,487 and $28,861 in Utah.

Even with the outrageously high premiums here, insurance companies are losing money. For every dollar they collect in premiums, they are paying out $1.83. Not surprisingly, there are only a handful of insurance companies left that are willing to write policies. The national payout ratio is $.73 for every dollar collected in premiums. With no caps on settlement amounts, no caps on attorney fees, high punitive damage awards and lump-sum payouts, lawyers have every incentive to bring malpractice lawsuits, and they certainly are taking advantage of these unintended but very real incentives. Other states have enacted the kinds of boundaries contained in SB 176, which have resulted in less litigation, lower payouts and more money for hospitals and doctors to hire more employees, buy equipment and improve facilities.

SB 176 was introduced on Day 8 of the session and has been refused a hearing in the Senate Health and Public Affairs Committee - and here we are with the session ending two weeks from tomorrow. While a committee chair does have discretion to decide committee hearing schedules, it's not often that a chair will just refuse to hear a bill on a very important subject. SB 176 should get its day in court. Reform is needed if we're to improve New Mexico's competitiveness.



Change Your Clock; Watch Your Heart

Sen. Candy Spence Ezell reminded her fellow senators that daylight saving time kicks in this weekend. Her announcement was met with groans all around, and Minority Floor Leader Bill Sharer (R-San Juan) said, “We should stay where we are.” Senate President Pro Tem Mimi Stewart (D-Bernalillo) said, “That’s something I could vote for.”

It was fun and light until the doctor in the house showed up. Sen. (and Dr.) Martin Hickey (D-Bernalillo) piped up and said, “I hope we have defibrillators in the Chamber. There’s a huge increase in heart attacks the day after the time changes.”

Thanks for the sobering reminder, Doc! Enjoy the time change this Sunday and take it easy!

SIGNING OFF FROM SANTA FE



Two weeks from tomorrow, the legislative session will adjourn *sine die*. To date, only four bills, or .34% of over a thousand bills filed, have passed both houses and have been sent to the governor. Only 170 bills have passed their house of origin and are in the second house; that's a little over 14%.

After next weekend, committee action will slow down and the days and evenings will turn to floor debates and action. Bills that haven't yet cleared their house of origin have a long way to go and a short time to get there unless they have the power of leadership behind them. In that case, we've seen legislation move at warp speed. There are several big items left, including the budget and tax package.

Today is National Be Heard Day, which encourages small businesses across the country to make their presence known. The day recognizes the over 145 million small businesses in the United States striving to be heard over all the noise. And, lest we forget, 90% of the businesses in our state are small businesses. They form the backbone of our economy, so here's a toast to them! We'll be on duty again tomorrow, when we'll once again bring you all the news and views. Have a wonderful weekend.

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GREATER ALBUQUERQUE CHAMBER OF COMMERCE

Legislative RoundUp

2025 Regular Session | Saturday, March 8, 2025

57th Legislature | Day Forty-Six

BREAKING NEWS
March 8, 2025

BREAKING NEWS: PAID FAMILY AND MEDICAL LEAVE BILL CLEARS COMMITTEE - ON TO SENATE FINANCE

A few minutes ago, the Senate Tax, Business and Transportation Committee gave a "do-pass" recommendation to House Bill 11, the paid family and medical leave bill. The vote was 6-4 along party lines, D's in favor, R's opposed. The measure provides six weeks of paid family medical leave financed by new payroll taxes on employees and employers. We are concerned that the taxes will be increased within a few years, as the fiscal projections for the fund are shaky. The measure also provides for a $9,000 "refund" to a parent upon adoption or birth of a child, along with 12 weeks of unpaid leave. This costs $200 million per year, is unfunded, and could be dumped on the backs of all taxpayers.

Terri Cole, president and CEO of the Greater Albuquerque Chamber of Commerce, said, "This bill makes New Mexico less competitive and attractive as a place to do business. It's a real burden on our small businesses trying to cover for employee absences, as well as the added tax burden."

Business community opposition to HB 11 is overwhelming across the state, yet proponents continue to ignore their input. The bill next goes to the Senate Finance Committee for consideration. More information will be provided in Monday's Legislative RoundUp.

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GREATER ALBUQUERQUE CHAMBER OF COMMERCE

Legislative RoundUp

2025 Regular Session | Monday, March 10, 2025

57th Legislature | Day Forty-Eight

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

CRITICAL LEGISLATION

MAKE YOUR VOICE HEARD - PAID FAMILY MEDICAL LEAVE HEADS TO LAST COMMITTEE



On Saturday morning, the Senate Tax, Business and Transportation Committee gave a 6-4 "do-pass" recommendation to House Bill 11, the Paid Family and Medical Leave Act, sponsored by Rep. Christine Chandler (D-Los Alamos, Sandoval & Santa Fe) and Senate President Pro Tempore Mimi Stewart (D-Bernalillo), among others. It now heads to the Senate Finance Committee, its last committee assignment.

PLEASE CONTACT SENATE FINANCE committee members and register your opposition to HB 11. (When you arrive at the committee web page, scroll down until you see the committee members' names - click on their names, and you can send them an email or call them). The Chamber has fought this onerous legislation for years and will continue to do so at every turn.

Terri Cole, Chamber president and CEO, stated our opposition in her prepared testimony to Senate Tax members:

"Our reasons for opposing HB 11 are very straightforward:

- *This bill still imposes a tax increase on employers and on every worker in the state.*
- *Especially amid multi-year, billion-dollar budget surpluses, the state can afford to provide these benefits and should simply pay for it.*
- *The fiscal analysis shows the high likelihood that the family leave part of the bill will be underwater within a very short period of time, causing payroll tax increases.*
- *There is no funding source identified for the welcome child “refunds." If paid for by the*

general fund, this is nearly a $200 million hit at a time when there is uncertainty about potential federal budget reductions.
- *Businesses are struggling to find full-time employees, and they are unlikely to find part-time fill-in workers.*
- *This legislation makes New Mexico less competitive and less attractive as a place to do business.*

"Please vote no on HB 11."

The current version of HB 11 contains two parts. The first is the Welcome Child program, which would grant 12 weeks of unpaid new child leave (for birth, adoption or fostering) and $9,000 per family as a "refund." The second part of the program is the Family Wellness program, which grants six weeks of paid leave funded by new payroll taxes, costing employees and employers over $200 million a year with increases likely on the near horizon.

The Welcome Child portion of HB 11 costs $193 million per year, escalated each year by a cost-of-living adjustment. There is no specified fund to pay for these costs, so the Legislature will have to decide later how to cover them. If paid out of the general fund, it becomes a recurring obligation at a time when there is concern about losing significant Medicaid funding from the federal government. Some say this loss could be as much as $1 billion, but we won't know until later this year. If so, it's not exactly a great time to be locking in increased general fund expenses.

Regarding the Family Wellness portion of the bill, in 2029 (the first year after full implementation of the program) the deficit ranges from $42.4 million growing to $227 million by 2031 in the "medium" employee utilization scenario. Under the "high" employee utilization scenario, the deficit in 2029 is $350 million, growing to $870 million in 2031. Only under the "low" scenario does the fund remain in the black.

The scenarios are based on different assumptions about how many people will participate - high, medium and low amounts. According to the fiscal impact report, "If enacted, New Mexico would be the lowest-income state to implement a PFML program. The lower payroll base could result in the payroll contribution being insufficient to cover the needs of the fund." Here's what would happen to payroll taxes. If the high scenario plays out, t**he tax would go from .2% to .8%, quadrupling the tax rate.** If the medium scenario plays out, the rate would go to . **5%, two and a half times the original rate**. Even under the low scenario, the rate goes to .3%.

Also, there's an annual cap of .1% on tax increases. So, if raising the tax rate won't cover the costs and keep the fund solvent, then the Legislature would have to bail the fund out. Payroll taxes can't be raised until 2030, so any deficits in 2028 or 2029 would require the Legislature to pony up the bucks, and that's a lot of ponying! Again, this would be at a time when it's possible that the Legislature will be scraping up every dime it can find to backfill loss of federal Medicaid funding.

Chandler insists that a shortfall "is never going to happen" and disagrees with these calculations based on other states' experiences. She says before the program goes into effect there will be an actuarial analysis performed. Given that this legislation has been under consideration for at least two years, Sen. Gabriel Ramos (R-Grant, Hidalgo & Luna) has asked why an actuarial analysis hasn't already been done so solid numbers could be examined. Ramos said, "I don't like voting for a bill that's an idea. I want to see facts." Don't we all?!

We've fought long and hard against this business- and job-killing legislation, and we're not about to give up now. Unfortunately a very workable measure in the House, House Bill 446 sponsored by Rep. Rebecca Dow (R-Doña Ana, Sierra & Socorro), which we supported, was killed in a House committee. This more-limited measure dealt only with family leave, costing a little more than $19 million per year paid for from the Early Childhood Trust Fund, the balance of which will soon reach $11 billion.

We'll keep you posted on what happens next, but again, in the interim, **PLEASE CONTACT SENATE FINANCE** Committee members by email or phone using this link and let them know you oppose HB 11!

MISGUIDED HOSPITAL MERGERS/ACQUISITIONS BILL GETS SHELVED IN SENATE JUDICIARY!



Senate Bill 14, sponsored by Sen. Katie Duhigg (D-Bernalillo) and Majority Floor Leader Rep. Reena Szczepanski (D-Santa Fe), seeks to require certain hospital acquisitions to receive regulatory approval from the Office of the Superintendent of Insurance (OSI) before the transaction can proceed. It would mean OSI could disapprove of a potential acquisition. The Senate Judiciary committee failed to give the bill a "do pass" Saturday on a 4-5 vote.

Terri Cole, President and CEO of the Chamber, testified in opposition to the measure:

"We are opposed to SB 14 because we're concerned that the bill will have exactly the opposite effect as intended. Why do we say that? Our hospitals, especially our rural hospitals, are often cash-starved because of the high percentage of patients not covered by private insurance. The only solution to their problems may be acquisition by an entity that can bring cash to the table. It's that or potential bankruptcy.

"Increasingly it's very clear how important health care is to economic development. It's a major quality-of-life component. And people must be able to receive timely care. SB 14 could potentially block or delay acquisitions that bring solutions, not problems. Our hospitals must be financially healthy in order to compete for medical professionals. We understand that SB 14 seeks to help, not hurt. Unfortunately, we don't see that as the result and respectfully ask you to vote 'no.'"

Also expressing opposition were the New Mexico Chamber of Commerce, Presbyterian HealthCare System, New Mexico Hospital Association, New Mexico Medical Society and Oceans HealthCare. Opponents expressed many concerns including insufficient protection for confidentiality, inclusion of some private practitioners, concentration of too much power in the hands of one person (the superintendent of insurance), lengthy delay in transactions, ambiguity in definitions and lack of expertise in the Office of the Superintendent of Insurance (OSI). All these factors lead to the opposite result as desired - fewer providers and less access to care.

Duhigg asserts that New Mexico has one of the highest rates of private equity acquisitions, which she says reduces patient care and raises costs. In short, she believes that profits are placed over patient care, noting that the acquisitions are changing the face of health care delivery, resulting in its "corporatization." Duhigg was very angry with the opposition and challenged their motives, saying they had negotiated in bad faith and had always planned just to have the bill killed in committee. (Legislative etiquette generally frowns upon questioning the motives of others.)

Sen. Ant Thornton (R-Bernalillo, Sandoval, Santa Fe & Torrance) expressed his reluctance to interfere in private transactions that likely have looked at the advantages and disadvantages of all parties in far deeper detail than any government agency could. Sen. Antonio "Moe" Maestas (D-Bernalillo) suggested the state constitution prohibits giving the OSI this kind of authority. Chair Joseph Cervantes (D-Doña Ana) shared his concerns with concentrating too much power in one person.

We are pleased to see that the committee declined to authorize regulatory overreach that likely would lead to less patient access to health care.

BILL ADDRESSING THOSE WHO POSE A THREAT TO THEMSELVES, OTHERS PASSES



Senate Bill 166, sponsored by Sen. Antonio "Moe" Maestas (D-Bernalillo), is on the governor's priority list of public safety legislation. SB 166 would amend the Mental Health and Developmental Disabilities Code and the Assisted Outpatient Treatment Act to change the standard for imposing civil commitment or assisted outpatient treatment in New Mexico by redefining “harm to self” and “harm to others.” The new definitions expand the criteria beyond the commission or threat of certain criminal behaviors to include other facets of self-protection. The Senate Judiciary Committee gave the bill a "do pass" on a vote of 8-0.

Terri Cole, president and CEO of the Chamber, provided support for the bill in her testimony:

"A big part of the Legislature's efforts to improve public safety this session is to rebuild the behavioral health system, and rightfully so. We know that addiction leads to crime, homelessness and self-destructive behaviors. Sometimes the state of mind of addicts leads to threatening actions to others or an inability to care for themselves.

"SB 166 seeks to refine the definitions of what constitutes a threat to others and a threat to oneself. Making these definitions more clear will help judges determine the proper course of mandated treatment. When successful, treatment not only betters the lives of those with addiction issues, but it also betters the lives of their families and our community. We urge a "yes" vote on SB 166. We also very much appreciate the committee's willingness to work on additional public safety legislation that goes beyond House Bill 8, the crime package."

SB 166 fits in with legislative priorities in dealing with public safety, which include:

- Restoring competency,
- Increasing behavioral health services,
- Closing the revolving door, and
- Providing treatment to those who need it most - especially those who may not seek it for themselves.

The main purpose of SB 166 is to help shut the revolving door. As Maestas pointed out, with those committing misdemeanors, they may spend a night in jail or an emergency room and then be released back on the street. There is no intervention to channel them to behavioral health programs that can deal with mental health issues and, hopefully, move them onto a better path. Maestas' definitional changes move away from speculating about one may or may not do, but rather rely on the facts of someone actually doing something that either represents harm to self or others.

A few opponents registered concern about violating civil rights, but the bill doesn't change the procedures used by courts to make determinations but rather simply clarifies the definitions to give the courts better guidelines to utilize. The bill now heads to the Senate Finance Committee.

SENATE SENDS THE NON-SOLUTION RERUN OF A STATE SCHOOL BOARD OVER TO HOUSE



Senate Joint Resolution 15, jointly sponsored by Senate Education Chair Sen. William Soules (D-Doña Ana) and Sen. Bill Sharer (R-San Juan), proposes a constitutional amendment (CA) to create an appointed state board of education that would then appoint and oversee a superintendent of public education. Exactly who would sit on the board, how they would be selected and to whom they would be accountable are left for "enabling legislation" to come after New Mexico voters approve the constitutional amendment

The Chamber has consistently opposed this "back to the future, hit rewind" move. Before 2003, there was a state school board that appointed a superintendent of public education. Despite claims to the contrary, data that we've seen demonstrates that New Mexico students were performing well below national achievement levels, just as they are today. Our bottom line is that it's not about governance, it's about focusing on quality instruction that will lift reading and math achievement. Sen. Antoinette Sedillo Lopez (D-Berrnalillo) summed it by saying, "this is like a board of regents, and there's a lot of politics on a board of regents. We did it (created the current system) because we weren't doing well, and now we're going back to something where we weren't doing well." Several senators were also concerned about community involvement and diversity of membership on the board.

Proponents of the CA are frustrated about low student achievement (we all are) and the recent lack of leadership stability due to the level of turnover in secretaries of education. Their analysis shows that students were doing better relative to national performance under the old state board of education and superintendent. Yet, as Sen. Cindy Nava (D-Bernalillo and Sandoval) observed, there's no data supporting the idea that a state school board is better than a secretary of education appointed by the governor. She also pointed out that when there was a state board of education, there was no secretary of higher education nor secretary of early childhood education and care. Her point is that there is collaboration and coordination at the governor's table that would be diminished by moving public education to an independent status. There has been a great deal of recent turnover, but that doesn't mean there always will be - though people tend to change jobs much more frequently than they did back in the 1980s and 1990s.

Sen. Antonio "Moe" Maestas (D-Bernalillo) said that it's very hard to change because the current system is rigid and resistant to change. He believes educators are dug into their beliefs and there needs to be other viewpoints brought in. **"Education is too important to be left only to the educators."** Sen. Joseph Cervantes (D-Doña Ana) echoed similar sentiments, saying a strong leader is needed that can bring transformative change. "We have to change the coach," he said. Boards and commissions are okay if you want the status quo, Cervantes noted, but not if you want transformative change.

The debate was long and spirited, and at the end the measure passed the Senate by a vote of 27-15. The joint resolution now goes to the House.

LIQUOR-TAX INCREASE RIGHTLY PUT ON ICE



House Bill 417 sought to place an additional 6% excise tax on liquor consumption, be it by the glass or by the case. Today, bill sponsor Rep. Micaela Lara Cadena (D-Doña Ana) brought the bill back to the House Taxation and Revenue Committee with an amendment to leave the 6% on package sales but lower the rate on per-drink servings in restaurants and bars to 3%. The amendment failed passage by the committee. Rep. Doreen Gallegos (D-Doña Ana) summed up the opposition, noting that working people with limited budgets don't go to restaurants, they go to the grocery store. Therefore, keeping the tax higher on package sales produces an inequitable result.

No testimony was taken on the amendment or the bill, as there had previously been a full hearing on the bill. The Chamber has spoken in opposition in the past and believes with yet another year of huge revenues, any tax increase is unwarranted and unjustified. Rep. Patty Lundstrom (D-McKinley) pointed out that in McKinley County, due to alcoholism issues, the tax is already higher than the rest of the state, and she wasn't in favor of adding another 6% on top of that. With brief committee discussion, the measure was defeated on a tie 6-6 "do-pass" recommendation. The bill should be finished for the session.

ECONOMIC GROWTH AND JOB CREATION

2 ECONOMIC DEVELOPMENT GAME-CHANGERS PASS SENATE FLOOR, MOVE ON TO HOUSE



A pair of important economic development bills are making their way through the state Legislature, and the Chamber has been in each committee to testify in strong support of each

one. Senate Bills 169 and 170 passed the Senate floor Saturday and today, respectively. These bills are designed to put New Mexico at the forefront of site-readiness competitiveness and are headed to the House.

SB 169, the Strategic Economic Development Site Readiness Act, is sponsored by Majority Whip Sen. Michael Padilla and Rep. Meredith Dixon (both D-Bernalillo). It would establish a $24 million fund under the auspices of the Economic Development Department to find and select sites that are prime candidates to become shovel-ready for development. Sites from around the state are eligible for consideration. The sites could be publicly or privately owned and would be selected with the help of a diverse advisory committee.

That bill passed the Senate on Saturday 37-2.

SB 170, NMFA Definitions, Funds and Rates for Economic Development, is sponsored by Padilla, Dixon and Reps. Joshua N. Hernandez (R- Sandoval) and Joy Garratt (D-Bernalillo). The Chamber has testified that "SB 170 is another pragmatic bill that allows New Mexico to do the literal groundwork necessary to be truly ready when economic development opportunities arise. Allowing public utilities to recover prudent and reasonable costs for certain economic development projects will encourage investment in future projects today."

That bill passed the Senate today 31-10.

Both bills are directly connected to the Greater Albuquerque Chamber of Commerce's theme this session of increasing New Mexico's competitiveness. They fall directly into the Chamber's legislative advocacy category of Growth: Incentives and Marketing. Having sites ready to go as companies consider a move to or an expansion in New Mexico goes hand-in-hand with our priorities in job training, professional licensing compacts, tourism marketing, beautification and closing funds. All are essential parts of attracting investments, revenues and jobs.

VETERAN PROPERTY TAX EXEMPTIONS PASS AND HEAD TO SENATE FLOOR



After a six-hour Senate floor session, the Senate Judiciary Committee heard its first House bill to cross over on Monday afternoon — House Bill 47, Veteran Property Tax Exemptions, sponsored by Rep. Art De La Cruz (D-Bernalillo) and Minority Whip Alan Martinez (R-Sandoval). The bill enacts two veteran property tax exemption changes that New Mexicans voted on as constitutional amendments in the November 2024 general election. The first change is increasing the property tax exemption from $4,000 to $10,000. The second change expands the disabled veteran property tax exemption to include a proportionate exemption reflecting a veteran's partial disability. The current exemption only provides the exemption for 100% disabled veterans. The bill also contains an emergency clause.

The Chamber has supported this bill since its filing and testified in support at each stop. SVP Adrian Gomez shared this prepared testimony with the committee today:

"This bill increases the veteran's property tax exemption from $4,000 to $10,000 and allows an exemption for service-related disability. New Mexico is home to 141,000 veterans who are proud of their service in defense of our country. The Chamber is proud of them, too, and we want to make New Mexico more attractive for veterans to serve here and stay in our great state. HB 47 is a good investment in New Mexico's economy and the many veterans who are business

owners, consumers and contributors to our state's success."

Sen. Antonio "Moe" Maestas (D-Bernalillo) questioned if the bill codifies what the voters ratified last November. De la Cruz explained voters "agreed that this was what they wanted to do for our veterans, and this codifies and creates the process we're doing now."

With very little discussion and no opposition, committee Chair Sen. Joseph Cervantes (D-Doña Ana & Otero) said it was a good bill. A motion was made for a "do-pass" vote, and the committee unanimously voted in favor, 9-0. The bill heads to the Senate floor.

ENERGY AND INFRASTRUCTURE

SMART BILL TABLED THAT ACCELERATES REMEDIATION OF ABANDONED WELLS



About 1% of all oil wells in New Mexico are abandoned without being properly plugged, becoming what's known as orphaned wells. Perhaps an operator just didn't have the money, or perhaps an operator was just irresponsible. In any event, it's rare, and it's also why there is a fund known as the reclamation fund that's paid for with taxes on every barrel or mcf of natural gas produced. House Bill 403 by Rep. Mark Murphy (R-Chaves) sought to increase the amount of money going to the reclamation fund, but it was tabled. The Chamber, in prepared testimony, offered support of this measure, as Terri Cole, president and CEO of the Chamber, explained:

"The premise behind this bill is very simple and equitable: fees and taxes should go for the purpose they were intended. Road taxes should go for roads, liquor taxes should go for treatment and oil and gas conservation tax should go for surveying abandoned wells and plugging or remediating them.

"HB 403 would raise the amount of these taxes going to the Oil and Gas Reclamation Fund from the current 19.7% to 50% in fiscal 2026, 75% in fiscal 2027 and 100% beginning in fiscal 2028. This amount of additional revenue should go a long way in alleviating any concerns about orphaned wells and remove the need to increase any other fees or taxes. We urge a "yes" vote on HB 403."

As you can see from Terri's testimony, right now very little of the oil and gas conservation tax ends up going to the intended purpose, causing anti-oil-and-gas advocates to clamor for more and more taxes to remediate orphaned wells. HB 403 would stop the diversion of these taxes to the general fund and build up the reclamation fund so that within two to three years, all orphaned wells on state lands would be remediated. Depending on federal funding available (the feds reimburse the state's Oil Conservation Division), within five years all abandoned wells on federal lease lands would be taken care of. Currently, of the 69,000 wells in New Mexico, 349 are orphaned, about 1%. According to the latest data available (2022), industry plugged 451 wells, while OCD was able to plug only 49 due to lack of funding. Murphy likens the reclamation fund to uninsured motorist insurance.

Why is so little of the conservation tax going to the reclamation fund? It started 15 to 20 years ago when the state budget was under water. Money from almost every fund was "swept" into the general fund just to balance the budget. Also, funds were raided in order to keep the ship of state afloat. (Yes, folks, we lived through some very tough times during the Great Recession and collapsing oil and gas prices and production). Now, with the abundance of revenues, it's time to

unwind those desperation measures and restore the revenues to the fund for which they are dedicated. Currently, about $40 million annually is available for well remediation, HB 403 would add an additional $40 million per year. Unfortunately, the tax package is in the final stage of development, and this bill arrived too late to be considered as part of the package.

Rep. Rod Montoya (R-San Juan) gained agreement from Chair Derrick Lente (D-Rio Arriba, Sandoval & San Juan) to study this proposal in the interim. This is a really sensible bill, and we hope to see it introduced early next session.

HOUSE ENERGY PASSES OVERBROAD $340 MILLION GREENHOUSE EMISSIONS FUND



We've told you before about Senate Bill 48. It creates the Community Benefit Fund and transfers in $340 million from the General Fund. That funding, according to sponsor Senate President Pro Tempore Mimi Stewart (D-Bernalillo), can be used for projects that address climate change or reduce greenhouse gas emissions.

That bill was heard over the weekend in the House Energy, Environment and Natural Resources Committee, where it received a "do-pass" vote of 6-4, along party lines. Before its final legislative stop on the House floor, the bill will be heard in, and must pass muster, in the House Appropriations and Finance Committee.

Enrique C. Knell relayed the Chamber's concerns that this bill is so broadly drafted that taxpayer dollars will pour in with little to no guarantee of results or return on investment. The bill has no way to measure outcomes or whether taxpayers are getting their money's worth from these "green" projects.

Rep. Mark Murphy (R-Chaves) voted no and explained, "I recognize that some of this funding could benefit my home of Roswell and Chaves County. However, it's also my responsibility to spend their money wisely, and therefore, I respectfully voted 'no' because I find supporting a $340 million experiment as being fiscally irresponsible and extreme."

PUBLIC SAFETY

SENATE JUDICIARY TABLES BILL CREATING THE CRIME OF HOME INVASION



Senate Bill 153, sponsored by Sen. Antonio "Moe" Maestas (D-Bernalillo), would allow prosecutors more options in cases of burglary. In addition to existing statute dealing with burglary and aggravated burglary, the bill would allow prosecutors to also charge the accused with “home invasion,” which would be a second-degree felony under the proposal just like aggravated burglary. The Senate Judiciary Committee voted down a "do-pass" motion this evening on a 4-5 vote.

Terri Cole, president and CEO of the Chamber, spoke in support of the measure, saying:

"Two of our board members have experienced the terror of just this kind of crime. I can assure you that there is nothing more terrifying to anyone than to have their home invaded by a menacing criminal armed and bent not only on theft but bodily harm, even murder. This kind of crime leaves families with deep emotional scars, robbing them of their most precious possession, peace of mind and safety in their own home. It's a crime that deserves to be punished severely in order to bring some sense of justice to the victims. We must deal head-on with violent criminals for the benefit of all and particularly the victims. Please vote 'yes' on SB 153."

Home invasion is defined as unlawful entry of a dwelling while an occupant is inside and the person entering the home or dwelling has the intent to commit a felony or theft. Anissa Tinnin, a victim of this type of crime in March 2024, relayed her story of terror trying to protect herself and her granddaughter, ultimately shooting the perpetrator and then administering first aid. Maestas carefully described why this is not a new crime but rather filling in a gap. For a jury to convict a perpetrator of aggravated burglary, four criteria have to be met. In the case of Tinnin, the four couldn't be met, which explains why aggravated burglary wasn't charged.

Not unexpectedly, the Law Office of the Public Defender and the New Mexico Criminal Defense Lawyers Association stood in opposition, contending there are enough laws on the books and this one isn't needed. Sen. Katy Duhigg (D-Bernalillo), a trial lawyer, took up that viewpoint. Fellow attorney and committee Chair Sen. Joseph Cervantes (D-Doña Ana) also voted "no" and explained that he was disappointed the district attorneys were not present to explain the gap in the law that justifies passing the bill. It's very concerning to us that an obvious problem with the law as described by Maestas goes unaddressed in this session. We certainly compliment Maestas - he's leading the way on several bills to address the crime problem, and his expertise gained as a prosecutor is very noticeable in his handling of debate on these bills.

BILL ADVANCES TO GET BETTER CARE FOR NEWBORNS EXPOSED TO DRUGS, ALCOHOL



Senate Bill 42, sponsored by Sens. Michael Padilla (D-Bernalillo) and Linda Trujillo (D-Santa Fe), is a rather complex measure seeking to significantly improve the care given to babies born with exposure or addiction to a range of drugs or alcohol. The bill, which had been rolled over until today, was given a unanimous "do pass" by the Senate Judiciary Committee late tonight after extensive cleanup amendments to both the bill and existing law. According to a 2023 LFC evaluation, the state's implementation of its Comprehensive Addiction and Recovery Act (CARA) policy has substantive gaps, and it recommended many of the statutory and program changes reflected in this bill. The Chamber is actively supporting this measure, which was reported on in detail last Friday. The bill is now headed to the Senate floor.

Specifically, the bill is:

- Requiring the Department of Health to ensure a care coordinator is available in each birthing hospital in the state and that care coordinators implement plans of safe care. The baby may not be discharged unless a plan of care is developed and agreed to. If a plan is not followed, a referral to CYFD may occur.
- Making DOH responsible for all training for hospitals and providers related to plans of safe care.
- Allowing for the creation of plans of safe care prenatally and perinatally and directing all hospitals to use an evidence-based screening tool (SBIRT—for screening, brief intervention, and referral to treatment) at prenatal and perinatal appointments.
- Requiring plans of safe care include a referral to home visiting and substance use treatment.

According to the fiscal impact report, the bill makes "the Department of Health (DOH) the lead agency with more specific expectations about the roles and responsibilities of care coordination, including in-person and active support and follow-up with families to engage them in referred services. The bill would also make DOH responsible for ensuring the completion of federally-required reporting related to plans of safe care, developing an annual report related to the creation and implementation of plans of safe care for several interim legislative committees, and delivering training. The bill also provides DOH with rule-making authority."

SENATE PASSES BILL THAT AGGREGATES EMBEZZLEMENT INSTANCES TO THE HOUSE



This morning the Senate quickly passed Senate Bill 155, Determination of Embezzlement Penalty, sponsored by Sen. Antonio “Moe” Maestas (D-Bernalillo). The bill passed 41-0 and heads to the House next.

The Chamber has supported this bill throughout its journey and will continue to advocate for it.

SB 155 will give law enforcement an additional tool to go after people embezzling by aggregating crimes against any one victim, punishing all embezzlements within a one-year period as one crime, rather than treating each as a separate instance, and would aggregate the value of embezzled items for the purposes of sentencing.:

- Petty misdemeanors: when the value embezzled or converted is $250 or less in any consecutive 12-month period.
- Misdemeanor: more than $250 but not more than $500 in any consecutive 12-month period.
- Fourth-degree felony: more than $500 but not more than $2,500 or in any consecutive 12-month period.
- Third-degree felony: more than $2,500 but not more than $20,000 in any consecutive 12-month period.
- Second-degree felony: more than $20,000 in any consecutive 12-month period.

By consolidating multiple offenses into a single chargeable amount, the bill seeks to address repeat offenses and ensure appropriate sentencing based on cumulative financial harm.

BILL TABLED THAT WOULD MEAN FENTANYL = MURDER = LIFE IN PRISON



In the Legislature, there are always a few committees known as "kill" committees - places where

unwelcomed bills go to die. House Consumer and Public Affairs is one of those, especially for tough-on-crime bills. This committee majority subscribes to the "penalties-don't-deter-crime" school of thought. Yep, unfortunately, another one bites the dust - that one being House Bill 274 that would make trafficking in fentanyl a first-degree felony.

The bill, tabled last week on a 4-2 partisan vote, is sponsored by Rep. Elaine Sena Cortez (R-Lea), Rod Montoya (R-San Juan), John Block (R-Otero), Alan Martinez (R-Sandoval) and Sen. Jay Block (R-Bernalillo and Sandoval).

Fentanyl kills thousands. Fentanyl leaves grieving families. Fentanyl takes the lives of young people before they've had a chance to live. Yet this is one of many tough-on-crime bills that have been killed this session or bottled up in committees. It's too late to hope for action on these critical bills. But here's what hasn't gotten done:

- No increased penalties for violent convicted felons carrying a gun;
- No reform to keep convicted violent felons in jail pending trial for another crime;
- No juvenile justice reform - the fastest-growing category of violent crime;
- No clamping down on stash houses where women and children are abused.

Still on the move with a good chance of passage is Senate Bill 166 (among a number of other crime bills in addition to the “crime package” heard and passed by Senate Judiciary), which made it through Senate Judiciary tonight, expanding the definition of "harm to self or others," which would allow mandatory assisted outpatient treatment, and Senate Bill 70, which would add many heinous crimes to the organized crime "racketeering" statute. There's still time, but it's growing short, with only 12 days left.

WORKFORCE AND HEALTH CARE

INTERSTATE MEDICAL LICENSURE COMPACT GETS UNANIMOUS OK AND MOVES TO SENATE



On the House floor Saturday, a number of bills were heard, including House Bill 243. The bill, Interstate Medical Licensure Compact, sponsored by Rep. Marian Matthews (D-Bernalillo), enters New Mexico in the Interstate Medical Licensure Compact for the purpose of facilitating interstate practice by physicians and improving public access to physician services.

The Interstate Medical Licensure Compact Commission would serve as the national administrative body, and the bill authorizes the governor to appoint two members to the commission. The bill sailed through both the House Health & Human Services and House Judiciary committees. The House passed it with a vote of 58-0. The bill now moves to the Senate.

SOCIAL WORK LICENSURE COMPACT GETS ‘DO-PASS’ AS IT HEADS TO SENATE FLOOR



On Saturday night, the Senate Judiciary Committee heard Senate Bill 105, Social Work Licensure Interstate Compact, sponsored by Sen. Linda M. Trujillo (D- Santa Fe). The bill would enter New Mexico in the Social Work Licensure Interstate Compact for the purpose of facilitating interstate practice of regulated social workers and improving public access to competent social work services.

Trujillo began her presentation with a committee substitute, which removed the purpose statement and added language regarding subpoenas and joint investigations. Qualified immunity was also removed. The compact aims to increase access to social work services and support military families, particularly at Kirtland Air Force Base. The compact includes provisions for telehealth and does not affect single-state licenses.

The Greater Albuquerque Chamber of Commerce supports this bill. Others in support of the bill include the Military Base Planning Commission and Department of Defense, which both pointed out that New Mexico being in the compacts helps ensure the Air Force bases located in our state are in good standing when the federal government looks at closures.

Sen. Katy Duhigg (D-Bernalillo) made amendments that included changes to the language regarding the force of law, hearsay exceptions and venue provisions. The amendments are aimed at aligning the compact with New Mexico law and ensuring that the state's legislative authority is not undermined.

A “do-pass” motion was made for the committee substitute as amended. The committee voted 7-0 to move the bill to the Senate floor.

EMS COMPACT GETS UNANIMOUS ‘DO-PASS’ AND SPEEDS ON TO HOUSE JUDICIARY



Monday got off to a quick start with the House Government, Elections and Indian Affairs

Committee plowing through the morning agenda. On that list was House Bill 412, Emergency Medical Services Personnel Licensure Interstate Compact, sponsored by Rep. Gail Armstrong (R-Catron, Sierra, Socorro & Valencia). The bill would enter New Mexico in the Emergency Medical Services Personnel Interstate Compact for the purpose of facilitating day-to-day movement of emergency medical services personnel across state boundaries and affording legal recognition to emergency medical services personnel licensed in one of the 28-member states. The Emergency Medical Services Personnel Licensure Commission would serve as the national administrative body, which would include a representative from New Mexico.

Kristina Fisher, Think New Mexico associate director, said the purpose of the compact is to open New Mexico's doors to health care workers licensed in other states. She said there are about 4,000 vacancies for EMTs or paramedics in New Mexico. "This is especially important for border regions," Fisher said. "If you have a paramedic or an EMT in El Paso, we would want you to practice easily in Las Cruces. Likewise with Durango and Farmington. Like the representative said, it's a small bill, but we think it's important and will help make a difference in terms of increasing our number of EMTs and paramedics."

Adrian Gomez, SVP of policy at the Greater Albuquerque Chamber of Commerce, testified in support as well:

"We all know that New Mexico is in a health care crisis. By the state entering the Emergency Medical Services Personnel Licensure Interstate Compact, it will join 28 other states participating in this compact. The benefits include EMS personnel working across state lines without the need for multiple licenses. This is especially important for border regions and emergency operations. This is a bill that would help fill the void in our health care system. It's a smart bill that opens up avenues for New Mexico to stay competitive. The Chamber asks for your support for this bill. Thank you for your time."

With little discussion and no opposition, a motion was made for a "do-pass" vote. The committee voted unanimously, 9-0. The bill now heads to the House Judiciary Committee.

MEDICAL RESIDENCY PRECEPTOR TAX CREDIT ARRIVES TOO LATE FOR OMNIBUS PACKAGE



Huh? What the heck is a preceptor? Sounds like some kind of fancy new military jet, like an interceptor only faster. Not even close. A preceptor is really a mentor that helps oversee medical residences and is vital in the training of new doctors. But we don't have enough of them. House Bill 395, sponsored by Rep. Anita Gonzales (D-San Miguel & Torrance) was tabled today by the House Taxation and Revenue Committee (it came in too late for the tax package). It sought to provide a $1,000 tax credit in order to attract more preceptors. Terri Cole, president and CEO of the Chamber, stated in prepared testimony:

"The bill provides a $1,000 personal income tax credit for licensed health care professionals who mentor graduate students studying to become health care professionals. Preceptorships are a key part of supervised clinical training at UNM and other New Mexico universities.

"This bill is designed to help keep New Mexico competitive as there are eight other states offering a program similar to this, and our state is facing a shortage of mentors. The more we've learned about the critical shortage of health care professionals, the more we see this shortage as

a real obstacle to economic development. Companies seeking to come to New Mexico need to ensure a good quality of life for their employees. At the top of the list are education and health care. Every step we can take to help increase the number of health care professionals not only helps deliver quality care to New Mexicans but helps our economy grow. We would appreciate your support of the bill."

Who are preceptors? They are individuals licensed as a medical doctor, osteopathic physician, advanced practice nurse, physician assistant, dentist, pharmacist, psychologist, psychiatrist or midwife. A preceptorship provides, on an uncompensated basis during a period of supervised clinical training at UNM or other New Mexico colleges and universities, a program of personalized instruction, training and supervision to an eligible graduate student. Unfortunately, the bill arrived at the committee too late for consideration in this year's tax package. It should receive interim study and be brought back next year.

K-12 EDUCATION

BILL TO GET STUDENT TEST RESULTS EARLIER ON THE MOVE TO SENATE FLOOR



A bill to provide student performance results earlier was heard in the Senate Health and Public Affairs Committee this afternoon. Sen. Gabriel Ramos (R-Grant, Hidalgo & Luna) presented Senate Bill 247, Publication of Certain Educational Info, and received a "do-pass" vote of 10-0. The bill was previously heard in Senate Education, and now heads to the Senate floor.

New Mexico students typically take a yearly assessment each spring, in April or May. In the past, it has taken the state Public Education Department several months to produce aggregated test results and share them with school districts, parents and the public. SB 247 mandates that those results be provided publicly by Sept. 1 each year.

Enrique C. Knell shared the Chamber's support for the legislation:

"Having timely assessment data is very important for two reasons: It empowers students and families by allowing parents to determine how best to support their child's academic progress. If a student is struggling, early results help parents make data-driven decisions about tutoring, interventions and more. Some states release results as early as late June or July, most by August or the first of September. Early release of data also supports teacher preparation. Teachers need timely results to adjust instruction, set academic goals and allocate resources. We don't want teachers to lose the opportunity to tailor their lessons to address student needs."

Sen. Jay Block (R-Sandoval) offered an amendment to segment the data based on gender, in addition to other segments already provided for in law. Sen. Antoinette Sedillo Lopez (D-Bernalillo) offered another amendment to include pueblo or tribal designations. Both amendments were quickly adopted.

Sedillo Lopez also led a discussion about including a consequence for PED if it failed to provide the data on the mandated timeline. No consensus was reached, though Sedillo Lopez said she didn't want to threaten education funding, while Ramos suggested public shame may be enough of a consequence. The issue was left unaddressed, and Sedillo Lopez said she may not support the measure on the Senate floor.

HIGH-IMPACT TUTORING GETS UNANIMOUS APPROVAL AND HEADS TO SENATE FINANCE



High-impact tutoring in our school systems is a program proven to maximize student learning, boost academic proficiency and improve attendance. Sen. Steve Lanier (R-San Juan) presented Senate Bill 434, Math and Reading Academic Support, to the Senate Education Committee this morning. The bill passed on a 9-0 vote and goes to the Senate Finance Committee tomorrow.

Lanier pointed out that the budget already includes $7 million for implementing high-impact tutoring in New Mexico schools.

Enrique C. Knell represented Chamber members in supporting the proposal, telling committee members:

“High-impact tutoring is an evidence-based solution for improving student outcomes. It’s proven to maximize student learning, boost academic proficiency, and improve attendance. The University of Chicago found that this program can double or even triple student learning within a single academic year. In Tennessee, test scores increased eight points in English and 10 points in math after implementing high-impact tutoring. Louisiana jumped from 50th to 16th in fourth-grade reading and from 45th to 29th in eighth-grade reading. And a recent study at Stanford University found that high-impact tutoring had the largest impact on chronically absent students, improving their attendance by at least five days.”

Expert witness Amanda Aragon from NewMexicoKidsCAN referred to the Chamber’s testimony, citing the University of Chicago study. Aragon pointed out that the study included kids in rural New Mexico.

“The most preeminent study we've seen is a study by the University of Chicago. That study actually included a pilot that New Mexico did (with) New Mexico rural students in math, particularly getting high-impact (online) tutoring in algebra. So the other benefit of high-impact tutoring is it (utilizes) online tutors, when necessary, when it's embedded in the school day. ... Across the nation, (this is) one of the most impactful ways that we can enhance student learning, and that is largely because of the University of Chicago study.”

High-impact tutoring is a research-based strategy that involves small group or one-on-one sessions to help students improve their academic performance. Generally, a high-impact tutoring program includes:

- Tutoring sessions: At least three sessions per week, each at least 30 minutes long;
- Tutoring groups: Small groups of 3-4 students;
- Tutoring materials: Align with classroom content;
- Tutoring relationships: Students meet with the same tutor each session;
- Tutor training: Tutors are professionally trained and receive ongoing support and coaching; and
- Assessment: Formative assessments are used to monitor student learning.

SIGNING OFF FROM SANTA FE



Wow! A ton of bills were handled today - it's that time of the session when all you can do is fasten your seatbelt and hang on. As usual, there are ups and downs. We're sorry to see a very flawed paid family and medical leave bill move forward to Senate Finance. On the other hand, stopping the ill-conceived interference with hospital mergers and acquisitions and tabling of the liquor tax increase are good news. As legislators scramble to have their bills heard and committees work through long agendas, expect these final days of the session to be fast and furious. Today is national pack your lunch day - if you're going to be involved in attending committee hearings, you'd better pack a lunch - and probably dinner, too. Speaking of dinner...thanks for being with us today, and we'll see you tomorrow. Good night.

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

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GREATER ALBUQUERQUE CHAMBER OF COMMERCE

Legislative RoundUp

2025 Regular Session | Tuesday, March 11, 2025

57th Legislature | Day Forty-Nine

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

BILL TO PLAN THE FUTURE OF THE STATE FAIRGROUNDS HEADS TO SENATE FINANCE



We've come a long way, baby. 1938 is the year the State Fair opened at its current location. For some years now, discussions have occurred about moving the State Fair to a new location. That conversation has been opened again with the introduction of Senate Bill 481, sponsored by Senate President Pro Tempore Mimi Stewart (D-Bernalillo). The bill seeks to establish a new state fair district, with a governing board, that would develop a plan for the use of more than 200 acres of land and generate up to $1 billion to implement that plan. The Senate Tax, Business and Transportation Committee approved the measure this afternoon on a 6-3 vote.

Terri Cole, president and CEO of the Chamber, testified in support:

"If you will, travel back in time with me to 1938, the year the current fairgrounds was first utilized - it was outside the city limits, there were only horse stables on the corner of San Pedro and Central. Even UNM was considered 'out of town.'

"Almost 90 years later, the city has grown up around the fairgrounds, and it's way past time that we move forward to find a new home for the fair. I don't know exactly where that is, and that's what SB 481 is about - giving a platform to look at all the choices, make a decision and then move forward. I say it's about time because I served on a commission to look at this very issue during the Richardson administration. We've kicked this can down the road way too long. We urge you to support SB 481."

Our current governor is pushing for this bill as a way to revitalize the blighted community that surrounds the fairgrounds. She and others have a vision of affordable housing, a community center, open space, retail and commercial stores and walking/biking paths. The hope is that such redevelopment would stimulate new interest in improving the community with more new housing and retail development. Whether this vision can be realized is the subject of a detailed strategic plan called for in the bill which, before bonds could be sold to finance the plan, must be approved by the State Board of Finance. Bonds would be repaid from the state's share of GRT from the casino and other on-site revenue sources, for openers. Bond sales would have to be approved both by the State Board of Finance and the Legislature. These are revenue bonds to be repaid from project proceeds and do not pledge the credit of the state for repayment.

One aspect of the bill that Senate Majority Floor Leader Sen. Peter Wirth (D-Santa Fe) and Sen. Natalie Figueroa (D-Bernalillo) found troublesome is an exemption from the procurement code which, among other things, forbids bribery and kickbacks. Wirth offered an amendment to remove this exemption, which was accepted by the sponsor and the committee. Stewart will work on this section before the bill is considered next by the Senate Finance Committee. Senate Minority Leader William Sharer (R-San Juan) voiced concern over whether there is adequate oversight to prevent "waste, fraud and abuse." Apparently, he wasn't satisfied with the answers given, as three of four Republicans on the committee voted against the bill. Senate Finance will pick up the ball next, and we'll keep you informed.

WATER-QUALITY REGULATION BILL MOVES THROUGH 5 COMMITTEES TO HOUSE FLOOR



Even though we have reservations about Senate Majority Leader Peter Wirth's (D-Santa Fe) Senate Bill 21, we admire and respect the way he goes about working legislation through the process, the way he manages the Senate floor and his kind demeanor through it all. In a nutshell, SB 21, because of a U.S. Supreme Court decision, would take over federal administration of the Clean Water Act in order to protect now-unregulated "ephemeral" waters, i.e. arroyos and creeks that don't flow all the time. That's really a gross oversimplification, but you get the gist of it. Today, the House Energy, Environment and Natural Resources Committee sent the bill to the House floor on a 5-4 vote (it wasn't really that close, a few Democratic members were out presenting bills elsewhere).

Wirth determines what and how many committees a bill gets assigned. Heck, if Wirth wanted to he could give his own bills one committee referral and bam, zip, the bill's out of the Senate in a flash. That's not how he does business. He has a deep respect for the legislative process and the law. He wants to get it right. So, he gave SB 21 three committee referrals in the Senate - Conservation, Judiciary and Finance. Triple referrals are often considered the death knell for a bill. He listened to and worked with stakeholders and made many, many changes in response. His bill underwent two committee hearings in the House, is now on the House floor and most assuredly will hit the governor's desk.

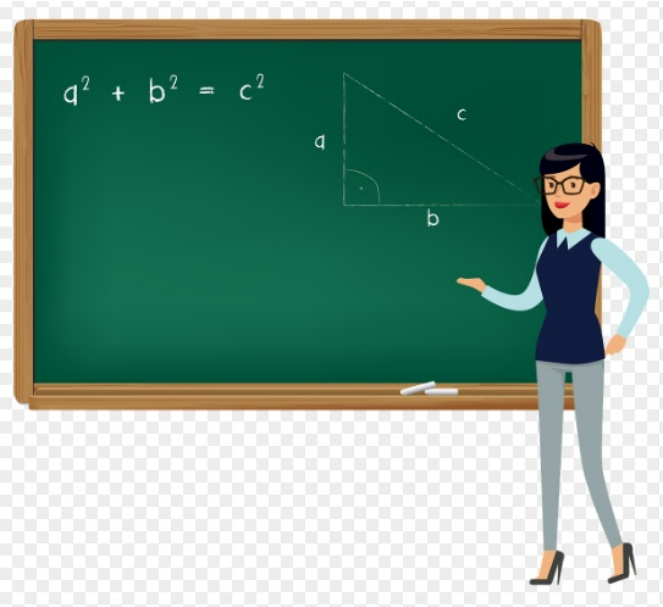
We've written extensively about this bill, and here's why:

In 2023, the U.S. Supreme Court, in a case known as the Sackett decision, ruled that the Clean Water Act applied only to U.S. waters that are free-flowing and any associated wetlands. Think of the Mississippi, the Missouri and other large, free-flowing rivers. Not many of those in New Mexico. In fact, because of the decision, about 95% of New Mexico's waters are left high and dry, so to speak, with no water quality regulation and oversight. Think of arroyos and rivers like

the Santa Fe that flow intermittently or only when it rains. Under the federal Clean Water Act, states are allowed to take over regulation from the EPA once an approved plan has been accepted. Forty-seven out of the 50 states do this currently, and thus, SB 21 was developed.

Our reservations, which we've expressed through all the hearings, are not about ensuring good water quality but about whether the New Mexico Environment Department can really implement this plan - it takes 50 new employees and $8 million over the next couple of years - and whether the rulemaking process will really be fair to all stakeholders. We've seen rulemakings where the advocates for strict controls far outweigh the voices from industry and agriculture that have to live with the rules. We're assured that won't happen in this case. Time will tell.

7-0 VOTE SENDS MATH AND READING TUTORING BILL TO THE SENATE FLOOR



Tuesday morning, the Senate Finance Committee worked quickly through its handful of bills. One of those being heard was Senate Bill 434, Public Schools: Accelerated Instruction for Math or Reading Deficiencies, sponsored by Sens. Steve D. Lanier (R-San Juan), Nicole Tobiassen (R-Bernalillo), James G. Townsend (R-Eddy & Otero) and Minority Whip Pat Woods (R- Curry, Harding, Quay & Union). The bill creates a new section of the Public School Code requiring schools to notify parents if their student is identified as having math or reading deficiency based on the statewide assessment. Schools would need to provide these students with necessary academic support or interventions and accelerated instruction by licensed and trained personnel. It also further requires schools to provide regular written progress reports to the parents of students receiving accelerated instruction.

Prior to discussion, Lanier made an amendment to the bill to say that not all students will have a high-impact tutor during the day; some will have to be after school. The amendment was accepted by the committee.

J.D. Bullington spoke in support of the bill on behalf of the Greater Albuquerque Chamber of Commerce:

“High-impact tutoring is an evidence-based solution for improving student outcomes. It’s proven to maximize student learning, boost academic proficiency and improve attendance. The University of Chicago found that this program can double or even triple student learning within a single academic year. In Tennessee: test scores increased eight points in English, 10 points in math after implementing high-impact tutoring. And a recent study at Stanford University found that high-impact tutoring had the largest impact on chronically absent students, improving their attendance by at least five days. We respectfully ask for your support of SB 434.”

Majority Whip Sen. Michael Padilla (D-Bernalillo) asked if there are already schools with the job title of “high-impact tutor” and questioned who is going to provide the tutoring, as well as where the funding is going to come from. Amanda Aragon, NewMexicoKidsCAN! executive director, said the bill allows for flexibility and that if a district wants to use their own staff, they may do so. Each school would also be responsible for managing the process, and the program would run on 10-week intervals and then be assessed from there.

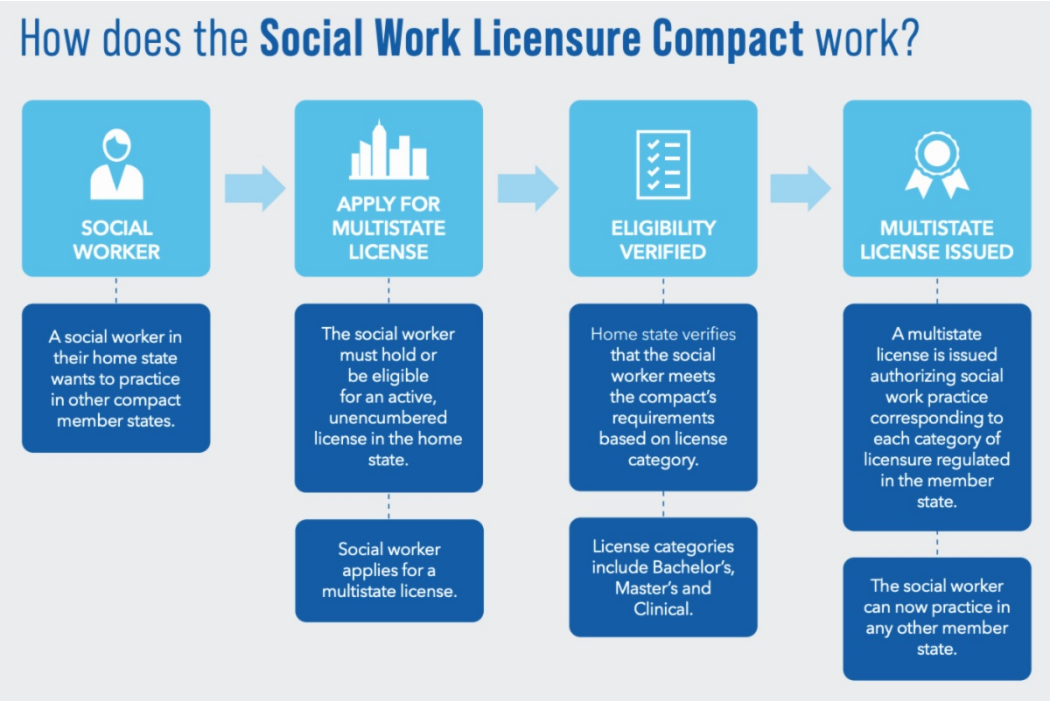
Sen. Linda M. Trujillo (D-Santa Fe) voiced concern over the definition of “high-quality tutor” and

the bill saying the person has to be licensed. She continued to ask for the specification of the license, as she referred to a Santa Fe-based program called Math Amigos, where a group of retired professionals volunteer to work with students on math skills. “My concern is we haven’t given any criteria for PED to approve them. I would hate to see the work that these volunteer organizations are doing kind of get shut out because there's this other requirement that they have to do, you know, that the schools have to adhere to. I also am curious to see how this all fits in with the organizations that already exist.”

Trujillo offered to sit down with the sponsors to streamline the bill so it fits with programs already in existence. Committee Chair Sen. George Muñoz (D-Cibola, McKinley & San Juan) suggested that Trujillo make an amendment on the Senate floor to keep the bill moving forward.

A “do-pass” motion was made, and the committee voted in favor of the bill 7-0, as amended. The bill heads to the Senate floor. We’ll keep an eye out for the bill and promised amendment on the Senate floor.

SOCIAL WORK LICENSURE COMPACT PASSES SENATE FLOOR UNANIMOUSLY



New Mexico is another step closer to entering into a national social work licensing agreement after Senate Bill 105, Social Work Licensure Interstate Compact, sailed off the Senate floor 36-0. The bill, sponsored by Sen. Linda M. Trujillo (D-Santa Fe), enters New Mexico in the Social Work Licensure Interstate Compact.

The compact is a formal agreement among participating states to recognize each other’s social work licenses. This agreement simplifies the process for social workers to obtain licenses in multiple states, eliminating the need for them to navigate the complex and often inconsistent requirements that vary from state to state.

There are currently 10 major interstate medical licensure compacts established throughout the country, but New Mexico only participates in the nursing compact. It takes an act of the Legislature to enter an interstate compact, and this year the Chamber is supporting nine different bills making their way through the House and Senate. The nine major medical compacts include medical licensure and other specialty areas such as audiology and speech-language pathology, occupational therapy, physical therapy, counseling, physician assistant, dentist and dental hygienist, emergency medical services, and psychology. Social work is another one, thought it’s not considered a “major” medical compact.

Trujillo has dubbed herself the “Compact Queen” this year, as she’s the primary sponsor of most of these compact bills. Trujillo is a former superintendent of the Regulation and Licensing Department, which manages professional licensing.

In past years, most “compact” bills get bottled up in one of the Judiciary committees, often on the Senate side. SB 105 passed Senate Judiciary on an 8-0 vote before clearing the Senate today.

On the Senate floor, Sen. Katy Duhigg (D-Bernalillo) talked about the Judiciary speed bump. “For years and years, Senate Judiciary has been where compacts go to die because there is language in them often that is not appropriate for New Mexico. And it's really frustrating because I know these compacts have huge potential to do a lot of good in our state. And so I'm just really grateful for the approach that the sponsors have taken on this one, and really proud that we could finally get a compact out of Senate Judiciary.”

Several other compact bills are waiting for hearings in Senate Judiciary. If SB 105’s progress is any indication, perhaps there is an appetite this year to finally get the wording right to push these bills over the finish line and enter New Mexico in these various compacts.

The Greater Albuquerque Chamber of Commerce supports this bill, as do the Military Base Planning Commission and Department of Defense. Both of those organizations pointed out that New Mexico’s participation in this and other compacts helps ensure the Air Force bases located in our state are in good standing when the federal government looks at closures.

AROUND THE ROUNDHOUSE



Thanks for your hard work, citizen legislators!

As Speaker of the House Rep. Javier Martinez told the National Conference of State Legislatures last year, “New Mexico is the only remaining all-volunteer legislature in the country. That means that legislators don’t get a salary.” And while this year, for the first time in state history, state lawmakers each have an aide, it’s still a huge undertaking for each to represent their share of New Mexico’s 2 million residents – especially in the nation’s fifth-largest state when it comes to sheer size.

And as you can see from our Legislative Legacy spread, there are many who have been doing just that, professionally and diligently, for decades. The Chamber has worked with these and other lawmakers for years, finding common ground where it matters and makes a difference for New Mexicans – including landmark bills this session on behavioral health and health care provider compacts.

In the flurry of activity that is a legislative session, it’s easy to forget the sacrifice and dedication of our citizen lawmakers. Here’s to our first-year representatives and senators, our veterans, and everyone in between – thank you for your hard work!



Line, please!

If you’ve ever listened to the Senate or House in action, you’ll notice that when a motion is made, some members rip through the motion so fast it’s hard to understand, while others do so at a much slower pace. Likely, the ones blazing through the words are experienced legislators who have memorized the script. (For what it's worth, we've memorized it too!)

The script?

Yep, there’s a legislative bible of sorts, available online, called the Legislative Handbook. There are many wonderful and interesting things in the handbook, including the scripts for making a motion on different topics. Here’s the one used for placing a measure on final passage in the Senate:

I ASK UNANIMOUS CONSENT OF THE SENATE THAT THE RULES BE SUSPENDED, AND THAT THE RECORD SHOW THAT ALL ACTION FOR PLACING (SENATE) (HOUSE) (BILL) (RESOLUTION OR JOINT RESOLUTION) (MEMORIAL OR JOINT MEMORIAL) _____ ON FINAL PASSAGE HAS BEEN TAKEN, AND THAT IT IS NOW SUBJECT TO DEBATE, AMENDMENT OR SUBSTITUTION.

Every member of the Legislature has the handbook and the scripts handy at their desks.

SIGNING OFF FROM SANTA FE



Well, the Great Fairground debate took a step forward today. This is both an important and complex issue that is going to take a while to untangle. Just as an example, the racino has a newly minted 25-year lease. How does that compare with the vision of redevelopment? Can it be undone? At what cost? At the same time, it's a rare opportunity to redevelop 200-plus acres right smack-dab in the middle of an urban area that desperately needs a massive boost. Stay tuned, this will likely be a saga.

Here's a little-known historical fact: the Albuquerque International Balloon Fiesta's origins can be traced back to March 11, 1972. On that day, radio station KOB-AM organized a small hot-air balloon rally in Albuquerque as part of the station's 50th anniversary celebration. The event proved so popular that it became an annual occurrence and eventually grew into the world-renowned Balloon Fiesta. And, for today, we're history. We'll see you tomorrow - have a good night.

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GREATER ALBUQUERQUE CHAMBER OF COMMERCE

Legislative RoundUp

2025 Regular Session | Wednesday, March 12, 2025

57th Legislature | Day Fifty

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

SENATE FINANCE DISCUSSION ON PFMLA RAISES BIG QUESTIONS - ANSWERS NEEDED



Many of you are far too young to remember an old TV series titled "Dragnet," wherein police sergeant Joe Friday would say when interviewing a witness, "Just the facts, ma'am." That's what the Senate Finance Committee did today with respect to House Bill 11, this year's version of a paid family and medical leave bill, sponsored by Rep. Christine Chandler (D-Los Alamos, Sandoval & Santa Fe). Because the bill is so complicated and impactful, Senate Finance Committee Chair George Muñoz (D-Cibola, McKinley & San Juan) decided to hold a discussion session that involved staff summarizing provisions in the bill and answering questions from the committee, which included requests for additional data.

What a great idea! A chance to get the facts before actually hearing the bill so committee members can have the best information available and ask the most relevant questions. Muñoz is also doing the same thing with Senate Bill 279 that tackles semiautomatic firearms. Some members of the committee objected to the absence of the sponsor being in attendance. However, think about that for a minute. If you bring the sponsor into the discussion, suddenly you've turned a fact-finding forum into a bill hearing, which sometimes is a contested event with arguments going back and forth. The bill *will* be heard later, and the sponsor *will* have her day to advocate.

Some Great Questions

As part of the Senate Finance Committee analyst presentation, the analyst raised these questions:

- What is the $9,000 "refund" payment to parents exactly a refund of? There were no payments made by the parents, so is this just a way to attempt to get around the constitutional "anti-donation" clause? And will it hold up in court?
- What will be the cost of administering opt in/opt out provisions? What's the experience of

other states, which some say is quite costly?
- Why is the definition of "safe leave" broad and not well defined, who will define this and what documentation will be required (from the New Mexico Counties Association)? In addition, the definition of "close association" to define a family member seems overly broad, so who will define what this means?
- What is the fiscal impact of choosing the cap on payments being the state's median or mean income levels?
- Can the Early Childhood Care Trust fund be tapped to pay for the welcome child "refunds?"
- Why is the State Investment Council managing the funds created in HB 11 instead of the state treasurer, who normally handles short-term investments?

Senate Majority Whip Michael Padilla (D-Bernalillo) asked a number of penetrating questions driving at the heart of the legislation, some of which require more analysis and research:

- Who pays for everything? When I come with a bill, I have to identify funding sources. Are there funding sources identified in the bill, for example where is the $193 million to pay for the welcome child refunds coming from?
- The Early Childhood Care Trust fund is "my baby," and I'm concerned about tapping that fund. Does this bill contemplate using the ECE trust fund?
- Do I understand correctly that the startup costs of this bill are close to $50 million before any benefit has even been paid?
- Where are the triggers in the bill that determine when taxes, fees or appropriations are needed to pay for the program? Can a matrix be developed to make that clear?
- Can you produce an analysis that looks at the impacts on small, medium and large businesses? Similarly, can you provide data from states similar to us that have implemented this kind of program and what happened in terms of fund solvency, uptake rates, income levels, job growth, cost per citizen, etc.

Sen. Nicole Tobiassen (R-Bernalillo) had these concerns:

- What happens if the parents are estranged and one parent tries to claim the entire $9,000 benefit when the benefit should be split between the two? Who's responsible for monitoring these payouts and preventing abuse by one parent or the other?
- What happens if someone who has been a resident of another state moves here for six months and wants to claim either the family wellness and/or welcome child benefits but their employer is out of state (remote work) and the employer has not paid into the fund? Does six months qualify for welcome child benefit because no one has to pay into the fund? Sen. Steven Lanier (R-San Juan) had a similar question, what happens if a New Mexico employer hires all out-of-state employees - does the employer still have to pay into the fund?
- Can both the family wellness and welcome child benefits be taken together, for example with childbirth?
- My analysis shows that the cost of replacing an employee with a temporary employee is between $6K and $16K, can you verify those costs?
- Are the welcome child "refunds" subject to federal taxation? If so, how much of that benefit will be owed for taxes?
- What are the net benefits paid out to workers? With taxes, it could be as little as 30% of normal wages, can you verify?
- Are there any limitations on how many family members can take family leave in order to take care of another family member?
- Is there any actual actuarial analysis available?

Sen. Linda Trujillo (D-Santa Fe) asked:

- Can state and local agencies/governments opt out? What's the cost of opting out, and who pays for that? If it's through fees, is there any cap on how much the fees charged can be?
- Can you show us the effects on low-income wage earners, median- and mean-income earners?
- What if neither parent works for 6 months - can they still get the $9,000 "refund"?

Sen. Pat Woods (R-Curry, Harding, Quay & Union) raised these issues:

- Is there any tie between the welcome child benefit and receiving home visitations from the Early Childhood Education and Care Department?
- If not, should there be as it appears only about half of new parents are receiving home visitations that teach parenting skills?
- What is the dollar difference between using mean and median income levels?
- What additional data can we get from other states about uptake rates and other issues they've faced in implementing similar programs?

That's a lot of great questions, and it'll likely take a few days for staff to come up with answers. As the Albuquerque Journal posted this evening, "Solvency questions swirl around paid leave

proposal as session nears homestretch." Read the story here.

As you can see, this kind of discussion is great preparation for a hearing, laying the foundation based on "just the facts." As Tobiassen said, she wants definitive facts, not "hopes and dreams." That's a great summation, and all New Mexicans deserve the answers. Stay tuned.

BILL REFORMS MEDICAL MALPRACTICE LAW THAT'S HURTING ACCESS TO HEALTH CARE



This evening, the Senate Health and Public Affairs Committee held an extensive hearing on Senate Bill 176, sponsored by Sen. Martin Hickey (D-Bernalillo), which seeks significant reforms to our current out-of-balance medical malpractice laws. Hickey, a retired physician and hospital administrator, has taken recommendations from a Think New Mexico report on what changes need to be made in order to stop the flight of physicians from our state, which also blocks recruitment efforts as well.

Compounding the challenge of getting care, a high percentage of people in New Mexico have insurance that provides care through an HMO, which will not pay for out-of-state treatment. As a female patient from Santa Fe said, "New Mexico should not be a state for only the healthy and the wealthy." The committee completed taking public testimony and will conduct committee discussion and a vote on Friday. The Chamber has been and continues to be a very strong advocate for malpractice reform. You'll see below a letter we sent to the committee.

But back to that patient's quote. Without more health care professionals in our state, that is exactly what we're becoming. A state for the healthy and wealthy. And count the trial lawyers among the wealthy. In fact, the crazy litigious nature of our state often sees suits being brought by out-of-state lawyers because New Mexico, unlike many other states, puts no caps on attorney fees or amounts of punitive damages. It's a huge incentive to sue, and that's exactly what happens. SB 176 would place a cap on attorney fees - 33% if the case goes to trial, 25% of the judgement if the case is settled. If punitive damages are awarded, 75% goes to a patient fund to ensure injured parties are cared for and additional training for professionals can be provided. And 25% would go directly to patients. Also, New Mexico allows lump-sum payments rather than payments as ongoing medical expenses incur. SB 176 would ban lump-sum payments to ensure that patients receive lifetime payments if that's necessary.

It's no secret that the results of New Mexico's med-mal laws are out of balance. Here are some stats: We have the second-highest number of medical malpractice suits in the nation. Insurers pay out $1.83 for every dollar collected in malpractice premiums. There are few companies left that are willing to write medical malpractice policies. Malpractice premiums are twice as high on average in New Mexico as they are in other states. An imminent neurosurgeon who left New Mexico after 23 years and moved to Phoenix reports his malpractice insurance is five times less

than in New Mexico and, perhaps more importantly, he's not under constant threat of being sued. In his experience, lawsuits are brought in order to force a settlement rather than going to trial that could result in punitive damages. (Settlements are paid for by insurance, punitive damages, which can be more than excessive - a recent award in Albuquerque was for $412 million - come out of the physician's pocket, which obviously could bankrupt them.) The potential for large punitive damage awards is what lures trial lawyers to sue, sue, sue.

A long parade of doctors and patients reported how difficult it is to get an appointment for primary care and, even more difficult, an appointment with a specialist. One specialist reported a waiting list of 2,100 patients even though she has worked longer hours and given up her administrative time. Moreover, 30% of physicians are set to retire within the next five to 10 years. Only about 25% of medical school graduates stay in the state. There are 2,400 doctors in the state and that number is declining. A health care recruiter reported that in the recent past, there were about 300 positions open for various health care professionals. Today, the number is 769. The recruiter sent out 2,500 solicitations to submit resumes and only received 185. Candidates are looking at Arizona, Texas and Colorado, all of which have much less litigation and much lower malpractice premiums.

In fairness, there were a number of heart-wrenching stories from patients about pain and suffering experienced due to malpractice. Clearly, patients who are victims need reasonable compensation, nobody argues against that. However, it's our observation that they're missing an important point: if we don't significantly increase the number of health care professionals willing to practice here, they're not going to get the care they deserve and probably can't afford to get by going out of state.

As we mentioned above, the Chamber sent the following letter to the committee in advance of the hearing:

Honorable Members of the Senate Health and Public Affairs Committee

On behalf of the Greater Albuquerque Chamber of Commerce, I want to lend our support to SB 176. You all know the statistics on how out of balance our medical malpractice insurance is, so we won't recite a litany of them. Rather, I'd like to focus on this problem from a business and economic development perspective. There's a saying that it's not health care if you can't get a doctor's appointment. Health care is a major quality-of-life factor. and quality of life matters to businesses and employees when considering whether to locate or expand here.

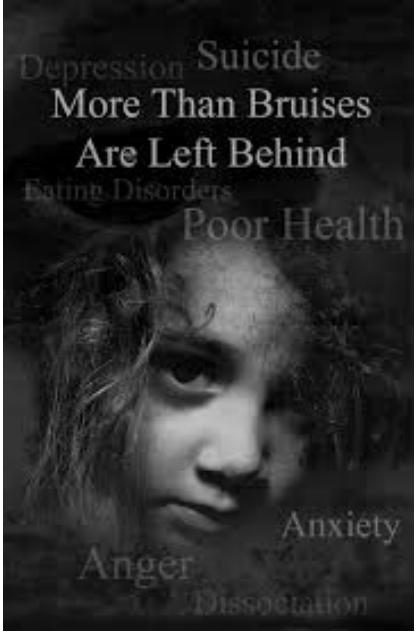
There are several key factors influencing doctors' decisions about practicing in our state. One is the high cost of malpractice insurance and the litigious nature of our state. Our system is out of balance. No one wants to see a patient injured by malpractice go without adequate care and treatment. However, there is a heavy thumb weighing on the side of litigation rather than patient care. The scales need to be rebalanced, and that's what SB 176 does. It balances the interests of patients, physicians and litigators. The bill is sensible and models best practices from around the country.

We urgently need to remove the medical malpractice obstacle in order to attract more health care professionals to our state. Without a strong and vibrant health care system, not only do New Mexicans lack the care they deserve, but it retards economic growth and the creation of new jobs. Please support SB 176 with a "yes" vote.

Terri Cole
President and CEO
Greater Albuquerque Chamber of Commerce

Unfortunately, SB 176 is only getting its first hearing today (Day 50) even though it was introduced on Day 8 of the session. We hate to say it, but it's improbable this bill can make it through the entire process before adjournment. It has to get out of this committee and then two more committees before reaching the Senate floor, then there's House committees and the House floor. In our view, if the governor was ever going to call a special session for something, this should be at the top of the list, along with other initiatives that may or may not get enacted this session. A special session with a focus just on health care would shine a bright light on what needs to be done to cure our health care crisis.

NEW INDEPENDENT CYFD OVERSIGHT, A CHILD ADVOCATE, GOES TO SENATE FLOOR



House Bill 5, sponsored by Rep. Pauline Abeyta (D-Bernalillo, Cibola, McKinley, San Juan, Socorro and Valencia) and other members of the House, would create a State Child Advocate, appointed for a six-year term, by a committee of nine members, which include appointments from leadership of the New Mexico House of Representatives and Senate; an individual with expertise in the federal Indian Child Welfare Act and New Mexico Indian Family Protection Act appointed by the governor; and members appointed by the attorney general and chief justice of the Supreme Court.

The bill outlines specific professional qualifications for the State Child Advocate. House Speaker Javier Martinez (D-Bernalillo) appeared before the Senate Judiciary Committee today as the bill's chief sponsor. The committee ultimately gave the bill a unanimous 9-0 "do-pass" recommendation.

The advocate would be housed in the Department of Justice and be an independent source of investigating complaints received, initiating prosecution, if appropriate, and holding the Children Youth and Family Department (CYFD) accountable for delivery of quality services. The office would increase transparency by publishing public reports on CYFD's performance, actions taken by the advocate and generally requiring accountability. The secretary of CYFD said the administration agrees with most of HB 5 except it wants the oversight agency to be housed in the executive branch rather than the Department of Justice.

Both Sens. Katy Duhigg (D-Bernalillo) and Antonio "Moe" Maestas (D-Bernalillo) had proposed amendments. However, after extensive committee discussion and because the amendments were only presented this evening, the committee decided to advance the bill and add appropriate amendments on the floor of the Senate, a suggestion made by Majority Leader Peter Wirth (D-Santa Fe), who is also a member of the committee.

We notice there's a strong desire to get this bill moving pronto and onto the governor's desk. Here's our speculation on the reason for urgency. It's rumored the governor might veto HB 5. If the bill is delivered to her more than three days before the end of the session, she must take action on the bill within those three days, i.e. while the Legislature is still in session. This sets up an opportunity for a veto override. Legislators on both sides are fed up with the poor performance of CYFD, which extends far beyond this administration. There could be strong bipartisan support for an override. Just sayin'. ...

Here's a list that's a bit more descriptive of the powers and duties of the Office of the Child Advocate:

- Reviewing the Children, Youth and Families Department’s (CYFD) service delivery to children and families or of any entity that provides services to children and families through funds received from CYFD;
- Investigating and receiving complaints made on behalf of children receiving services from CYFD;
- Determining the extent to which CYFD’s policies enhance the protection of children and their personal dignity, right to privacy, health care and education.
- Setting up a system to receive complaints, monitoring best practices and new federal or state laws affecting child welfare. The advocate has the power to subpoena witnesses to provide testimony in cases of fatalities or near-fatalities.
- Referring any instances of violation of constitutional rights, reckless disregard for the health and safety of a child or repeated instances of violating child welfare laws to the

attorney general.
- Providing children and families with information about their rights as they relate to CYFD.
- Issuing an annual report with specific information related to child welfare and juvenile justice.

MEDICAID TRUST FUND GETS A 'DO PASS' AND HEADS TO HOUSE APPROPRIATIONS



On Wednesday morning, the House Health & Human Services Committee started the day by hearing Senate Bill 88, Medicaid Trust Fund, sponsored by Sens. George Muñoz (D-Cibola, McKinley & San Juan), William Sharer (R-San Juan), Pat Woods (R-Curry, Harding, Quay & Union), Elizabeth "Liz" Stefanics (D-San Miguel, Santa Fe, Torrance & Valencia) and Rep. Pamelya Herndon (D-Bernalillo). The bill creates a new Medicaid trust fund, which would be seeded with a $300 million appropriation from the general fund. A Senate Finance Committee amendment to SB 88 adds a provision requiring that money in the Medicaid trust fund may be appropriated to support the state Medicaid program if a reduction in federal Medicaid funding received by the state will cause a reduction in coverage or benefits below the levels provided as of the effective date of the act.

Herndon said there would be $300 million a year put into the fund until it gets to $2 billion, and then the state stops putting money into it. This is when the fund starts to draw off of the interest and funds itself.

J.D. Bullington testified in support of the bill on behalf of the Greater Albuquerque Chamber of Commerce:

"The bill does a lot of things, which are all aimed at ensuring the state can sustain the Medicaid program, whether there are reductions in federal matches or through expanded usage or levels of care. And as we know, the costs of Medicaid have grown exponentially to the point where it places the second-largest demand on the general fund, just below public education. How does the bill do this? Through a variety of creative mechanisms, seeding it with an appropriation, unexpended amd unencumbered balances from state agencies and also reverting capital outlay. It distributes the money in a way that will help gain federal matching dollars. So this bill addresses what's likely to be a critical need, and the Chamber asks for your support."

Joining the Chamber in support of the bill were Think New Mexico, the New Mexico Health Care Association, New Mexico Pharmacy Business Council, New Mexico League of Women Voters, AARP New Mexico, NAMI New Mexico, Disability Rights New Mexico and The Disability Coalition.

Rep. Joanne J. Ferrary (D-Doña Ana) loved the idea of the bill yet had some concerns about financial points and asked if this was addressed in House Bill 2. Herndon said the initial fund was set up at $300 million to ensure the fund is first sustainable, and the additional amounts will be from investments interest from throughout the state. She said there is money to start the fund and what the bill is looking for is to grow it over the years until it reaches that $2 billion benchmark.

Minority Whip Rep. Alan Martinez (R-Sandoval) was supportive as the bill would help fund Medicaid should federal cuts come in October. "We have promises from the new administration that they're going to finally balance the federal budget. I don't know if we're going to have the 7-to-1 match, the 4-to-1 match. I think it's going to be closer to a 1-to-1 match. So we need to keep that in mind. It seems like we're moving around money here, money that we're counting on that we don't have in hand yet. I mean, that's always a concern for me. I think planning for the future is a great idea. I'm not too worried about what's going on in the stock market right now. It's going

to correct itself."

Rep. Jenifer Jones (R-Doña Ana, Hidalgo & Luna) expressed her concerns on why a health care committee would hear a money bill. "I just am irritated with having to make a decision on a bill that is a money bill. This is all about money, even though, you know, we acknowledge that, yes, it's going to go on to finance, and they're going to fix everything and amendments and so forth, but I have to make a decision on a money bill. (If) you asked any of us, do you want New Mexico to have good health care? We're going to say, heck yeah, we love good health care. We want that for New Mexicans. I want good health care for New Mexicans. I want to make sure that we can pay for it. But I can't make a decision on this bill. I'm tired of having my name on a bill, and I have no idea how this is going to work out. So that's where I stand, a little frustrated."

A motion was made for a "do-pass" vote as amended. The committee voted in favor on a 6-1 vote, sending the bill to the House Appropriations & Finance Committee.

SENATE PASSES BILL ADDRESSING THOSE WHO POSE THREAT TO THEMSELVES, OTHERS



One of the governor's priority bills for public safety passed the Senate today on a 39-0 vote and now heads to the House. Senate Bill 166, sponsored by Sen. Antonio "Moe" Maestas (D-Bernalillo), amends the Mental Health and Developmental Disabilities Code and the Assisted Outpatient Treatment Act to change the standard for imposing civil commitment or assisted outpatient treatment in New Mexico by redefining "harm to self" and "harm to others."

The new definitions are fact-based, not speculative about what a person may or may not do in the future. This provides clearer direction to judges on when a person should be committed to mandatory treatment or supervision. The goal is to reduce the revolving door. Currently, nearly all those committing a misdemeanor may spend a night in jail or an emergency room, only to be turned back out on the streets. Rinse and repeat. What's needed is a way to get more people the help they need to stop the vicious cycle. Sometimes, voluntary commitment works. Other times, when there is a threat to self or others, the courts must order mandatory treatment before a greater tragedy occurs. This an important component in expanding access to behavioral health care in the state.

BIOSCIENCE BILL PASSES 10-0 AND HEADS TO ITS LAST COMMITEE, HOUSE JUDICIARY



Senate Bill 119, Bioscience Development Act Amendments, sponsored by Sen. George Muñoz (D-Cibola, McKinley & San Juan), Sen. Martin Hickey (D-Bernalillo) and Rep. Meredith Dixon (D-Bernalillo), ramps up New Mexico's investment in this $3 trillion industry. The bill has been through the Senate and today had its first hearing on the House side in the House Commerce and Economic Development Committee.

The bill is aimed at helping bioscience startups get off the ground. Frequently, these startups bloom from work done at our universities, but the lack of investment capital in New Mexico sends them to other states for funding. No other state investment funds target individual bioscience startups.

Enrique C. Knell represented the Greater Albuquerque Chamber of Commerce's strong support for investing in the Bioscience industry:

"We want to ensure that New Mexico gains a larger share of this very lucrative industry with good, high-paying jobs. The bioscience industry is responsible for major medical advancements and technology, everything from modern lab equipment to new, highly effective medications and cures for a range of diseases. While the state has other investment and venture capital funds, none are dedicated solely to attracting and growing bioscience investments. This sector is highly competitive and requires dedicated attention. We need to get into this game in a much bigger way, and SB 119 is a good start."

SB 119 increases investment capital available for New Mexico-based bioscience and biotech firms by adding the Bioscience Authority to the current group of existing funds and investors assessing and making investments in New Mexico companies. This industry is fast-growing and has enormous economic impact. New Mexico has 7,600 people employed in the BioScience industry with an average salary of $75,000. Geographically, 30 of New Mexico's 33 counties have at least one bioscience company, with 341 of them in Bernalillo County.

House sponsor Rep. Meredith Dixon (D-Bernalillo) laid out how the bill works. "It complements LEDA, the Local Economic Development Assistance Fund, by helping bioscience startup companies get established, which LEDA cannot do. This investment structure is designed to attract high-growth companies while better protecting the state's investment. Investments in this fund require a two-to-one match from co-investment partners, meaning that for every $1 from the New Mexico Bioscience Authority, partners contribute $2. Individual investments will range from $500,000 to $2 million, and each investment round will include six to 10 companies that could support 30 to 100 employees per round. Businesses must maintain a minimum in-state workforce of five employees with a minimum median annual salary of $60,000 as a condition of the investment. 100% of the funding will go to investments, not to broker fees or staff salaries. The New Mexico Bioscience Authority must report activities for the prior fiscal year to the governor and the appropriate legislative interim committees."

Presenters pointed out that the Legislature passed similar bioscience legislation two years ago that was vetoed by Gov. Michelle Lujan Grisham. Sponsors worked with the Governor's Office to alleviate her concerns, including adding stronger clawback provisions for companies that don't hold up their end of the bargain.

Nobody spoke against the bill, but several people from the business and economic development community showed up in force to support state investment in bioscience. Stephanie Tofighi, the executive director of the New Mexico Bioscience Authority, elaborated on the bioscience industry and the benefits of SB 119:

"This bill not only supports urban biotech companies, but it also supports rural agricultural science, which does fall under the bioscience umbrella and is something that the Bioscience Authority is able to really help burgeon with their collaborations with New Mexico Tech and New Mexico State. We are a comprehensive board of directors that includes members from those different research universities. We'll work extensively with their research offices to help their researchers to commercialize their innovation. And we're really excited to be able to use this fund to not only help with that innovation, but also to recruit companies from outside the state that are looking for a low cost of living, better commuting, and a better environment to raise their kids in. These are the kinds of arguments that we bring to the table when we're talking to entrepreneurs that are currently stationed in San Diego and San Francisco and Boston. New Mexico has so much to offer."

The bill passed 10-0 and heads to House Judiciary next.

SITE-READINESS BILL PASSES 8-0 AND ADVANCES TO ITS LAST COMMITTEE



We've laid out this scenario for you before, and it illustrates Senate Bill 169 perfectly:

Megacorp: ”Hi, I'd like to build a plant in New Mexico. I'm willing to invest a gazillion dollars, and we'll bring 5,000 jobs. What sites do you have ready to go?"
New Mexico economic developer, "Uh, well, let's see...we could have one ready in two or three years."

SB 169, sponsored by Sen. Michael Padilla (D-Bernalillo), would ensure that conversation never happens. The bill has passed the Senate and had its first House hearing this evening in the House Commerce and Economic Development Committee. It passed 8-0 and heads to House Appropriations and Finance before it can move to the House floor for final passage.

The bill establishes a $24 million fund under the auspices of the Economic Development Department to find and select sites that are prime candidates to become shovel-ready for development. Sites from around the state are eligible for consideration. The sites could be publicly or privately owned and would be selected with the help of a diverse advisory committee. Sen. Padilla confirmed to the committee that the budget bill does include the $24 million for this undertaking.

Enrique C. Knell testified in favor of the measure on behalf of the Chamber:

“SB 169 is all about increasing the number of sites ready for business development and reducing the amount of time businesses must wait for their site to be ready for building. Right now we have very little inventory for medium- to large-scale commercial, industrial or other uses. And these sites can take anywhere from two to four years or longer to prepare utilities and be 'ready' for development. Rather than risk asking the next Netflix or Amazon if they can wait a few years, SB 169 proactively allows New Mexico to create an inventory of strategic economic development sites around the state that will make New Mexico more competitive with other states and attract significant capital investment, tax revenues and jobs.”

It's estimated that New Mexico is losing 30% or more of prospects because of the lack of building sites. Thirty-six states already have such a program.

Selected sites could be eligible for predevelopment funding, including engineering, site preparation, environmental remediation and housing studies. Predevelopment funding could also include loans or grants for infrastructure extensions such as roadways and utilities.

Padilla pointed out to the committee that this bill (along with Senate Bill 170) help fill in a piece that is absent in our state’s economic development efforts. “We do have a key ingredient missing in our economic development toolkit, and that key ingredient really is site readiness. Site readiness is something that we can easily do for ourselves, which a lot of other neighboring regional states do in our area. But essentially what we do is we build a site characterization study that is overseen by a strategic economic development site advisory committee that knows what to look for.”

SB 169 and companion measure SB 170 are very much top priorities for all of us interested in economic development and private-sector diversification. SB 170 is waiting for its hearing in this committee. We’ll keep you updated on the progress of this pair of important economic development initiatives.

VETERAN PROPERTY TAX EXEMPTIONS ARE READY FOR THE GOVERNOR’S SIGNATURE



We've told you about House Bill 47, Veteran Property Tax Exemptions, since it started its legislative journey way back on Jan. 22, the first day of the session. The bill enacts two veteran property tax exemption changes that New Mexicans voted on as constitutional amendments in the November 2024 general election. The bill is sponsored by Rep. Art De La Cruz (D-Bernalillo), Minority Whip Rep. Alan Martinez (R-Sandoval) and Sen. Harold Pope (D-Bernalillo).

The bill passed the Senate today 39-0 and heads to the Governor's Office for final signature. The bill has an emergency clause, which means it will become law the instant it's signed. So HB 47 is nearing the end of its legislative journey.

Pope fielded the lone question from Sen. Pat Woods (R-Curry, Harding, Quay & Union), who wanted to know if the Legislature had already acted on this. Pope replied that this is solely the enabling legislation. "We passed this, and then we sent it to the voters. It passed as a constitutional amendment to raise the property tax exemption from $4,000 to $10,000. Then they would get additional exemptions on their total property tax at the rate of their disability. This bill right here with the emergency clause is really the enabling language. In 2025, the $10,000 exemption would start, and in 2026, the rating off of their disability would start."

The Chamber has supported this bill since its filing and testified in support at each stop. The Chamber wants to make New Mexico more attractive for active-duty personnel and veterans to serve here and stay in our great state. HB 47 is a good investment in New Mexico's economy and the many veterans who are business owners, consumers and contributors to our state's success.

HB 47 is nearing the end of what we expect to be a successful legislative journey. We'll let you know when the governor takes action. The bill first has to be "enrolled and engrossed." Once that process is done, the bill is transmitted to the Governor's Office, and she has three days to act on the legislation.

OIL & GAS ACT VIOLATION PENALTIES MOVE TO NEXT COMMITTEE ON A 5-3 VOTE



The last bill for the night for the House Judiciary Committee was House Bill 259, Oil & Gas Act Violation Penalties, sponsored by Rep. Matthew McQueen (D-Sandoval & Santa Fe), which

seeks to impose staggering fee and fine increases on violations of the Oil and Gas Act. To give you an idea of what we mean by staggering, fees are increased by 300% and fines by 1,700%. Worse yet, there seems to be no evidence-based rationale except “this is what we do in other environmental laws” or “this will bring offenders to the table.” And, the fee and fine increases are hiked every year by the cost of living. McQueen began his presentation of the bill by saying that the goal for the bill isn’t to collect a bunch of fines and penalties. “The goal is to encourage compliance,” he said.

Terri Cole, president and CEO of the Greater Albuquerque Chamber of Commerce, spoke in opposition of HB 259, saying:

“Mr. Chair and members of the committee, we believe the fees and fines increases are pretty shocking. If the basis is to adjust for inflation, then we'd very much appreciate learning what the base year is and the calculations that lead to the proposed adjustments

"Fines are presumably designed for punishment. Punishment exactly for what? Our oil and gas industry has been extremely cooperative and forward-thinking. The industry by and large has a very good record in compliance with state and federal regulations and, as we all know, is the cash cow of the state's treasury. So, we're left questioning what infractions the state is after and why are such extraordinary increases necessary and justified?

"We are very concerned that the proposed adjustments should not be arbitrary but rather backed up with some kind of evidence that explains the need and the presumed effectiveness. At this point, we oppose HB 259.”

Joining the Chamber in opposition were the Permian Basin Petroleum Association, New Mexico Oil and Gas Association and Independent Petroleum Association of New Mexico.

Rep. Nicole Chavez (R-Bernalillo) questioned if there was evidence that supports the need for increasing penalties per violation and if it will lead to compliance, and what type of non-compliance is happening currently.

Rep. Christine Chandler (D-Los Alamos, Sandoval & Santa Fe) said she thinks it’s ironic that many think raising fines and penalties when it's in the criminal context is some sort of really great tool — a deterrent. So is it a deterrent when we have a corporation that presumably has people running it with rational thinking and can evaluate the risks and the benefits of what they're doing on a financial basis? And we compare that with a criminal who usually does a lot of things that are irrational and not well thought out, but we talk a lot about increasing penalties on those folks? "In a world where rationality is working, fines and penalties and the like should be viewed as something that's a viable deterrent.”

With a motion for a “do-pass” vote, the committee voted 5-3, which moves it to House Appropriations & Finance.

BILL ADDING TO RACKETEERING CRIMES MOVES FORWARD TO HOUSE JUDICIARY



Today the House Government, Elections and Indian Affairs Committee heard Senate Bill 70, Add Racketeering Crimes, sponsored by Sen. Craig W. Brandt (R-Sandoval). The bill amends the

Racketeering Act to include 11 additional crimes within the definition of “racketeering,” defines “criminal gang” and creates two felony crimes related to membership or participation in racketeering activities of criminal gangs and other enterprises. The bill — which had a committee substitute in the Senate Judiciary Committee— includes sexual exploitation of children, criminal sexual penetration, criminal sexual contact, dogfighting, bringing contraband into places of imprisonment and human trafficking. Cockfighting was added back to SB 70 as a crime that could be prosecuted as a RICO violation.

J.D. Bullington testified in support of the bill on behalf of the Greater Albuquerque Chamber of Commerce:

“This bill targets the leaders of enterprises that are committing heinous crimes that should be felonies. Specifically, it makes it a crime to solicit or coerce another person, including a minor, into being a member of or working with a criminal enterprise. And we also know that human trafficking is a growing problem, largely because of the organized criminal development that’s involved. Racketeering statutes are designed to go after these kinds of organizations and these kinds of people, and prosecutors need Senate Bill 70 to have a new set of tools to protect the public.”

Rep. Tara L. Lujan (D-Santa Fe) wanted to make sure the bill wouldn’t lessen the law when it comes to sexual assault. Rob Hart, director of the Organized Crime Commission and a Bernalillo County deputy district attorney, said nothing changes as far as the law goes. The crimes will be charged. “You can think of it as an enhancement, but the prosecutor still has to prove beyond a reasonable doubt that there was an enterprise going on and that the defendant was a member of that enterprise.”

A motion was made for a “do-pass” vote, and the committee passed it 9-0. The bill moves on to the House Judiciary Committee.

BILL TO GET, AND KEEP, PHYSICIANS WITH SCHOOL-LOAN HELP HEADED TO SENATE FLOOR



Sen. Craig Brandt (R-Sandoval) wants New Mexico to attract more doctors. His Senate Bill 411, Physician Loan Repayment Act, offers $75,000 per year for a maximum of $300,000 over four years for physicians practicing in designated professional shortage areas. In New Mexico, that’s practically the entire state.

SB 411 passed 8-0 this morning in the Senate Finance Committee and now heads to the Senate floor. Just before the vote, Terri Cole, Chamber president and CEO, emphasized the Chamber’s strong support of SB 411’s approach to getting more doctors in New Mexico:

“New Mexico is in a health care crisis as 30 of its 33 counties are designated health professional shortage areas. SB 411 creates a lifeline to provide loan assistance to doctors practicing in one of those designated health professional shortage areas. As health care is key for economic development, the Physician Loan Repayment Act not only would give the ability for New Mexicans to be cared for across the state, it would also be positive in keeping New Mexico competitive in the health care arena.”

Brandt says the budget bill includes $10 million for this loan repayment program. The Higher Education Department (HED) will manage the program and monitor usage, “We’ll get a report from HED as to how much it’s been used and know what we need to get in there next year to make it stable.”

Brandt says doctors have to sign a commitment to stay in New Mexico four years before qualifying for the loan repayment assistance. “And that’s what we want, we want these doctors to love it so much that they never leave New Mexico,” Brandt told the committee.

“The problem is we need doctors, and we need to recruit them from everywhere,” Brandt said.

“We are hemorrhaging doctors right now. We've lost over 600 doctors in the last two years. We have got to add doctors to our state. This is just one way of doing that.”

We absolutely agree with Brandt, and we’ll let you know when this bill is brought up on the Senate floor.

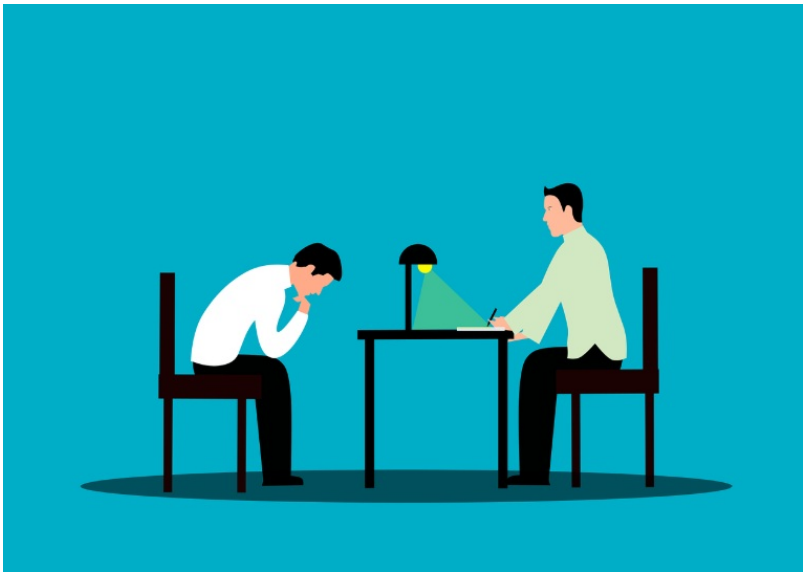
PHYSICIAN ASSISTANT LICENSURE COMPACT SAILS OFF HOUSE FLOOR TO SENATE



Just before 9 p.m. Tuesday night, House Bill 413 was one of the last bills to be heard on the House floor after more than eight hours of discussion and debate. HB 413, Physician Assistant Licensure Interstate Compact, sponsored by Rep. Gail Armstrong (R-Catron, Sierra, Socorro & Valencia), enters New Mexico in the Physician Assistant Licensure Interstate Compact for the purpose of strengthening access to medical services and enhancing the portability of a license to practice as a physician assistant. The Physician Assistant Licensure Compact Commission would serve as the national administrative body. According to the American Academy of Physician Assistants, 62% of PAs in New Mexico are working in medical specialties, and 28% in primary care.

The Chamber has supported this and other medical professional compacts every step of the way this session. A motion was made for a “do-pass” for the bill. With no opposition, it sailed through the House floor with a vote of 56-0. The bill heads to the Senate.

HOUSE JUDICIARY GIVES PSYCHOLOGY COMPACT UNANIMOUS ‘DO-PASS’ VOTE TO HOUSE FLOOR



After a long House floor session, the House Judiciary Committee got off to a fast start with a slate of bills. One of them was House Bill 242, Psychology Interjurisdictional Compact, sponsored by Reps. Marian Matthews (D-Bernalillo) and Gail Armstrong (R-Catron, Sierra, Socorro & Valencia). The bill enters New Mexico into the Psychology Interjurisdictional Compact,

which allows telepsychological services to be offered across state lines and allows in-person visits in a state in which a psychologist isn't licensed to practice on a temporary basis. The bill is meant to bolster public health and safety across state lines and streamline cooperation between states when it comes to psychology licensure and regulation.

J.D. Bullington spoke in support of the bill on behalf of the Greater Albuquerque Chamber of Commerce:

"There are a number of bills authorizing New Mexico to enter various health care compacts. All are designed to bring health care professionals to our state. When approved, the compact will eliminate the need for licenses in multiple states. We all know how important attracting mental health professionals is as we wrestle with rebuilding the state's behavioral health system. HB 242 offers one answer to how do we attract these professionals to New Mexico. We urge your support of HB 242."

Joining the Chamber in support were AARP New Mexico, Think New Mexico and NAMI New Mexico.

With little discussion and no opposition, a motion for a "do-pass" vote was made, and the committee voted in favor, 7-0. The bill heads to the House floor.

AROUND THE ROUNDHOUSE



A LOOK BACK AT THE JULY '24 SPECIAL CRIME SESSION - WHERE ARE THOSE ISSUES NOW?

There's been a lot said about the special session on public safety called by the governor last July. The Legislature flat refused to take up any of the governor's proposed legislation, so what's happened to those bills during this legislation session? The short answer is six of the seven proposals have been addressed, albeit with mixed results:

1. **Felon in Possession of a Firearm**: Three bills sponsored by two Republicans and one Democrat have all been stymied in their first committees. These bills are HB 166, HB 496 and SB 253. The House bills are stuck in the House Consumer and Public Affairs Committee, and the Senate bill is stuck in the Senate Health and Public Affairs Committee.
2. **Criminal Competency Changes:** Part of House Bill 8, the "public safety" package. which has been signed into law by the governor.
3. **"Harm to self and others:"** in Senate Bill 166, which passed the Senate 39-0 and has been sent to the House.
4. **Sharing ballistics reports:** Through previous budget appropriations to both the Department of Public Safety and the Second Judicial District Attorney's Office, progress is being made. For example, DPS significantly expanded crime data reporting through the National Incident-Based Reporting System (NIBRS) required by the FBI. By year-end, 77.6% of New Mexico law enforcement agencies were submitting NIBRS data, up from 63.8%, covering 86 percent of the state's population. This increase has allowed the FBI to include New Mexico in its national crime data estimates after several years of exclusion, an essential step toward understanding state crime trends.
5. **Racketeering Expansion:** Senate Bill 70 adds several heinous crimes; it's passed the

Senate 38-0 and its first House committee, with one to go.

6. **Amending the Controlled Substances Act:** Also part of HB 8, the crime package, which enhances prison sentences for fentanyl and other drug trafficking. In addition, several bills are stuck in various committees that would increase penalties for fentanyl trafficking resulting in death: HB 107 is stuck in House Consumer and Public Affairs and SB 95 is stuck in Senate Judiciary. In addition, HB 274, trafficking fentanyl as a first-degree felony, is also stuck in HCPAC; HB 303, making exposing babies to controlled substances child abuse, is stuck in House Judiciary; and HB 383, making child exposure to fentanyl child abuse, is also stuck in HCPAC.

The only measure that was introduced in the special session not introduced in this session is one dealing with pedestrians in medians. Throughout the special session, this and previous sessions, the Chamber has been a staunch advocate for strong public safety measures. While progress is being made in this session, there's still more to be done, including improving pretrial detentions, addressing fentanyl and other drug trafficking, enacting juvenile justice reforms and tackling felons caught using a firearm in a subsequent crime. As you can see from the list of bills above, there is a lot of good legislation stuck in committees, and that needs to change.

We will continue strong advocacy for these and other measures that we sincerely believe will protect citizens and make New Mexico a much safer place. Our very real high-crime rate lessens New Mexico's competitive position for growing and attracting business. Quality of life is very important, and crime, education and health care are top of the list when companies consider New Mexico as a place to do business, since employees want to ensure they and their families are safe and have ready access to quality health care and education. The job to improve all of these quality-of-life issues has a good beginning, but the work is far from done.

SIGNING OFF FROM SANTA FE



Wowzer, what a day - major legislation on the move from every direction. You can expect from here to the end of the session, just nine days away as of noon tomorrow, that things will be rockin' and rollin'. And, don't forget, we're still waiting for the Senate's version of the budget, the tax package (if there's going to be one) and capital outlay - meaning the real financial work of the session is yet to be completed. A lot of mysteries there, which is fitting since this is national Alfred Hitchcock Day. Wasn't that a cool segue? And here's another: We're outta here for the night but look forward to bringing you all the news and views from your State Capitol tomorrow. Good night.

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Legislative RoundUp

2025 Regular Session | Thursday, March 13, 2025

57th Legislature | Day Fifty-One

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

BILL ADVANCES TO KEEP NEWBORNS SAFE THAT WERE EXPOSED TO DRUGS PRENATALLY



The Senate quickly passed Senate Bill 42, Comprehensive Addiction and Recovery Program, sponsored by Sens. Michael Padilla (D-Bernalillo) and Linda Trujillo (D-Santa Fe) on a 38-0 vote with no debate or discussion.

The bill makes major adjustments to a program meant to provide meaningful interventions to families of newborns where the mother has substance abuse issues and the newborn is found to have been exposed to those substances before birth. A 2023 Legislative Finance Committee evaluation of New Mexico's Comprehensive Addiction and Recovery Act (CARA) policy found that the program has substantive gaps, and it recommended many of the statutory and program changes reflected in this bill.

The Chamber has actively supported this measure, which now heads to the House. Generally, CARA requires that health and child welfare officials enact "plans of safe care" when a child is born exposed or addicted to drugs or alcohol. The intent behind this critical child welfare policy is to keep families together when possible, instead of forcibly separating newborns and mothers and placing those children in foster care. For infants with prenatal substance exposure, Plans of Safe Care bring together affected families and various service providers — including maternal and infant health care, substance use disorder treatment, mental health treatment, early childhood and child welfare.

To put the depth of this issue into perspective, over a two-year period, New Mexico officials established plans of safe care for 3,770 infants who experienced prenatal substance exposure. The LFC estimates that roughly 6% of all births in New Mexico, or 1,200 newborns each year, will require a plan of safe care through this program.

SENATE UNANIMOUSLY PASSES HIGH-IMPACT TUTORING 39-0, SENDS IT TO THE HOUSE



From left, Sen. Ant Thornton (R-Bernalillo, Sandoval, Santa Fe & Torrance) offers his congratulations to former school teacher and fellow freshman Sen. Steve Lanier (R-San Juan) after Lanier presented and passed his very first bill creating a high-impact tutoring program in New Mexico's public school system.

This morning the Senate passed Senate Bill 434, Public Schools: Accelerated Instruction for Math or Reading Deficiencies, sponsored by Sen. Steve Lanier (R-San Juan). The bill passed 39-0 and now begins its legislative journey in the House of Representatives. Lanier, a former school teacher, explained his bill to his colleagues:

"Students in New Mexico continue to struggle to get back on track in reading and math. This new intervention, high-impact tutoring, has emerged and has proven to be more effective than 85% of other education interventions. High-impact tutoring is more than just homework where you hand out another worksheet, or a simple hot line or something like that. It is one-on-one tutoring: high dosage, structured interventions targeted toward our most struggling students. And research shows that high-impact tutoring is very effective."

The Chamber has supported the bill in committees along the way, agreeing that high-impact tutoring is an evidence-based solution for improving student outcomes. It's proven to maximize student learning, boost academic proficiency, and improve attendance. The University of Chicago found that this program can double or even triple student learning within a single academic year. In Tennessee, test scores increased eight points in English and 10 points in math after implementing high-impact tutoring. Louisiana jumped from 50th to 16th in fourth-grade reading and from 45th to 29th in eighth-grade reading. And a recent study at Stanford University found that high-impact tutoring had the largest impact on chronically absent students, improving their attendance by at least five days.

Rep. Linda Trujillo (D-Santa Fe) offered an amendment that allows volunteers to serve as tutors for this program. She says a Santa Fe-based program called Math Amigos sends retired professionals in to schools to work with students on math skills. Trujillo raised the issue in committee and promised this "friendly" amendment on the Senate floor, which senators quickly passed.

Lanier wrapped up his presentation with a most-important piece of information, "Importantly, this program is already funded: $7 million for this high-impact tutoring is already in the budget."

STRATEGIC WATER RESERVE FUND HEADS TO HOUSE APPROPRIATIONS AND FINANCE



On Thursday, the House Agriculture, Acequias & Water Resources Committee heard Senate Bill 37, Strategic Water Reserve Fund, sponsored by Sen. Elizabeth "Liz" Stefanics (D-San Miguel, Santa Fe, Torrance & Valencia) and Rep. Meredith A. Dixon (D-Bernalillo). The bill creates the Strategic Water Reserve Fund, to be administered by the Interstate Stream Commission, to support work related to the strategic water reserve. The bill proposes to set a cap of $15 million on the new permanent fund, requiring that all balances above $15 million revert to the general fund. It adds a new purpose for the Strategic Water Reserve: to assist the state and water users with water management and conservation efforts for ground water recharge; but it limits how funds may be spent for that purpose and how to achieve it.

The bill before the committee had been amended in the Senate Conservation Committee, where language was clarified concerning usage of water, water rights in the strategic water reserve and priorities for acquisition.

J.D. Bullington testified for the Chamber in support of the bill by saying:

“This bill augments and supports the purpose of the Strategic Water Reserve, which was created 20 years ago, as noted, by establishing a viable and responsible funding mechanism to fulfill the mission and purpose of that reserve. Given our status as a state in drought, coupled with increasing uncertainties about the future sustainability of our water resources, the timing of this initiative is critical. This bill will benefit not only our native communities, but it will also help ensure that as New Mexico continues to grow, our water resources will be managed more efficiently in both rural and urban areas while protecting existing basins that are critical to agricultural communities and more heavily populated centers.”

Standing alongside the Chamber in support Thursday were the Sierra Club Rio Grande Chapter, New Mexico Wild, New Mexico Chamber of Commerce, New Mexico Association of Soil and Water Conservation Districts, Conservation Voters of New Mexico, Think New Mexico, Audubon Southwest, American Rivers, EDF Action Fund, Rio Grande Indivisible, Ogallala Land & Water Conservancy Board and Friends of Bosque del Apache National Wildlife Refuge. There was no opposition to the bill.

After a few committee questions, a motion was made for a “do-pass” vote. With a vote of 4-3, the bill now moves to the House Appropriations & Finance Committee, its last committee.

LOW-INCOME PUBLIC UTILITY RATES BILL PASSES ITS SECOND SENATE TEST



House Bill 91, Low-income Public Utility Rates, passed its final hurdle before heading to the Senate floor. It passed this afternoon in the Senate Tax, Business, and Transportation Committee on a 5-3 partisan vote.

The bill, sponsored by Rep. Tara Lujan (D-Santa Fe), allows the Public Regulation Commission (PRC) to approve low-income rates for gas and electric customers or other programs that can help low-income customers lower their home energy bills. According to sponsors, low-income consumers spend as much as 20% of their household income on utility bills.

Enrique C. Knell testified in support of the bill on behalf of the Chamber:

“It's pretty obvious that many people are struggling to make ends meet post-COVID, and with the high prices for just about everything. This bill is designed to help low-income utility customers pay their bills. We think of this bill as a short-term measure of necessity rather than a permanent way of life. Our long-term goal should be the creation of many good, high-paying jobs in the private sector.”

BILL TO BETTER ENSURE SAFETY AT RAILROAD CROSSINGS CHUGGING AHEAD



House Bill 160 didn’t stop, look or listen as it sailed through the Senate Tax, Business and Transportation Committee this afternoon on a unanimous vote. HB 160 is the Stop, Look and Listen for Railroad Equipment proposal by Rep. Patricia Lundstrom (D-McKinley), and it heads

next to the Senate Judiciary Committee.

Only trains have the right-of-way over all other traffic at railroad crossings. HB 160 would add “other on-track equipment” at all railroad-highway-grade crossings. “Other on-track equipment” is “any car, rolling stock or other device that alone or coupled to another device is operated on stationary rails.” The bill would require all drivers, including school bus drivers and drivers carrying hazardous materials, to abide by certain stopping distance requirements when approaching “other on-track equipment,” not just trains.

The Chamber has voiced support for the measure as it had been heard is committees, testifying that this is common-sense legislation to help protect both the public and train equipment operators. There has been an increase in accidents and injuries resulting from failure to stop, look and listen for any equipment operating on the rails, and this measure should help improve safety.

HB 160 was actually passed on a consent calendar, which is a legislative procedure that allows for the expedited passage of non-controversial bills without individual debate or discussion. Here's how it typically works:

- Bills placed on the consent calendar are grouped together and voted on as a single package.
- These are usually bills that have broad agreement, little to no opposition and don't require further debate.
- Any member of a committee can typically request that a bill be removed from the consent calendar if they want it to receive individual consideration.

IN THE SENATE



March Madness on Senate Floor: Colts, Sun Devils, Bulldogs

Lt. Gov. Howie Morales presided over the Senate on Thursday while sporting an Española High School varsity jacket. Morales had lost a bet to Sen. Leo Jaramillo (D-Los Alamos, Rio Arriba, Sandoval & Santa Fe) over high school basketball. The Española Sun Devils played the Silver City Fighting Colts in a high school varsity basketball playoff this week and won 69-60. Morales, from Silver City, was a good sport and wore the jacket the entire session today.

Jaramillo then pushed his luck and told Sen. Jim Townsend (R-Eddy & Otero) he’d be wearing that varsity jacket on Friday after the Sun Devils beat the Artesia Bulldogs Thursday evening in Albuquerque. However, about 8 p.m. tonight, word came in that Artesia is headed to the 4A basketball championship after decisively beating Española 72-51. No word if Townsend will bring in an Artesia High School varsity jacket tomorrow. We’ll bring you the photo if he gets Sen. Jaramillo, also a good sport, to wear it.

The Bulldogs will play Highland High School for the state championship at 4 p.m. Saturday.

AROUND THE ROUNDHOUSE



A Primer on Capital Outlay

When it comes to budgeting, capital outlay is the poor stepchild to the general fund budget. Yet, this is the main source of funding for many construction projects. Because legislators currently have discretion to direct some capital spending in their districts, the end result of this process is often referred to as “pork,” as in, bringing home the bacon. Legislators aren’t particularly fond of that term as they feel these projects are very important to the communities they represent and shouldn’t be disparaged. The Legislative Finance Committee has very good information about all this on its website, which we’ve relied on to prepare this article.

Sources of Capital Outlay
There are three main sources of funds used for capital outlay:

- ***Severance tax bonds*** (STBs) – bonds are issued to fund projects and repaid with revenues from taxes on oil, gas, coal and other extractive minerals. STBs fund a wide variety of state projects from nearly every agency.
- ***General obligation bonds*** (GOBs) – bonds are issued and repaid through property taxes and must be approved by voters at a general election. Thus, these funds are available only during even-numbered years, when general elections are held. GOBs are used to fund higher education, senior citizen center, public school and public library projects.
- ***Non-recurring general fund revenue*** – this happens only if there are surplus general funds available.

Getting the ball rolling
The Department of Finance and Administration and the General Services Department are tasked with preparing a five-year plan for major state capital improvement projects. State agencies develop lists of projects and include them in the Infrastructure Capital Improvement Plan database. Then, a panel of executive and legislative staff reviews the list of projects to include in the executive budget proposal, which is presented to the Legislature on the first day of each legislative session.

For local government projects, the Local Government Division of the Department of Finance develops the plan with input from almost all county, municipal, tribal and special district entities. Legislators can also propose capital outlay projects of their own. Typically, the Legislature and the governor prioritize funds for regional and state-owned and operated projects. Any remaining money is split between the House and Senate, which then allot an amount to each member for possible projects. These projects are the “pork” projects.

Legislative action
During the legislative session, capital outlay bills are introduced – usually one for STBs and one for GOBs (again, in even-numbered years). Along with the recommendations in the executive budget, legislators submit their requests, and the bills are massaged, depending on funds available, and are ultimately passed and sent to the governor. She may veto projects she does not agree with.

What kinds of projects qualify for capital outlay?
Typical capital outlay projects include:

- Planning, designing, constructing, equipping and furnishing community centers, senior centers, fire stations, libraries, courthouses and other buildings;
- Purchasing vehicles such as for fire departments, senior centers, schools or police departments;

- Street improvements;
- Park renovations or equipment;
- Water, wastewater system and acequia improvements;
- Improvements to existing buildings to comply with the Americans with Disabilities Act of 1990;
- Construction or renovations to state institutions of higher education; and
- Improvements or construction to buildings on Indian lands.

Capital outlay funding cannot be used for operating expenses, salaries, materials and supplies, events, brochures, pamphlets and publications or retroactive reimbursements of previous payments.

SIGNING OFF FROM SANTA FE



As things go at this time in the session, it was a fairly light day of activity in committees. However, the pace will pick up again tomorrow, and we expect committee hearings on both Saturday and Sunday. The Senate held its first "split session," with both a morning and an evening floor session. Likely, mid next week, committee meetings will be shorter and, in some cases, not at all as the focus will become floor activity.

Given the number of hacks, sneezes and coughs, the Capitol crud is circulating. With all the people jammed into the Roundhouse, it's a veritable petri dish. So, it's a good thing that today is national chicken noodle soup day. Call your mother, wrap yourself in a blanket and take the cure. We wish everyone good health and happiness. Good night.

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Legislative RoundUp

2025 Regular Session | Friday, March 14, 2025

57th Legislature | Day Fifty-Two

BREAKING NEWS
March 14, 2025

BREAKING NEWS: Action Needed --- Paid Family and Medical Leave Bill Up Tomorrow in Senate Finance

Minutes ago, Senate Finance Committee chair Sen. George Muñoz (D-Cibola, McKinely & San Juan) announced that the paid family and medical leave act, House Bill 11, will be heard in his committee at 9:30 a.m. Saturday morning. Please **CONTACT** members of the committee using this link to register your opposition to the bill.

As you will recall, the bill provides for six weeks of paid medical leave financed by new payroll taxes on employees and employers, totaling over $200 million per year - and that's likely to escalate significantly in the future to maintain fund solvency. The fund has a high probability of being under water from the outset. In addition, 12 weeks of unpaid parental leave is granted along with a $193 million per year payment of "refunds" to parents. There is no specified funding, so this money is likely a significant hit to the general fund.

This bill is bad for New Mexico small businesses especially and makes New Mexico less competitive.

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Legislative RoundUp

2025 Regular Session | Friday, March 14, 2025

57th Legislature | Day Fifty-Two

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

COMPREHENSIVE BILL TO INCREASE NUMBER OF HEALTH CARE WORKERS GETS STUCK



Tried To Get a Doctor's Appointment Lately?

There is no question that New Mexico has a health care crisis. Have you tried to find a primary care doctor lately? How about getting an appointment with a specialist - maybe months from now? Has your doctor left the state? For most New Mexicans the unfortunate answer much too often is a disappointing "yes." Yet, the Legislature has done little to confront this crisis head on, only nibbling at the edges. If this session ends with essentially nothing done, then we think a special session should be considered because it will likely be two years before the Legislature will get back to this subject. Thirty-day budget sessions are NOT a good forum to work through complicated issues.

House Bill 593 seeks to address a number of the problems by combining the provisions of a score of bills that are either bottled up in a committee or were never heard at all. The bill, jointly sponsored by Minority Leader Gail Armstrong (R-Catron, Sierra, Socorro & Valencia) and Rep. Jennifer Jones (R-Doña Ana, Hidalgo & Luna) was, unfortunately, tabled on a 5-4 vote in the House Health and Human Services Committee, which, by the admission of the chair, has declined to hear any medical malpractice reform bills at all.

What's in the Bill?

Here's what HB 593 proposes:

- Increase the rural practitioner tax credit for doctors and higher-level health care

professionals from $5K to $15K and for nurses, pharmacists and others from $3K to $9K.

- Add EMTs, speech language pathologists, audiologists, occupational therapists and chiropractors as eligible practitioners.

- Establish a residency loan repayment program under the Higher Education Department, which is charged with coming up with the terms and conditions of the program and administering it as well. Appropriate $3 million in initial funding. It's for medical students finishing their residency or fellowship and requires a five-year commitment to practice in New Mexico to receive the full benefit.

- Prohibit prior authorization on a number of items: chemotherapy, dialysis, elder care, various prescriptions and home health care. These are common needs for serious conditions and should not have to await insurance company approval before doctors can begin treatment.

- Require cost studies on Medicaid every three years in order to ensure the Legislature and other decision makers have timely and accurate information.

- Address needed medical malpractice reform by:

    - Establishing a better balance between doctors and trial lawyers. New Mexico has the second-highest rate of lawsuits in the nation because there are incentives to bring lawsuits, very often from out-of-state lawyers looking for lucrative judgments or settlements.

    - Prohibiting lump-sum payments for damages but rather requiring payments be made as medical expenses are incurred. This makes it less attractive for trial lawyers to sue doctors since they can't get a large chunk of an award up front.

    - Saying a single incidence of malpractice occurs regardless of the number of practitioners involved - this means that trial lawyers can't sue each practitioner individually - called stacking of complaints - making it less attractive to sue doctors.

    - Capping awards at $600,000 and repealing the award amounts established in 2021 legislation. A $600,00 cap is still higher than the states surrounding New Mexico and higher than many states throughout the country.

    - Capping personal physician liability at $200,000 and having it paid out of the patient care fund.

    - Awarding punitive damages only if there is deliberate disregard established through clear and convincing evidence, which is the second-highest judicial standard for burden of proof next to beyond a reasonable doubt.

    - Capping total punitive damages at 30 times median income of the state. Punitive damage awards have become outrageous - one recent case awarded over $400 million. Lawyers use punitive damages as a threat in order to force doctors to settle cases even though they may have no culpability at all. Punitive damages come out of the pockets of doctors or hospitals and can ruin a doctor's practice or bankrupt a hospital, such as nearly happened with a community hospital in Gallup.

Chamber Testimony, Support, Opposition and Committee Discussion

The Chamber stood in strong support of the measure, as J.D. Bullington expressed in his testimony today:

"To say the least, this bill is a bold and much-needed attempt to address some of the key issues that are affecting our ability to attract and retain health care professionals. The bill:

- *Increases rural health care practitioner tax credits,*
- *Establishes a residency loan repayment program and provides funding,*
- *Places reasonable caps on medical malpractice awards including punitive damages, and*
- *Restricts prior authorizations for common and important medical care procedures and medication.*

"We cannot go another year without taking meaningful actions to keep our health care professionals and to attract new practitioners. Only about 25% of UNM medical school graduates are staying here. Affordable and accessible health care is a key component in quality of life which, in turn, is a key factor in businesses deciding whether to expand or relocate to New Mexico and create new jobs. We urge a 'yes' vote on HB 593."

Hard to Recruit

Other supporters include the New Mexico Medical Society, doctors and other health care professionals as well as patients. In opposition were some patients who are concerned about lowering medical malpractice awards. It's quite clear that the lightning rod in the bill is the medical malpractice reforms. Expert witness Jerry Harrison, who runs a nonprofit health care recruitment organization, testified that the high medical malpractice insurance premiums (twice as high as the national average) are a large disincentive for health care professionals to locate in New Mexico.

This year, there are 769 openings from employers for upper-end health care practitioners, like doctors and nurse practitioners. Last year at this time, the number of openings was about half. Harrison's organization contacted 2,500 health professionals, mostly out of state, to see if they were serious about coming to work in New Mexico because he doesn't want to refer uninterested candidates to employers. To test seriousness, he asked for resumes and only received 185, which was "phenomenally low in our experience." Harrison also reported that nationwide, a primary care physician can expect a salary of about $300,000, whereas in New Mexico, the salary is about $200,000. California, Washington, Oregon and the Carolinas are among the most popular states because they offer much of what's in HB 593.

Counter Arguments Don't Match Reality

In the face of the obvious facts, there are hard-to-believe counter arguments such as medical malpractice premiums have remained flat (huh?), it's corporate profits over patient care (a catchy phrase backed by zero evidence), malpractice would be fixed with higher staffing numbers (which, of course is a circular argument since we can't increase staffing because professionals don't want to practice here), private equity takeovers of hospitals is the problem (often done because hospitals, especially in rural areas, are cash-starved because Medicaid reimbursement rates are too low) and other lawyerly tactics designed to deflect attention from the real problems.

So, at the end of the day, it boils down to a simple question - is the Legislature going to step up to the problem and look to balance all the competing interests and produce meaningful reform? Or will the Legislature turn a blind eye until the health care system crashes and New Mexicans can't find quality health care? Keep in mind, half of New Mexicans are receiving health care from Medicaid programs, which won't allow patients to see out-of-state providers. Some private insurance is the same, so going to Colorado or Arizona or Texas to get care is off the table. It's broken, and it needs to be fixed.

MEDICAL MALPRACTICE REFORM SHOT DOWN IN SENATE HEALTH COMMITTEE



After several hours of committee discussion, the Senate Health and Public Affairs committee tabled Senate Bill 176 on a vote of 5-4. The bill is aimed at reforming the medical malpractice system that finds **premiums at a level of twice the national average**. On Wednesday, we reported the specific details of the legislation. In general, the bill attempts to

rebalance the system by limiting trial lawyer fees and boosting patient lifelong payments while also creating a fund, at the discretion of the Legislature, to use for additional patient compensation. This fund could help evaluate the causes of malpractice and provide additional training or whatever the Legislature deems as the best use of the fund, including extraordinary medical expenses for a patient.

"Lawyers and courts will save us," according to Sen. Antoinette Sedillo Lopez (D-Bernalillo), a lawyer and law professor. We're going to keep that in mind the next time we need a medical procedure. It's true we all view the world through our own lens, which is the summation of our experiences. The challenge for all of us is to remove the limitations of our own lens and see a broader world through the experiences of others. We have a clear problem, and the job of the Legislature is to find the greatest good for the greatest number.



Enter Sen. Pat Woods (R-Curry, Harding, Quay & Union), who is blessed with cowboy logic. You know, the kind of practical wisdom like never drink downstream from the herd. Woods is a co-sponsor of SB 176 along with Sen. Martin Hickey (D-Bernalillo), who's a physician and former hospital administrator. Woods put a lot of things in perspective today. When critics attacked the bill for enriching billion-dollar hospitals, Woods pointed out that the Legislature has had to bail out rural hospitals that are cash-starved. Woods attributed the malpractice problem to the "atmosphere of settlement, which is driving risk - overall knowledge of what a settlement might be..." In other words, the prospect of large settlements attracts litigation. The same applies to large insurance companies. As Hickey points out, for every dollar taken in on a malpractice insurance policy, the insurance companies are paying out $1.83. "We're going to become the Florida of insurance," said Hickey, referring to companies that no longer insure coastal communities against hurricanes because they lose too much money.

Sen. Angel Charley (D-Bernalillo, Cibola, McKinley, Socorro & Valencia) pointed out that there is a shortage of physicians nationwide so New Mexico isn't in a unique position. Au contraire, senator. While it's true there is a national shortage, New Mexico is in a crummy position to compete for that talent. Other states have better tax treatment, offer better loan repayment assistance, have lower malpractice insurance, have far fewer lawsuits against physicians and have a better quality of life with lower crime, better education and access to health care. Dr, Kwan, who practiced as a general surgeon for 30 years and appeared as an expert witness, moved to Albuquerque upon retirement. Even he can't access a primary care doctor! We rest our case - New Mexico isn't competitive for health care talent, and we won't be until we address this crisis head on rather than viewing the world through only one lens.

Just as with the action on HB 593 earlier in the day, no progress on the health care crisis. Maybe it has to reach the level of crime and public outcry before the Legislature will be willing to do anything meaningful. How sad for all New Mexicans who can't access quality health care. If anything deserves a special session, this is it. If the governor calls one in the fall to deal with Medicaid funding, she should make it broader in order to deal with the entire health care crisis.

'SKINNY' TAX PACKAGE HITS STATE'S OIL PRODUCERS HARD, GOES TO HOUSE FLOOR



Despite $3 billion more revenue this year than last, a tax increase is "needed" to finance the elimination of personal income tax for New Mexicans making up to $70,000 contained in House Bill 14, sponsored by Rep. Derrick J. Lente (D-Rio Arriba, Sandoval & San Juan), chair of the House Taxation and Revenue Committee. We like that second part; what we question is why the heck a tax increase is needed?

Speaker Javier Martinez said "we don't have the capacity" in the budget. Say what? Millions and millions and millions of dollars have been added to programs, projects, trust funds and other spending. The problem is not a lack of capacity; it's lack of prioritization.

And where does the new revenue come from? Pause, drum roll ... the goose that lays the golden eggs, of course! An increased tax on oil production (natural gas gets a small tax decrease). What else is in the tax package? At this point, *nada,* but there is some room for the Senate to hang a couple of ornaments on this rather scrawny little Christmas tree. The House Tax and Revenue Committee sent HB 14 to the House floor this morning on a vote of 7-5.

What the bill does specifically is transform the Working Families Tax Credit (WFTC) into a unique New Mexico Earned Income Tax Credit (EITC), which results in eliminating personal income tax for New Mexicans earning $70,000 or less, with different credit amounts depending on marital status and number of children. This will cover about 100,000 more New Mexicans than are eligible under the WFTC and causes a loss of revenue of about $75 million per year. The tax increase generates about $140 million per year, leaving about $65 million for the Senate to fund its tax initiatives. Among initiatives under consideration are an exemption for health care providers from the state's portion of the gross receipts tax and/or to provide support for foster care.

Terri Cole, president and CEO of the Chamber, testified in opposition to HB 14:

"With all due respect to the chairman, I'm here to speak in opposition to HB 14. Let me say first, the chamber is proud to support working families. But, with $3 billion in new revenue, there is plenty of money to fund priority programs and initiatives without a tax increase. We support the oil and gas industry and are opposed to taxing the industry that contributes so much to our economy. We urge the committee to revisit HB 2 and see what can be done to reprioritize and make room for the tax credit. Please vote no on HB 14. Thank you."

During committee discussion, Rep. Rod Montoya (R-San Juan) made a similar point, saying that the problem is the House sent HB 2 (the budget bill) to the Senate without setting aside money for tax initiatives. He also said this is "awful tax policy and perhaps we should put a tax on trial lawyers since they're the ones making all the money in the state." Rep. Mark Duncan (R-San Juan) likened the bill to cutting the top foot off a blanket, sewing it on the bottom and claiming that the blanket got a foot longer.

We expect this bill to receive priority attention and be voted on very soon by the House. We'll

keep you posted as this measure rockets over to the other chamber. Stay tuned.

CLASSROOM CELL PHONE POLICY PASSES HOUSE EDUCATION, HEADS TO JUDICIARY



Senate Bill 11, Anti-Distraction Policy in Schools, went through its first House committee this morning and was presented by dynamic duo co-sponsors Sens. Crystal Brantley (R-Catron, Doña Ana, Grant, Hidalgo, Luna, Sierra, & Socorro) and Antonio "Moe" Maestas (D-Bernalillo). The bill passed the House Education Committee on a 12-0 vote and now heads to the House Judiciary Committee.

Originally, both senators had similar bills with the same goal, and the Chamber has been in committees supporting both this session. They then teamed up and promoted a unified bill through the Senate and now over to the House today. The bill requires New Mexico school districts enact a cell phone policy for their schools but doesn't prescribe what that policy should be.

Brantley told the committee that 95% of teachers have identified cell phones as a major distraction in their classrooms. She also says there's a $2 million appropriation included in the budget bill that can be used to help local districts that enact a policy requiring some type of resources, like magnetic closure bags.

Rep. Harlan Vincent (R-Lincoln & Otero) expressed concern about teachers having to police cell phones in their classrooms. "We already have kids who will take a vape pen and put it in their bra or down their pants, and you can't do anything about it. What happens if a kid does this with a cell phone?" Maestas responded, "That problem exists now. That instance is more likely to happen without a policy." Vincent said he's concerned about a lack of discipline in our schools. "We need to discipline our kids as much as we love them. And that's a lot."

HOUSE EDUCATION COMMITTEE TABLES DATA-DRIVEN SCIENCE OF READING ACT



Law-making can be a long, frustrating process. And sometimes along the way, good ideas get left behind. Such appears to be the case with Senate Bill 242, Advancing the Science of Reading Act, which was tabled today in the House Education Committee on a bipartisan vote of 9-3, despite it passing the Senate floor with little opposition. Sponsor Senate President Pro Tempore Mimi Stewart, a retired teacher who has worked on this issue for years, presented the bill today to the education panel.

Several members of the committee voiced concerns about the legislation, including Reps. Yanira Gurrola and Patricia Roybal Caballero (both D-Bernalillo). Gurrola, also a teacher, is concerned “we’re in a hurry to do this,” and says she’s heard from educator groups that feel this is going too fast. Gurrola and Roybal Caballero also questioned if this approach would help English learners.

Stewart assured them the program would help all learners and said the same approach is used in Mexico and Finland.

Chairman Andrés Romero (D-Bernalillo) was concerned with the process used to evaluate the college programs that prepare teachers to use this approach in their classrooms.

“Mr. Chair, I just want to assure you that it’s not about evaluating the teacher, it’s about getting information about the preparation program,” responded Stewart.

Other legislators have previously expressed concern about losing local control to a statewide mandate. Stewart removed much of the “mandate” language from her bill as it moved through the process.

Freshman Rep. Catherine Cullen (R-Sandoval), spoke passionately and thoughtfully about the need for the Legislature to implement this proposal. Cullen served on the Rio Rancho Public School Board of Education for eight years.

“I’m very supportive of this. You know, I've looked at school data. If you haven't looked at the data within your school district, you need to. We're failing our children. We're 50th in the country or worse. I also looked at graduation rates because this affects graduation as well. We lose kids early on because of reading. And they tend to drop out. It really affects the whole education process. So I'm fully supportive of this. I know people are concerned, local control, this and that and the other. But if you think what you're doing right now is effective, I've seen the scores for years. They're not moving.

“Parents are saying enough is enough. You have chambers of commerce saying that they support this. Why? Because our scores are so low. Businesses are not coming here partially because of our education system. And we need to drastically move this needle. And we can't keep kicking the can down the road. We need to make bold change and to move the needle.

“If you're okay saying that we're 50th in the United States, then just keep doing what you're doing. Or you make that change.”

Immediately after Cullen’s remarks, the panel tabled the bill. It’s possible Stewart will find a way to revive this in the final week, but there’s not much time. It’s disappointing that a demonstrated successful method (it was integral to the "Mississippi Miracle" that turned that state's student

proficiencies around) to teach our students to read has stalled in one of our education committees, of all places.

We'll let you know if there's a change. But for now, chalk this up as one of the biggest disappointments this session. We look forward to working with Stewart in the interim and getting this bill back to our Legislature.

As we said, law-making can be a long, frustrating process.

PSYCHOLOGY COMPACT PASSES HOUSE AND HEADS OVER TO SENATE COMMITTEES

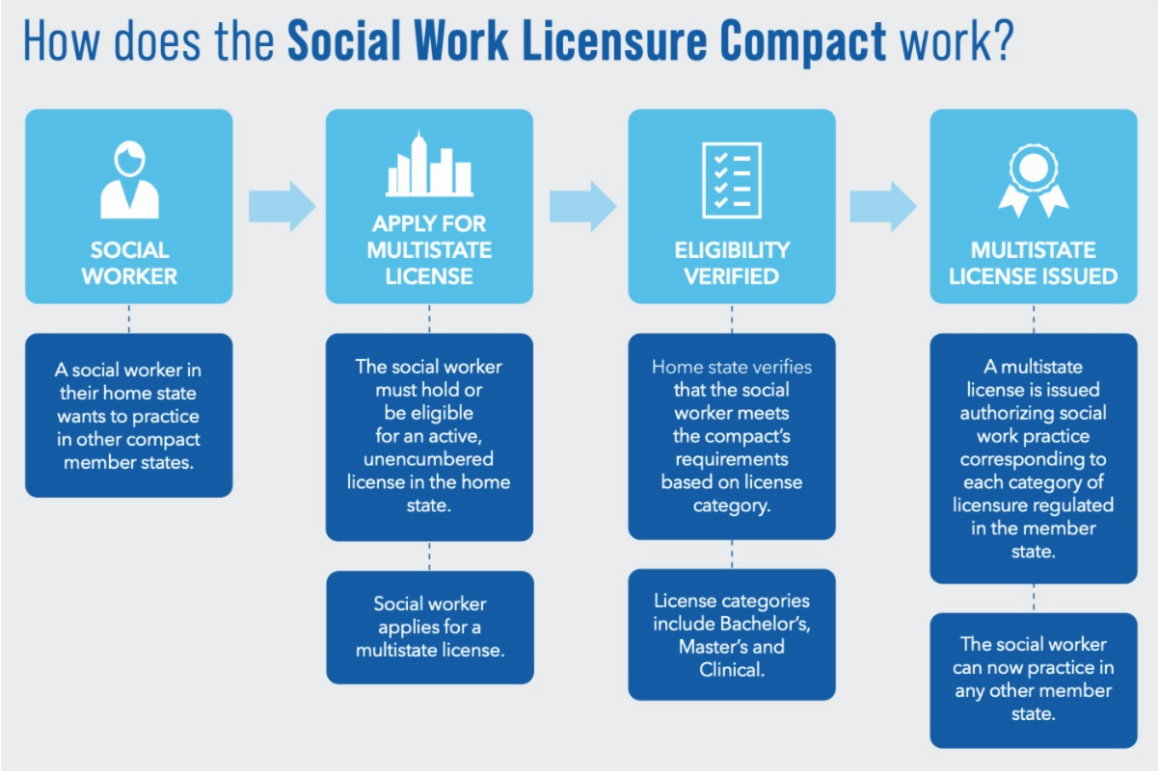


With minimal debate, House Bill 242, Psychology Interjurisdictional Compact, sponsored by Reps. Marian Matthews (D-Bernalillo) and Gail Armstrong (R-Catron, Sierra, Socorro & Valencia), passed the House today on a vote of 63-0. The bill would enter New Mexico into the Psychology Interjurisdictional Compact, which allows tele-psychological services to be offered across state lines and allows in-person visits in a state in which a psychologist isn't licensed to practice on a temporary basis. The bill's meant to bolster public health and safety across and streamline cooperation between states when it comes to psychology licensure and regulation.

The Chamber has supported this and a number of bills authorizing New Mexico to enter various health care compacts. All are designed to bring health care professionals to our state. When approved, the compact will eliminate the need for licenses in multiple states.

We all know how important attracting mental health professionals is as we wrestle with rebuilding the state's behavioral health system. HB 242 offers one answer to how do we attract these professionals to New Mexico. We'll keep you informed as it moves through the Senate.

SOCIAL WORK LICENSURE COMPACT SAILS THROUGH HOUSE HEALTH ON 9-0 VOTE



Friday morning got off to a fast start inside the House Health & Human Services Committee as members heard a handful of bills before heading to the floor. One was Senate Bill 105, Social Work Licensure Compact, sponsored by Sens. Linda M. Trujillo (D-Santa Fe), Antoinette Sedillo Lopez (D-Bernalillo), Natalie Figueroa (D-Bernalillo) and Rep. Pamelya Herndon (D-Bernalillo).

The bill, which received a Senate Judiciary Committee substitute taking out qualified immunity, enters New Mexico into the Social Work Licensure Interstate Compact to make it easier for a social worker to practice across state lines with other participating compact member states. The compact preserves the regulatory authority of each state, which also allows the exchange of licensure and disciplinary information between states and facilitates telehealth to improve access to services.

Trujillo told committee members that she was told by the National Council of State Governments that they believe taking out the qualified immunity may make New Mexico ineligible to enter the compact. Despite the warning, she continued to make the push for the bill to move forward. “This bill passed unanimously off of the Senate floor because everyone understands why qualified immunity is bad for New Mexico, and it's actually bad for the country,” Trujillo said.

The Greater Albuquerque Chamber of Commerce has supported a number of compacts this legislative session. J.D. Bullington testified in support of SB 105 on behalf of the Chamber by saying:

“Entering the Social Work Licensure Interstate Compact is going to make it easier for licensed providers in other states to treat New Mexicans. It's that simple, whether they're in person or in a telehealth setting. So this bill creates an effective path to get more New Mexicans the care they need and address the lack of providers. This is going to help New Mexico remain competitive in this area, and the Chamber asks that you support this bill.”

Also in support of the bill were AARP New Mexico, the National Alliance on Mental Illness New Mexico, the New Mexico Base Planning Commission and the U.S. Department of Defense.

Rep. Jenifer Jones (R-Doña Ana, Hidalgo & Luna) said she was under the impression that states were never allowed to change a compact. Sedillo Lopez said what was changed were things that were inconsistent with New Mexico law. She continued to say that a letter will be sent to the compact commission to explain that the changes were necessary because of New Mexico law. This would also explain how qualified immunity works in the state. Sedillo Lopez said both Montana and Alabama have modified their social work compacts and doesn’t see a problem for New Mexico to join if the bill is passed this session.

A “do-pass” motion was made, and the committee voted unanimously in favor, 9-0. The bill now heads to the House Judiciary Committee.

SIGNING OFF FROM SANTA FE



It was a disappointing day. A great bill to improve reading skills, shot down. Two medical malpractice reform and health care recruitment and retention bills shot down. *Oy vey*. Gee whiz. *Caramba*. No matter how you say it, it ain't good. Tomorrow, some very important things are up - paid family and medical leave, the Senate's version of the state budget, the strategic water supply and who knows what on both the Senate and House floors. We'll be there to bring you all the news and views.

Where's former Rep. Jason Harper when we really need him? He always recognized nation Pi day. What's that, you say? Well, Pi is the mathematical constant, which is the ratio of a circle's circumference to its diameter, approximately equal to 3.14159 — "approximately" being the key word there. More accurately, pi is an irrational number that goes on forever without repeating itself. It's also Albert Einstein's birthday and a day to get cheap pizzas as many restaurants offer discounts. Beginning to feel a little irrational ourselves...think we'll slide on over to Pizza Hut...or maybe Dominos... or maybe we'll just say good night.

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

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Legislative RoundUp

2025 Regular Session | Saturday, March 15, 2025

57th Legislature | Day Fifty-Three

BREAKING NEWS
March 15, 2025

BREAKING NEWS: SENATE FINANCE TABLES PFMLA BILL OVER ITS SHAKY FINANCES

A few minutes ago, the Senate Finance Committee tabled House Bill 11, this session's version of PFMLA, by a vote of 8-3. "This bill, which is fraught with financial uncertainty, finally got a hard look from one of the Legislature's finance committees," said Terri Cole, president and CEO of the Greater Albuquerque Chamber of Commerce. "And they revealed what many of us have been saying all session: Despite a payroll tax increase of over $200 million, there is huge fiscal uncertainty."

On top of 6 weeks of paid leave for family medical care, funded by the new payroll tax, there is also 12 weeks of "welcome child" unpaid leave and a $9,000 per child "refund." This costs over $190 million per year with no funding sources, thus placing a burden on the general fund, paid for by all taxpayers in the state or by raiding the Early Childhood Trust Fund. "This bill would have made New Mexico less competitive in so many ways," noted Cole. "There's the taxes, there's the cost of replacement employees, if they can be found, or overtime. There' the chance for abuse and overutilization of leave because the definitions are so loose. We are thankful the Senate Finance Committee put the brakes on this onerous plan." We will have more details in tonight's Legislative RoundUp.

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GREATER ALBUQUERQUE CHAMBER OF COMMERCE

Legislative RoundUp

2025 Regular Session | Saturday, March 15, 2025

57th Legislature | Day Fifty-Three

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

WHEW! SENATE FINANCE COMMITTEE TABLES OVERREACHING PAID FAMILY MEDICAL LEAVE



Small-business owners across the state are heaving a sigh of relief now that the Senate Finance Committee has tabled House Bill 11 on an 8-3 vote. The Chamber has strongly opposed the measure, as President and CEO Terri Cole said in her testimony:

"*Today, I'm speaking in opposition to HB 11. Our reasons are very straightforward:*

- *This bill still imposes a tax increase on employers and on every worker in the state.*
- *Especially amid multiyear, billion-dollar budget surpluses, the state can afford to provide these benefits and should simply pay for them.*
- *The fiscal analysis shows the high likelihood that the family leave part of the bill will be under water within a very short period of time, causing payroll tax increases.*
- *There is no funding source identified for the Welcome Child "refunds." If paid for by the general fund, this is nearly a $200 million hit at a time when there is uncertainty about potential federal budget reductions.*
- *Businesses are struggling to find full-time employees, and they are unlikely to find part-time fill-in workers.*
- *This legislation makes New Mexico less competitive and less attractive as a place to do business. Please vote 'no' on HB 11."*

Numerous business organizations also stood in opposition, including the Gallup/McKinley County Chamber, the Rio Rancho Chamber, the Santa Fe Chamber, the New Mexico Chamber, the New Mexico Business Coalition, the New Mexico Cattlegrowers Association, the New Mexico Farm and Livestock Bureau and a business coalition of 30 participants. Supporters include the AFL-CIO, the League of Women Voters, some individuals, the Veterans and Military Families Caucus and Los Alamos County. It's interesting to note that Los Alamos National Labs, along with all federal employees, are exempt from the bill so they actually don't have a lot of skin

in the game.

The bill, sponsored by Reps. Christine Chandler (D-Los Alamos, Sandoval & Santa Fe) and Linda Serrato (D-Santa Fe), has two parts:

1. Family Wellness leave consisting of 6 weeks of paid leave for medical conditions, military exigency and "safe" leave. The leave is paid for by a new payroll tax on employees and employers that would raise over $200 million annually in revenue. The broad definition of "safe" leave is ripe for abuse. Fiscal analysis shows a high probability of the fund being insolvent within the first two to three years, forcing a tax increase or a bailout from the Legislature.
2. Welcome Child leave for birth, adoption or fostering of a child would grant 12 weeks of unpaid leave and a $9,000 "refund" per child escalated by the cost of living each year. Initially, the cost would be about $193 million annually, subject to future appropriation by the Legislature, which means either coming from the general fund (paid for by all taxpayers) or raiding the Early Childhood Trust Fund.

Chair George Muñoz (D-Cibola, McKinley & San Juan) asked why the approach to this topic isn't to take baby steps, see how that works and then grow the program. "We always take this to the extreme," Muñoz said. He pointed out that the CPI inflator on the Welcome Child refunds would boost the total cost from $193 million to around $260 million in just a few years. The Chamber has been advocating the same for at least two years - start with parental leave and build from there.

Other committee members probed for clarity in definitions only to receive the answer "that will be covered in the rulemaking." Sen. Nicole Tobiassen (R-Bernalillo) pointed out that under the federal American Recovery Plan Act (ARPA), employees will be liable for income taxes on both the paid Family Wellness and Welcome Child payments. This could reduce the amount of actual payment to around 30% of normal take-home pay. Moreover, many taxpayers aren't familiar with filing 1099 forms and could likely run afoul of the tax laws through no real fault of their own.

To read more about today's hearing, click on the Albuquerque Journal's coverage **here**.

Session after session, such complicated and "extreme" proposals have failed to pass the Legislature. Let's hope the next time around that Muñoz's advice is taken. Let's take some baby steps and build out in the future once we know the real costs and risks. With so much current uncertainty about federal budget reductions and the potential for declining price and production of oil and gas, it's no time to shoot the moon on a new program of this magnitude and complexity. Sometimes, small is truly beautiful.

STEP RIGHT UP, WHERE'S THE TAX CUT, AND WHERE'S THE TAX INCREASE?



House Bill 14, sponsored by House Tax and Revenue Committee Chair Derrick Lente (D-Rio Arriba, Sandoval & San Juan), is a good news/bad news story. The good news is the Working Families Tax Credit is converted to a New Mexico Earned Income Tax Credit (EITC) - a Reagan-era innovation - which results in New Mexicans who make under $70,000 to have no state personal income tax obligation. Great start on getting rid of the personal income tax on everyone to make New Mexico more competitive as a place to live and do business. We support this part, as it will help many middle-class taxpayers. Yay!

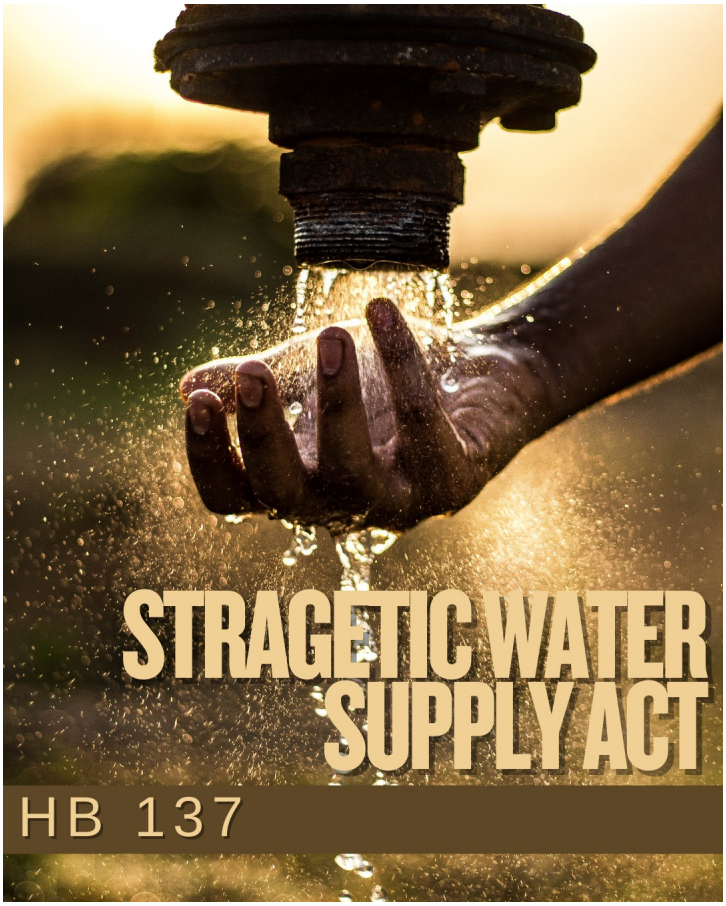
Now for the bad news. It will cost the state treasury about $75 million a year. And, guess what? The state's out of money. The heck you say? Thought there was something like $3 billion in new state revenue, *que no*? There was, but the Legislature has done spent it all. So, what's a poor old Legislature to do? Raise taxes! And, let's raise it on the good old goose that lays the golden eggs - the oil industry. One tweak of the excise tax and like magic, another $140 million. Yahoo! Who'll notice? Most oil gets shipped out of state, so no one's the wiser. No one, that is, except the folks who have to invest in drilling wells and can move their operations over the state line to Texas.

Besides the obvious impact on the industry, it's just plain wrong that there wasn't money reserved in the budget bill to fund this tax cut. With the kind of money at the disposal of the Legislature, this is poor planning, at best. Our suggestion? Go over to the Senate where the budget is still pending and find a way to cut $75 million out of a nearly $11 billion budget and, like magic, you've got the money to fund this tax cut.

It's also crummy tax policy because it makes the state that much more dependent on oil and gas revenue. The price of oil is softening as bans on drilling are being removed. The United States will once more become the world's largest producer. With lower oil prices, consumers will benefit by lower prices at the pump. But, that means the state loses revenue. It's a bad time to increase taxes on a commodity that may well fall in value. Better get ready to suck it up - we've been here, done that, when oil and gas prices receded.

The bill now proceeds to the Senate. Because of the amount of revenue raised by the new tax, the Senate has about $65 million to allocate to its favorite projects. Rumors we've heard: support for foster families, GRT elimination for medical service providers and funding for the UNM medical school construction. The Senate will likely take this bill up very promptly. We're guessing the bill will go to the Senate Tax, Business and Transportation Committee and then to the Senate floor, and, when approved, back to the House for concurrence. We'll keep you posted.

SALTY QUESTIONS DON'T SLOW DOWN BILL TO FINALLY TACKLE NM'S BRACKISH WATER



This morning the Senate Conservation Committee approved House Bill 137, Strategic Water Supply Act, sponsored by Rep. Susan Herrera (D-Rio Arriba, Sandoval, Santa Fe & Taos) and Sen. George Munoz (D-Cibola, McKinley & San Juan). The bi-partisan effort is also co-sonsored by Rep. Rod Montoya (R-San Juan) and Sen. Craig Brandt (R-Sandoval). The 5-4 vote sends the bill on to the Senate Finance Committee.

Enrique C. Knell shared the Chamber’s support in testimony:

“The Chamber very much supports the goal of creating a strategic water supply in order to improve the state's drought resilience and for use in developing green energy. New Mexico has the most brackish water in the nation - almost as much water as in Lake Superior. Our neighbors in El Paso have been processing brackish water since 2007 with no health or safety issues. We need the research and development as well as aquifer characterization provided in this legislation. We also need to get some projects off the ground.”

The thrust of the bill is to move forward on projects and research to clean brackish water for use in New Mexico. The Chamber supports the bill and the goal of creating a strategic water supply for use in a wide variety of applications. The bill accelerates the use of brackish (salty) water found in deep aquifers. The town of Cuba, for example, is facing dire water shortages and is preparing to install a desalination (de-sal) plant. The bill is aimed at helping fund these kinds of projects and advance scientific work at New Mexico Tech and New Mexico State University. Tech is working on characterizing aquifers throughout the state - geological mapping to understand possible effects of tapping brackish aquifers. NMSU is working on how to improve treatment technology.

Several senators had some salty questions about the funding in the bill. Sen. Joseph Cervantes (D-Doña Ana & Otero) mentioned “drunken sailors” as he mused about the bill’s spending plans. “I sound too much like a Republican sometimes, but if we're saying the taxpayers are expecting us to be responsible, how do I know that this funding, especially with the state engineer, is more important than water conveyances, than any number of other water projects and initiatives that will deliver the maximum return on the money we're putting into that? I guess that's a long way of saying, is there a list of projects and plans where this money is going to be spent, or are we just, again, we're just kind of throwing darts at the wall and saying, 'hey, this looks like this hits, and we've got so much money, we can spend whatever's around?'”

The state’s newly minted state engineer replied, “we can get you more specifics from the New Mexico Tech team that manages that program. They do have a long-term plan in place for systematically, how do they work their way across the whole state? Multiple aquifers at the same time and building, and the data that's already been collected. So happy to get some materials to you as a follow-up as specifically what the next two years looks like for them to ramp up this program. Again, we can get you specifics.”

More pointed questions about funding and budget plans are sure to come in the Senate Finance Committee. Sen. Candy Spence Ezzell (R-Chaves & Eddy) did quip back about one specific comment Cervantes made. “He said he was starting to sound like a Republican, and I don't mind him sounding like a Republican, as long as he votes like one. Thank you very much.”

TRADE PORTS BILL EXPECTED TO GET SOME WORK ON WAY TO SENATE FINANCE



House Bill 19, Patty Lundstrom’s (D-McKinley) Trade Ports Development Act, passed the Senate Tax, Business and Transportation committee on a vote of 9-0 today and heads to the Senate Finance Committee. However, Lundstrom has homework to do on her way to that next committee assignment.

Enrique C. Knell shared the Chamber’s support in testimony:

“HB 19 is a smart reinvestment of GRT and Motor Vehicle Excise Tax revenues into what drives those revenues: our supply chain. As Rep. Lundstrom has said, the goal is to make New Mexico more than just a bridge state. We have a built-in north-south corridor with the Santa Teresa borderplex ready to maximize expansions of manufacturing plants in Mexico. We have existing east-west corridors of Interstate 10 and Interstate 40 that are already getting goods to and from the West Coast and beyond. Communities from Bernalillo County, to Gallup and McKinley County, to Santa Teresa have recognized the opportunities in developing inland ports. HB 19 will help New Mexico get on the road to reaching our full potential.”

With $90 million in the budget bill, HB 19 would stimulate the development of integrated business plans that would surface viable projects for approval and leverage not only the money in this bill but other state funds. For example, part of a project may call for wastewater treatment improvements that might find funding support from the Environment Department. While Lundstrom's primary interest is in Gallup, where 7,000 trucks pass daily, she pointed to other areas of the state that might also benefit, such as Bernalillo County, Carlsbad and Farmington. The Chamber has been working with Bernalillo County on the Interstate 40 Inland Trade Port for some time, and the county's economic development experts have amassed close to $40 million in funding for the project.

Several senators questioned the blanket exemption from the procurement code that is written into the bill. Sens. Heather Bergman (D-Bernalillo), Peter Wirth (D-Santa Fe) and Josh Sanchez (R-Valencia) each said they were uncomfortable with the blanket exemption. After significant discussion, the committee and Lundstrom agreed to temporarily strike the blanket exemption entirely from the bill. However, Lundstrom will work on creating tighter exemption language that will make long-term projects work for potential investors and partners.

Lundstrom believes in the power of this bill to make New Mexico a global player in economic trade, and not just a nice place to drive through, “It is an economic development bill that is a proactive response to global economics. The proactive response focuses on the use of existing infrastructure assets. We often discuss the need for economic diversification, and one of the best practices used in economic development is to use existing assets, and in this bill, those are state and local infrastructure assets. New Mexico is seen generally as a bridge state. It's a great place to drive through. This bill positions New Mexico for increase in trade, increase in re-shoring, increase in on-shoring, and most importantly, to put New Mexico in a place to help with elimination of supply chain disruption."

BILL ADVANCES TO MAP A BRIGHTER FUTURE FOR NM'S STATE FAIRGROUNDS

The grand old lady has had a terrific run, our state fair. She's been around since 1938 and has watched the city grow up around her. Now, she's a bit down in the heels. What's the best future for her? Renovate? Move to a new location? Revitalize the area with new housing, green space and walking paths? What about the racetrack and casino? Are there more options? Those and more are all questions being looked at in a long-term strategic plan being developed that will likely be presented at the end of the month.

Senate President Pro Tempore Mimi Stewart (D-Bernalillo), whose district contains the fairgrounds, is leading the charge with Senate Bill 481 to create a unique state tax increment development district (TIDD) that might issue revenue bonds (state credit is not affected) to finance whatever decision is made. The decisions will be made by a board subject to the State Board of Finance, New Mexico Finance Authority and legislative approval. The board consists of state and local elected officials with only one position appointed by the governor to represent the community at large. The Senate Finance Committee gave a thumbs up on an 8-2 vote today, sending the measure to the Senate floor.

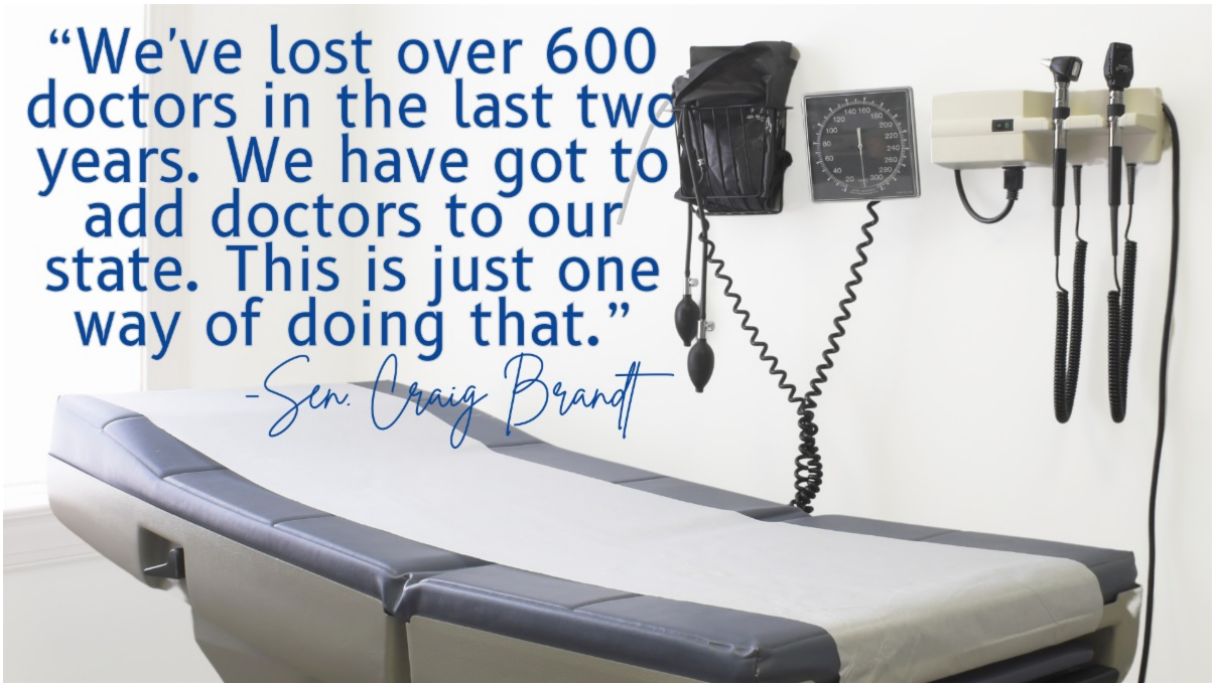
The Chamber is a strong supporter of developing a plan and moving forward with redevelopment of the site. Terri Cole, president and CEO of the Chamber, has offered this testimony:

"If you will, travel back in time with me to 1938, the year the current fairgrounds was first utilized - it was outside the city limits, there were only horse stables on the corner of San Pedro and Central. Even UNM was considered out of town.

"Almost 90 years later, the city has grown up around the fairgrounds, and it's way past time that we move forward to find a new home for the fair. I don't know exactly where that is, and that's what SB 481 is about - giving a platform to look at all the choices, make a decision and then move forward. We've kicked this can down the road way too long. We urge you to support SB 481."

There are a lot of safeguards built into SB 481, including a four-year time frame in which to move forward or shut down, reverting any unexpended funds back to the state. This project is a huge lift for sure. However, communities that have revitalized a run-down area have seen great benefits with increased property values, reduced crime and vibrant commercial and entertainment venues arising. We're very supportive of getting this bill on the governor's desk, and we'll keep you informed.

DOCTOR RECRUITMENT BILL HEADS TO HOUSE



Should New Mexico attract and keep doctors by helping them pay off their student loans? The Senate today said "yes" with a vote of 31-0 on Sen. Craig Brandt's (R-Sandoval) Senate Bill 411 Physician Loan Repayment Act.

Brandt took to the Senate floor Saturday morning to explain his bill. "Most doctors, when they graduate from medical school and their residency, come out with about $300,000 in debt. SB 411 actually makes it where if they will sign a four-year commitment to come to New Mexico, that we will pay up to $75,000 a year for them to serve in New Mexico. Now, it does have to be in one of our underserved communities. We need more doctors in the state. Our population is getting older, as we all know. This program will hopefully help us bring more doctors to New Mexico."

The Chamber has supported SB 411 and other legislation throughout the session that's designed to recruit, and keep, medical professionals here.

Sen. Cindy Nava (D-Bernalillo & Sandoval) added an amendment that made the loans available to doctors regardless of citizenship status (i.e. DACA recipients, legal permanent residents, etc). The amendment, and then the overall bill, were both quickly accepted without debate or discussion on a unanimous voice vote. Brandt says his bill does give preference to students who went through a residency program in New Mexico.

Brandt sums up the issue he's trying to help resolve with "the problem is we need doctors, and we need to recruit them from everywhere. We are hemorrhaging doctors right now. We've lost over 600 doctors in the last two years. We have got to add doctors to our state. This is just one way of doing that."

SB 411 heads to the House now, with exactly one week left in the session.

CYFD OVERSIGHT LEGISLATION SENT TO HOUSE



House Bill 5, sponsored by Rep. Pauline Abeyta (D-Bernalillo, Cibola, McKinley, San Juan, Socorro & Valencia) and Speaker of the House Javier Martinez (D-Bernalillo), would create a State Child Advocate, appointed for a six-year term by a committee of nine members, which include appointments from leadership of the New Mexico House of Representatives and Senate; an individual with expertise in the federal Indian Child Welfare Act and New Mexico Indian Family Protection Act appointed by the governor; and members appointed by the attorney general and chief justice of the Supreme Court. After hours of debate and five floor amendments, the Senate passed the bill by a vote of 20-13, returning it to the House for concurrence on Senate amendments.

The advocate would be housed in the Department of Justice and be an independent source of investigating complaints received, initiating prosecution, if appropriate, and holding the Children Youth and Families Department (CYFD) accountable for delivery of quality services. The office would increase transparency by publishing reports on CYFD's performance, actions taken by the advocate and generally requiring accountability. Specifically, the Child Advocate would:

- Review the Children, Youth and Families Department’s (CYFD) service delivery to children and families or of any entity that provides services to children and families through funds received from CYFD;
- Investigate and receive complaints made on behalf of children receiving services from CYFD;
- Determine the extent to which CYFD’s policies enhance the protection of children and their personal dignity, right to privacy, health care and education.
- Set up a system to receive complaints, monitoring best practices and new federal or state laws affecting child welfare. The advocate has the power to subpoena witnesses to provide testimony in cases of fatalities or near-fatalities.
- Refer any instances of violation of constitutional rights, reckless disregard for the health and safety of a child or repeated instances of violating child welfare laws to the attorney general.
- Provide children and families with information about their rights as they relate to CYFD.
- Issue an annual report with specific information related to child welfare and juvenile justice.

There is some concern among legislators that the governor might veto this bill. Consequently, there is interest in placing the bill on her desk no later than noon Wednesday since a bill presented to the governor during a legislative session must be acted upon within three days unless presented during the last three days or later - those allow her 20 days to act. Therefore, presenting her the bill by Wednesday would give the Legislature the opportunity to consider a veto override.

AROUND THE ROUNDHOUSE

UNM SCHOOL of MEDICINE

Funding Plans for UNM Medical School in the Works

Given the shortage of physicians in our state, expanding the School of Medicine is a high priority for the University of New Mexico and the state. Not only will constructing a new facility and renovating the existing facility boost the number of medical school graduates, but it will also allow for incorporation of all the latest medical treatment technologies. The Chamber is in strong support of three bills moving through the process to help realize this goal.

- First is Senate Bill 464, sponsored by Sen. Bobby Gonzales (D-Taos), which would distribute the governmental gross receipts tax revenues paid by hospitals to the "University School of Medicine Fund" created by the bill. The money in the fund is dedicated to fund construction and reconstruction of the UNM School of Medicine. The School of Medicine must kick in $4 million to the fund annually (each July 1 from 2025 through 2034) from funds other than state appropriations.

- The second is House Bill 449, sponsored by Rep. Derrick Lente (D-Rio Arriba, Sandoval & San Juan), creates a statutory framework for a fund to support major academic and research projects at higher education institutions as well as student housing and student life projects, which are not currently eligible for funding through the statewide higher education capital outlay process. According to the fiscal impact report, "General obligation (GO) bond capacity is insufficient to meet demand to replace and repair higher education facilities. Construction costs have risen steeply over the last several years and have far outpaced modest annual increases to general obligation bond capacity. From 2022 to 2024, requests for new construction projects from higher education institutions increased by 81% on a per square foot basis. General obligation bond capacity rose only 12% over the same period. This has made it increasingly difficult to fully fund new construction in any single year."

- Finally, we're looking forward to seeing the capital outlay bill early next week. UNM is looking for $30 million to get the design phase of the project underway and completed. This is a necessary step before funding, can be obtained for actual construction. This will be a flagship project for our community and we're very pleased to offer support.

SIGNING OFF FROM SANTA FE



A little snow today and the onerous paid family and medical leave bill put on ice - it's a good day along with the State Fair redevelopment plan getting some traction. So for us, the Ides of March weren't so bad. But for Julius Caesar back in 44 B.C. it was a real bummer. He was assassinated with countless stab wounds (there weren't any knife-control bills back then). Shakespeare wrote a play about it and came up with the famous line, "Beware the Ides of March." We'd be aware of them if we knew what they were. Turns out, it only means the middle of the month. Kind of disappointing, huh? Should have a much more sinister meaning. Well, sinister or not, we're done with the Ides of March and are signing off for today. The Senate will be in session tomorrow but not the House. At least two Senate committees are also meeting. Have a wonderful rest of the weekend. Good night.

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

GREATER ALBUQUERQUE CHAMBER OF COMMERCE

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GREATER ALBUQUERQUE CHAMBER OF COMMERCE

Legislative RoundUp

2025 Regular Session | Monday, March 17, 2025

57th Legislature | Day Fifty-Five

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



Top of the mornin' to you and Happy St. Patrick's Day, or as it says in Gaelic above, the feast day of St. Patrick, the patron saint of Ireland. St. Patrick is credited with bringing Christianity to Ireland, and March 17 is the date of his death. Saint Patrick's Day is celebrated in more countries than any other national festival. The photo above is a composite based on the statue of St. Patrick in Tara, Ireland, the ancestral home of Irish royalty from which the name of the O'Hara plantation in the novel and movie *Gone with the Wind* was taken.

HOUSE HEALTH TABLES BILL CLARIFYING 'HARM TO SELF AND OTHERS' DEFINITIONS



Senate Bill 166, Outpatient Treatment Standards: “Harm to Self” and “Harm to Others," is a really thoughtful bill that works hand-in-hand with the behavioral health package the Legislature passed, and the governor signed, earlier this session. The bill cleans up definitions in civil code to give judges clarity as the system works to get people the help they need, instead of jail time. Too often, a person is picked up by law enforcement and spends a night in jail or the hospital and then is promptly released back on the street. The person is not being channeled into services that could help over come behavioral health issues.

This proposal originally came from the governor and was part of the crime package she wanted the Legislature to consider last summer. The Chamber joined the governor in support of the bill. The governor viewed this bill a piece of the puzzle to lower crime in New Mexico, get people the behavioral health treatment they need and stop the revolving door. But Democrats on the House Health and Human Services Committee didn’t see it that way, as they voted today 5-4 to table the bill, essentially killing it this session.

J.D. Bullington spoke in support for the Chamber:

“A big part of the Legislature's efforts to improve public safety this session is to rebuild the behavioral health system, and rightfully so. We know that addiction leads to crime, homelessness and self-destructive behaviors. Sometimes the state of mind of addicts leads to threatening actions to others or an inability to care for themselves. SB 166 seeks to refine the definitions of what constitutes a threat to others and a threat to oneself. Making these definitions more clear will help judges determine the proper course of mandated treatment. When successful, treatment not only betters the lives of those with addiction issues, but it also betters the lives of their families and our community.”

Rep. Patricia Roybal Caballero (D-Bernalillo) summed up the opposition by saying “I’m not a fan of forced treatment.” We disagree. Sometimes help needs to be mandated out of concern for those who are struggling and who pose a danger to their own safety or that of their families, neighbors and the broader community.

BILL HELPING NEWBORNS EXPOSED TO DRUGS HEADS TO ITS LAST COMMITTEE



A bill meant to provide help and support to babies born addicted to drugs or alcohol, and their families, cleared the House Government, Elections and Indian Affairs Committee today on an 8-1 vote and now heads to the House Judiciary Committee.

Senate Bill 42 New CARA Program Requirements is a bipartisan bill carried by Senate Majority Whip Michael Padilla (D-Bernalillo) and House Minority Floor Leader Gail Armstrong (R-Catron, Sierra, Socorro & Valencia). The proposal makes major adjustments to a program meant to provide meaningful interventions to families of newborns where the mother has substance abuse issues and the newborn is found to have been exposed to those substances before birth. A 2023 LFC evaluation of New Mexico's Comprehensive Addiction and Recovery Act (CARA) policy found that the program has substantive gaps, and it recommended many of the statutory and program changes reflected in this bill.

The Chamber has actively supported this measure, and J.D. Bullington was in committee this morning to relay the Chamber's stance:

"In New Mexico, the Legislative Finance Committee tells us that rates of newborns with substance-withdrawal symptoms in New Mexico have climbed to more than twice the national average. And yet only one in seven local families with substance-exposed newborns accepts referrals to addiction treatment. We need to close the gaps on service delivery, and SB 42 seeks to do just that. It's a complicated problem that we want to try to solve through treatment rather than penalization. Yet, this is very real child abuse that has to be dealt with.

Over a two-year period 3,770 infants were born addicted to drugs or alcohol and required CARA interventions. The LFC estimates that roughly 6% of all births in New Mexico, or 1,200 newborns each year, will require a Plan of Safe Care through this program.

Rep. John Block (R-Otero) was the lone dissenter this morning. He had concerns the rule-making process takes too long and was also worried about a small component of the bill that may impact foster parents.

DENTAL COMPACT FINALLY ON THE MOVE



This afternoon, the Senate Health and Public Affairs Committee heard Senate Bill 433, Dentist

and Dental Hygienist Interstate Compact, sponsored by Sen. Harold Pope (D-Bernalillo). The bill passed that committee 9-1 and now heads to the Senate Judiciary Committee.

House Bill 441 is a similar bill sponsored by Rep. Gail Armstrong (R-Catron, Sierra, Socorro & Valencia). That bill is waiting for a hearing in the House Judiciary Committee. Both the House and Senate bills enter New Mexico into the Dentist and Dental Hygienist Interstate Compact in order to allow out-of-state dentists and hygienists to practice here to improve public access to dental services.

J.D. Bullington represented the Greater Albuquerque Chamber of Commerce in support of the bill, saying:

“This bill will allow licensed dental professionals from all states in the compact to practice in New Mexico without jumping through more licensing hoops. This will help put a smile on New Mexicans throughout the state. We all know we have a severe shortage of medical professionals, including dentists. Our dental health is critical, and this compact will help increase care options for New Mexicans.”

There’s a package of nine bills moving through the Legislature that would make it much easier for physicians, physician assistants, psychologists, counselors, dentists and dental hygienists, emergency medical personnel, audiologists and speech therapists, physical therapists, and occupational therapists licensed by other states to care for New Mexico patients, including via tele-health where appropriate.

So far, the House has unanimously passed six of the nine bills - House Bill 79 for audiologists and speech therapists, House Bill 81 for occupational therapists, House Bill 82 for physical therapists, House Bill 217 for counselors, HB 243 for doctors, and HB 413 for physicians assistants. Those House bills are the only ones that stand a chance to make it to the governor's desk as there's not time for Senate bills to make it all the way through the House before adjournment this Saturday.

Compacts usually languish and die in the Senate Judiciary Committee, but we’re counting on this year being different. Joining these interstate compacts is one of the most important steps the Legislature can take during this session to immediately expand the supply of health care providers available to New Mexicans.

IMPORTANT PAIR OF SITE-READINESS BILLS FLY THROUGH COMMITTEES TODAY



Two important economic development bills are making their way through the state Legislature, and the Chamber has been in each committee to testify in strong support of each one. Senate Bills 169 and 170 were up today, the former in the House Appropriations and Finance Committee (HAFC) and the latter in House Commerce and Economic Development (HCEDC).

Each bill passed its committee with flying colors. SB 169, the Strategic Economic Development Site Readiness Act, is sponsored by Majority Whip Sen. Michael Padilla and Rep. Meredith

Dixon (both D-Bernalillo) and passed 9-0 out of HAFC. Chair Nathan Small confirmed that the budget bill contains $24 million for the economic development efforts envisioned in this bill. The bill now heads to the floor.

SB 170, NMFA Definitions, Funds and Rates for Economic Development, is sponsored by Padilla, Dixon and Reps. Joshua N. Hernandez (R- Sandoval) and Joy Garratt (D-Bernalillo). That bill also passed unanimously on a 10-0 vote out of HCEDC, heading next to HAFC. The bill would allow public utilities to ask the New Mexico Public Regulation Commission for permission to set up power lines, roads and other infrastructure on empty plots of land prime for development — and get money back later for it.

These bills are designed to put New Mexico at the forefront of site-readiness competitiveness. Enrique C. Knell offered the Chamber's support on each bill:

"These bills are about increasing the number of sites ready for business development and reducing the amount of time businesses must wait for their site to be ready for building. Right now we have very little inventory for medium- to large-scale commercial, industrial or other uses. And these sites can take anywhere from two to four years or longer to prepare utilities and be 'ready' for development. Rather than risk asking the next Netflix or Amazon if they can wait a few years, these bills proactively allow New Mexico to create an inventory of strategic economic development sites around the state that will make New Mexico more competitive with other states and attract significant capital investment, tax revenues and jobs."

We'll keep following both of these proposals through the process.

FUTURE OF THE STATE FAIRGROUNDS PASSES THE SENATE AND HEADS TO THE HOUSE



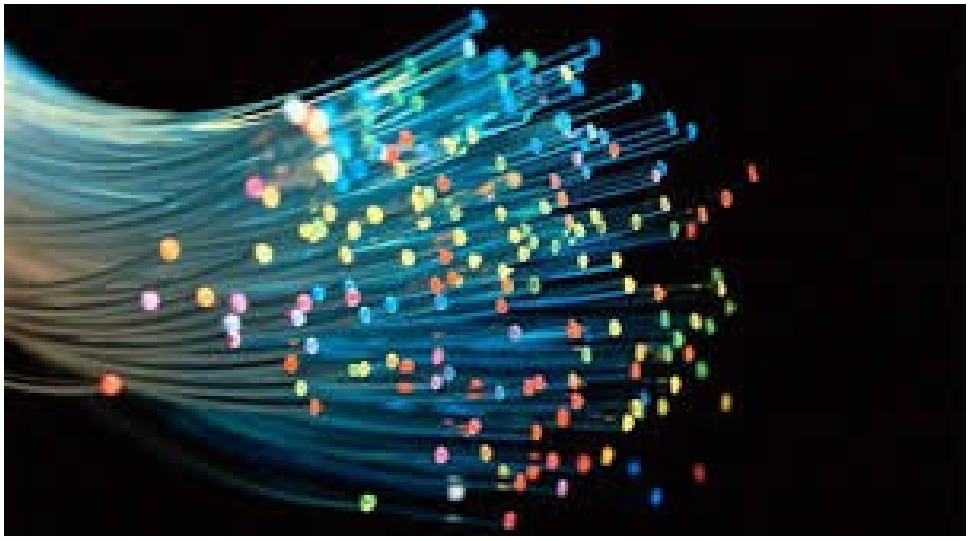
The fairgrounds have been around since 1938, back when the site was outside the city limits. Heck, even the University of New Mexico was considered "out of town." But the city has grown up around the fairgrounds, and in recent years the neighborhood has become blighted. We believe this bill will tackle the problem by revitalizing the area. Senate President Pro Tempore Mimi Stewart (D-Bernalillo), whose district contains the fairgrounds, is leading the effort with Senate Bill 481 to create a strategic plan to consider options and a unique state tax increment development district (TIDD) that might issue revenue bonds (state credit is not affected) to finance whatever decision is made. The decisions will be made by a board subject to the State Board of Finance, New Mexico Finance Authority and legislative approval. The board consists of state and local elected officials with only one position appointed by the governor to represent the community at large. The Senate passed the measure today by a vote of 24-15.

The Chamber is a strong supporter of revitalizing the neighborhood, as has been done successfully in other cities. This could include new affordable housing, green space, walking paths and retail stores. A revitalized neighborhood could attract more redevelopment and bring the area back to life. Chamber President and CEO Terri Cole remembers having served on a Gov. Bill Richardson-sponsored task force to look at this issue. She and many Albuquerque and New Mexico residents feel strongly that a plan is needed, and decisions must be made, and action should be taken. In floor debate today, Sen. Nicole Tobiassen (R-Bernalillo) said what many of us feel. She said she's afraid to go into that area unless accompanied by her husband and/or sons who are the size of linebackers.

Concerns about the bill include whether there is sufficient oversight and accountability along with uncertainty of the financial feasibility. These concerns are reasonable, but Stewart points out that the strategic plan will address many of these issues and the Legislature has the final say before

anything is implemented. Though the days remaining in the session are few, it's still possible this bill could make it all the way home. We hope so!

BROADBAND RURAL SERVICE FUND PASSES 10-0 — OFF TO HOUSE APPROPRIATIONS



Broadband is not only the future, but it’s important in today’s world. Over the years, Senate Majority Whip Michael Padilla (D-Bernalillo) has brought legislation to increase the reach of broadband across the state. His latest bill — Senate Bill 126, Increase Rural Service Fund Allocations — was heard in the House Commerce and Economic Development Committee on Monday evening. The bill increases the annual distribution from the State Rural Universal Service Fund to the broadband program from $30 million to $40 million. Padilla said the broadband program will receive 100% of the fund as it is allocated toward broadband projects. “This is an attempt to reform our dollars and cents that go toward broadband,” Padilla said.

J.D. Bullington testified on behalf of the Greater Albuquerque Chamber of Commerce, saying:

“We appreciate Sen. Padilla and his leadership on expanding broadband services in New Mexico. Quality, affordable broadband service is very important to the economic health and development of our state. Of course, digital transactions rule the world, but let's also not forget the opportunities it brings for distance learning, in class instruction and telehealth. Broadband has benefits to our economy, to education, and our general quality of life. Please support SB 126. Thank you.”

Padilla introduced an amendment to the bill, but quickly withdrew it saying there was more to work on before it is heard in the next committee. A motion for a “do-pass” was made, and it was passed on a 10-0 vote. The bill moves to the House Appropriations & Finance Committee, where Padilla said he will introduce a complete amendment.

GOVERNOR'S STRATEGIC WATER SUPPLY PLAN JUST HAS A FLOOR VOTE TO GO



This morning the Senate Finance Committee approved House Bill 137, the Strategic Water Supply Act, sponsored by Rep. Susan Herrera (D-Rio Arriba, Sandoval, Santa Fe & Taos) and Sen. George Muñoz (D-Cibola, McKinley & San Juan). The bipartisan effort is also co-sponsored by Rep. Rod Montoya (R-San Juan) and Sen. Craig Brandt (R-Sandoval). The 10-1 vote sends the bill to the Senate floor.

Terri Cole, Chamber president and CEO, offered the Chamber's support:

"The Chamber very much supports the goal of creating a strategic water supply in order to improve the state's drought resilience and for use in developing green energy. New Mexico has the most brackish water in the nation - almost as much water as in Lake Superior. Our neighbors in El Paso have been processing brackish water since 2007 with no health or safety issues. We need the research and development as well as aquifer characterization provided in this legislation. We also need to get some projects off the ground. Please approve HB 137."

The purpose of the bill is to accelerate the use of brackish (salty) water often found in deep aquifers. The town of Cuba, for example, is facing dire water shortages and is preparing to install a desalination (de-sal) plant. The bill is aimed at helping fund these kinds of projects and advance scientific work at New Mexico Tech and New Mexico State University. Tech is working on characterizing aquifers throughout the state - geological mapping to understand possible effects of tapping brackish aquifers. NMSU is working on how to improve treatment technology.

El Paso has been desalinating brackish water since 2007, as have many towns throughout Texas and the world, for that matter. The Kay Bailey Hutchison Desalination Plant, the largest inland de-sal plant in the world, produces 27.5 million gallons a day of potable water, and there are plans to expand the plant to 42 million gallons per day. That would be enough to serve nearly 300,000 residences. The plant, developed in partnership with Fort Bliss, is described as cost-effective because a mineral processing plant is situated next door that buys the byproducts, contributing revenue to the cost of the de-sal treatment plant. The plant provides several benefits:

- Desalination doubles as a comprehensive water treatment technology, removing salts along other potential pollutants.
- The wells from which water is pumped for desalination are strategically placed to slow or prevent brackish water intrusion toward freshwater wells.
- Desalination is a critical water strategy needed to enable growth of both El Paso and Fort Bliss.
- The plant serves as a learning center for desalination research and a model for other inland cities facing diminishing supplies of fresh water.

According to Muñoz, use of brackish water is the future of water in New Mexico. Without desalination, water supplies could be inadequate to support our communities and to support economic growth. Sen. Craig Brandt (R-Sandoval) said that the governor is on the right path. "This is something we can do to solve a lot of water problems." Coordination by the state is needed to evaluate projects to ensure millions of dollars invested result in viable projects.

We're very optimistic this bill has plenty of time to reach the governor's desk. It's a smart strategy, and decades from now, people will look back with gratitude that this generation had the foresight to plan for the future.

SENATE PASSES TIMING ON STUDENT TEST

RESULTS RELEASE; BILL HEADS TO HOUSE



A bill to provide student performance results earlier in the school year checked all the boxes and passed the Senate floor on Sunday afternoon. Sen. Gabe Ramos (R-Grant, Hidalgo & Luna) presented Senate Bill 247, Publication of Certain Educational Info, and received a 39-0 vote to send the bill to the House with less than a week left in the legislative session.

New Mexico students typically take a yearly assessment each spring, in April or May. In the past, it has taken the Public Education Department several months to produce aggregated test results and share them with school districts, parents and the public. SB 247 mandates that those results be provided publicly by Sept. 1 each year.

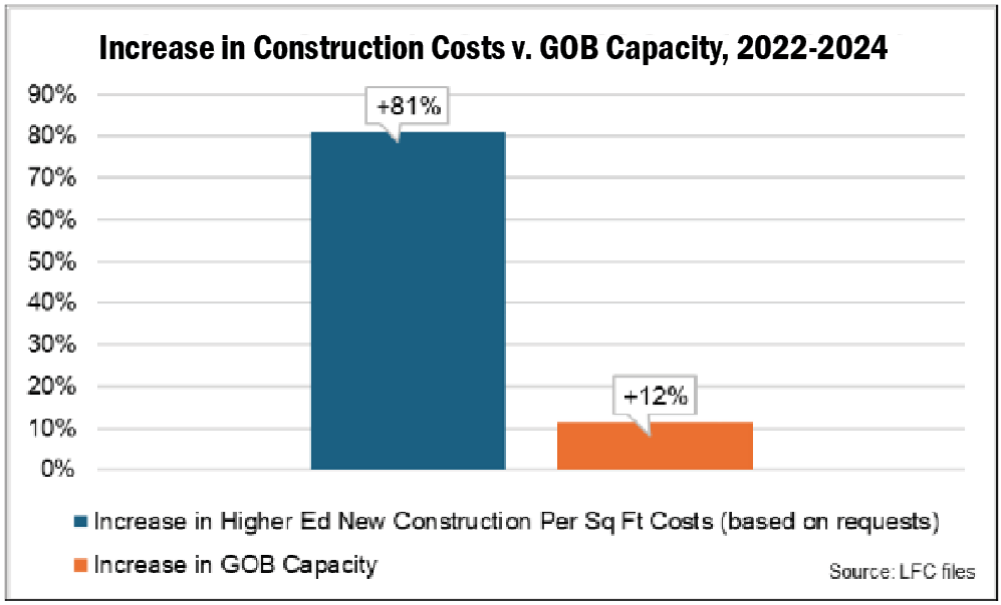
The Chamber has strongly advocated for this bill this session, believing s tudents, parents, teachers and school districts need this information as soon as possible in order to help develop learning plans, interventions, adjustments to curricula and measurement of progress. Data is useless if it can't be put to a practical purpose, and SB 247 moves us in a good direction.

There was no debate on this bill before the Senate quickly passed it.

HOUSE BILL ADVANCES FUNDING FOR MAJOR HIGHER EDUCATION PROJECTS



Are you ready for a big surprise? Construction costs have skyrocketed. Not a surprise? It might surprise you by how much, though. Check out this chart from the Legislative Finance Committee (GO bonds are general obligation bonds):



GO bonds are authorized every two years after voters approve them at the preceding November election. The amount of bonds that can be issued depends on the level of new debt the state can handle, as general obligation means the state stands behind the bonds. There is no specific source of revenue to pay for retiring the debt, unlike revenue bonds that do have a dedicated source of revenue. House Bill 449, sponsored by Rep. Derrick Lente (D-Rio Arriba, Sandoval & San Juan) is aimed at providing supplemental funding for construction of facilities on two- and four- year institutions throughout the state, including in tribal communities. The Senate Finance Committee sent the bill to the Senate floor today on a 7-3 vote.

Chamber President and CEO Terri Cole offered this supportive testimony:

"Chair Lente's bill creates a statutory framework for a fund to support major academic and research projects at higher education institutions. This fund is something we'd expect that would help in funding the new UNM School of Medicine.

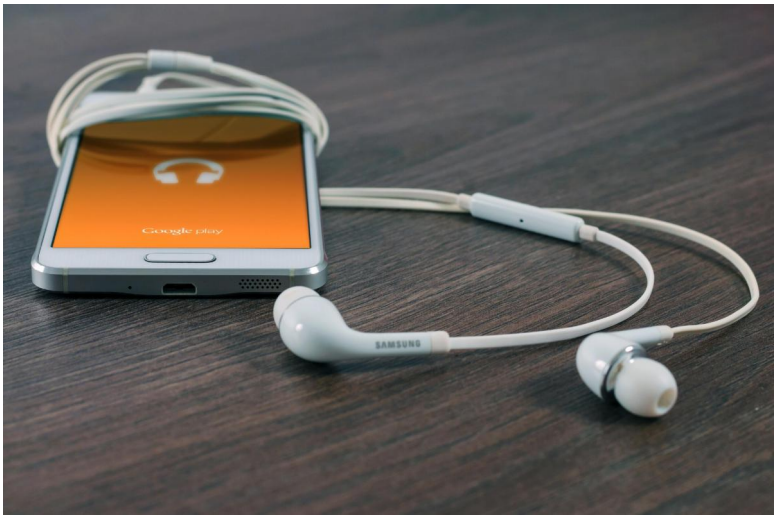
"The fund, if accepted through the application process, would fund facility replacement and expansion, ensuring long-term investment in health care education, which we support. Expanding the UNM School of Medicine would allow training more physicians and health care professionals to serve New Mexico. Please vote 'yes' on HB 449."

The bill creates the Higher Education Major Projects fund for construction and design of instructional buildings and research projects at four-year institutions costing over $50 million and student housing and student life projects (cafeteria, fitness center, etc.) at four- and two-year and tribal colleges with no minimum cost. The measure requires a 25% institutional match for project design for instructional projects at four-year institutions and 10% for construction for instructional projects. For student housing and student life projects, the bill requires both four- and two-year institutions to provide a 50% match for project design and requires two-year institutions to provide a 50% match (two-year institutions have access to property tax revenues, four-year institutions do not) and four-year institutions to provide a 20% match for construction. The state Higher Education Department may recommend the Legislature waive matching requirements should the department find the institution does not have sufficient funds available.

There is no money in this bill, so the Legislature will have to appropriate money in future years. Applicants for funding must go through a screening process before any money will be appropriated for a specific project. UNM's new medical school plans should be a top contender. The current facilities at UNM were built in the 1970s, and both renovation and expansion are very much needed. Here's a little history that you may not know about our medical school: In 1962, the University of New Mexico Department of Medicine combined the three hospitals into one, three-year residency program with 24 residents under the direction of Dr. Sol Papper, the chairman of medicine. The first class of 24 students began studies in 1968 in a converted mortuary and 7-UP plant.

From humble beginnings to a world-class treatment center, it's now time to move to the next level of training and care. This bill will now be sent to the Senate floor and, if approved, to the governor's desk.

HOLD THE PHONE! SCHOOL ANTI-DISTRACTION POLICY IS HEADED TO THE HOUSE FLOOR



Technology moves fast — legislators and educators are trying to keep up. Sens. Crystal Brantley (R-Catron, Doña Ana, Grant, Hidalgo, Luna, Sierra & Socorro) and Antonio “Moe” Maestas (D-Bernalillo) stood before the House Judiciary Committee on Monday night to present Senate Bill 11, Anti-Distraction Policy in Schools. The pair of legislators teamed up on the bill after each had similar bills with the same goal — trying to minimize the distraction that cell phones have become in New Mexico’s classrooms.

Brantley began the presentation by saying that 90% of teachers have identified cell phone use as the No. 1 distractor in classrooms — with the average teenager spending over five hours a day on social media. “This bill aims to increase proficiency rates in classrooms, but equally important, to address a mental health crisis that is plaguing our teenagers. We know there is a direct link to increased suicide rates, anxiety, depression and a number of issues. There have been many cell phone policies adopted. … This bill before you is not a mandate to school districts. What it does is require school districts to adopt a phone-free classroom policy, but the details of what that policy looks like would be left up to the individual districts,” Brantley said.

Maestas said there’s a clear correlation between electronic distractions and academic performance. “Phones in the classroom undermine the learning environment, contributing to a decreased academic performance, particularly in math, and increased classroom distractions with low-income students disproportionately impacted. This bill has no ban. This bill has one mandate, a conversation in every single school district community to come up with a policy for that school district,” he said.

Adrian Gomez, SVP of policy at the Greater Albuquerque Chamber of Commerce, testified in support of SB 11 by saying:

“This is a good bill that would amend current law on local school boards to define 'anti-distraction policy.' The policy would allow local school boards and charter school governing bodies to adopt measures restricting student use of personal electronic devices during the school day. The Chamber advocates for policies that support teachers, raise student academic performance and support healthy social development of our students. We support this bill because it will align with all those policies that we believe will improve our education system. We urge your support of SB 11.”

Also in support were the American Federation of Teachers New Mexico and Nat Dean, a disability advocate. There was no public opposition to the bill.

A few committee members had questions regarding why the legislation is needed. Brantley and Maestas said there are a few school districts that have policies already and the legislation is a way to put schools on the right track.

Rep. Michelle Paulene Abeyta (D-Bernalillo, McKinley, Valencia, San Juan, Socorro & Cibola) said she supports students having their phones for emergency situations. Abeyta cited an incident where her child was a victim of bullying by a teacher. Abeyta told her child to record the encounter and it was a way that her daughter was protected. “There’s so many other students that go through that as well, and that’s a concern for me. I want them to still have those devices. They serve as a safeguard in certain ways. I understand there’s a balance, as a parent, I do my best to teach them about respect and putting them away. I do appreciate that you are giving (school districts) the choice and opportunity to create their own rules and implement them.”

Rep. Reena Szczepanski (D-Santa Fe) was pleased that the bill deals with students with disabilities but wanted it to go further. She made an amendment to include text to speech, speech to text, or other assistive technologies that aided communication, navigation or learning

not be a part of it.

With the bill amended, a "do-pass" motion was made, and with a vote of 11-0, the bill moves to the House floor.

BILL CLOSING LOOPHOLE ON PENALTY FOR VEHICULAR MANSLAUGHTER HEADS TO SENATE



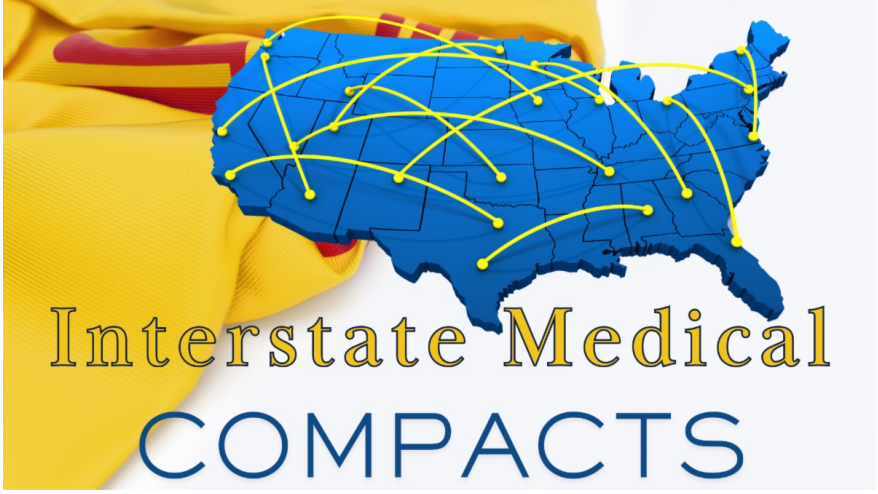
On Monday afternoon, the House floor heard the third reading of House Bill 102, Violent Felonies for Meritorious Deduction, sponsored by Rep. Andrea Reeb (R-Chaves, Curry & Roosevelt). Back in 2016, the Legislature did a good thing. They increased the penalty for vehicular manslaughter from a third-degree felony to a second-degree felony. Before this law passed, the third-degree felony was considered a serious violent crime, allowing judges to weigh all the factors and, when justified, to require the serious violent offender to serve 85% of their sentence before meritorious conduct deductions could be applied to reduce their sentence. A serious violent crime has to be enumerated in statute, and the third-degree vehicular homicide was on that list.

However, when the new law was passed in 2016, the second-degree crime was **not** placed on the list. A Supreme Court decision last year released a convicted criminal sentenced by a judge as a serious violent offender because the crime wasn't on the list and the judge was not allowed to interpret what the Legislature intended. Meritorious behavior can reduce a sentence by one day for every day served. Suddenly a two-year sentence turns into one year. This is the loophole that needs to be fixed, and HB 102 does just that. It puts the crime back on the serious list where it belongs.

With no discussion, a "do-pass" motion was made, and the bill now heads to the Senate on a vote of 60-4.

AROUND THE ROUNDHOUSE

Senate Judiciary Committee Beginning to Move Compacts



We've been reporting on a host of interstate health care compacts of various sorts. One of the most important is House Bill 243, sponsored by Rep. Marian Matthews (D-Bernalillo), which would authorize out-of-state licensed doctors to practice in New Mexico either in person or through a telemed option. A hearing began on the bill today and will resume at the next Senate Judiciary meeting. House bills are being moved because there's not enough time to move Senate bills through the House. Getting this bill to the governor would be sweet music. And the music would get even sweeter if other compacts affecting nurses, nurse practitioners, behavioral health specialists and others make it to her as well. We need these compacts to help address the state's critical shortage of health care professionals.

CYFD Oversight Child Advocate Bill Sent to Governor



House Bill 5, sponsored by Rep. Pauline Abeyta (D-Bernalillo, Cibola, McKinley, San Juan, Socorro and Valencia) and Speaker Javier Martinez (D-Bernalillo), has traveled a long legislative path to finally reach the governor's desk. In short, the bill sets up an independent office to monitor the Children, Youth and Families Department, intervene when appropriate and provide much greater transparency about how well CYFD is protecting children and delivering services to the child and family. Beaucoup amendments made on the Senate floor may have satisfied the governor's concerns. Earlier there was speculation about a veto. Legislative leadership has ensured she must act on the legislation before the Legislature adjourns. If she were to veto the bill, the Legislature would have the opportunity to override the veto. Stand by for updates on this situation.

Fun on the House Floor



Monday afternoon was definitely a good day for Rep. Nicole Chavez (R-Bernalillo), as the freshman representative had her first bill passed on the House floor. She is a cosponsor of Senate Bill 17, Parole & Parole Board Changes, which amends the factors affecting parole of an inmate sentenced to life imprisonment as well as removes consent of the Senate for Parole Board appointments and amends board member removal process. It also requires conscientious scheduling of hearings in homicide cases. When standing for questions, Chavez didn't want to give up the floor to her fellow representatives, knowing that it's tradition for the questions to be in jest, so much that Rep. John Block (R-Otero) asked if it was her first bill and then said he was going to ask questions for three hours. To close out debate, Rep. Art de la Cruz (D-Bernalillo) asked if the bill was a "get-out-of-jail-free card." It was a great showcase of camaraderie.

It's tradition in the House that a representative's first passing bill requires the members to vote "no" until the last minute, and then upon passage for the sponsor to sing a song. So as the vote on SB 17 started, it looked as if it wasn't going to make it, but as voting time ran out, the bill sailed through on a vote of 63-0. With her first successful bill under her belt, Chavez pulled out her phone and sang a rendition of Ice Cube's "It Was a Good Day." Speaker of the House Rep. Javier Martínez (D-Bernalillo) noted the change in music genre with Chavez's choice of song.

Our Multicultural Roundhouse on Display



Today the House was serenaded by the plaintive tones of Irish bagpipes, shown above. Pipes are a Celtic instrument shared by both Scotland and Ireland, as early immigrants to Scotland came from Ireland, thus sharing common culture. Meanwhile, shown below, in the Senate Finance Committee, quinceañera-arrayed young women from two different Albuquerque high schools visited their Capitol to support House Bill 71 in hopes of getting their teachers higher pay. It's another example of the rich cultural heritages of our state.



SIGNING OFF FROM SANTA FE



Like a rugby scrum, legislators are scrambling to get their bills passed and sent to the governor. Of almost 1,200 bills introduced, as of today only seven have reached the governor, or .59%.

The session alone (not counting interim work and ongoing costs) weighs in at $11.5 million. So, do the math - so far, that's $1.6 million per bill. That's kind of an unfair collar to put on the Legislature - more bills will be sent to the governor, so let's compare to the last 60-day session when 246 bills were sent to the governor. That drops the cost per bill down to $46,700. Feel better? Up to you. In some sense, it's the cost of democracy - ideas put out there, debated and maybe it bears fruit, now or in the future. You decide whether it's good value for the dollar.



It being St. Patrick's Day, corned beef and cabbage come into play. It's actually an Irish American dish, immigrants substituting corned beef for the more expensive pork, traditionally served in Ireland because there, beef was too expensive. Jewish immigrants actually brought corned beef from eastern Europe. "Corned" is salt used to cure or "pickle" beef, which, in the United States, was cheaper than pork. The dish, like St. Patrick's Day itself, is less about food and more about celebrating Irish, and especially Irish American, heritage. And isn't it so American that the corned beef dish is really a blending of two cultures, the great melting pot. God Bless America, and we wish you a wonderful evening. Until tomorrow, good night.

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

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GREATER ALBUQUERQUE CHAMBER OF COMMERCE

Legislative RoundUp

2025 Regular Session | Tuesday, March 18, 2025

57th Legislature | Day Fifty-Six

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

BUDGET BILL MOVES TO SENATE FLOOR - WITH STATE SPENDING AT ALL-TIME HIGH



Every nook and cranny of state revenue has been emptied in preparing the $10.8 billion budget recommended by the Senate Finance Committee. To the credit of the committee, the spending increase has been contained to 6%, and reserves are maintained at a healthy 30% of recurring general fund spending. In addition, deposits have been made to various funds that are insurance against an economic downturn or reductions in federal spending.

Here's a statistic that might blow you away - how much do you think all in spending in the state budget is when you factor in federal funds and manna from heaven? Pause, take a deep breath...**$37.4 billion**. In other words, for every dollar spent from the general fund, two more dollars magically flow into our coffers. Why is that so? Because we're a poor state, and we get a ton of money from the feds for things like Medicaid, which the feds pay almost 75% of the costs. New Mexico has about 50% of its residents on Medicaid - most other states are in the mid 20s.

And here's another little fact that might surprise you: State employees have 80% of their health insurance premiums paid for by the state - sweet deal. They also earn vacation days while they're on vacation. (The line forms on the left to apply for state employment - check out nm.gov.)

Here's a summary of some of the Senate changes from the House version of the budget bill:

- Additional funding for suicide prevention and behavioral health services;
- Multiyear funding to CYFD with accountability strings to address the Kevin S. settlement agreement (a lawsuit involving poor care for foster children);
- $20 million for rural health care delivery;
- Additional funding for public safety including funding for DPS records management; statewide management system for district attorneys; funding for public defender recruitment and retention; additional funding for attorney general training and legal expense;
- Adds $76.4 million to fully fund grades 6-12 funding-formula changes and adds $29 million for child care assistance;

- Adds $1.5 million for UNM athletics on a recurring basis and $1.5 million for NMSU on a one-time basis pending resolution of the athletic director position;
- Adds funding for the strategic water supply initiative;
- A $280 million "down payment" in the Medicaid trust fund;
- $65 million for road maintenance;
- $100 million for the behavioral trust fund;
- $50 million for tradeports, $25 million near-term for Santa Teresa project;
- $40 million to compete for National Science Foundation grants in quantum physics;
- $90 million to address housing and homelessness;
- Additional funding for career technical education;
- $30 million over three years to expand the food bank system aimed at ending hunger.

We'll have more to report as we peel the pages on this 294-page opus. The bill will go to the Senate floor and then be returned to the House for concurrence in amendments.

FROM BAD TO WORSE...TAX PACKAGE WITH A $150M HIT SENT TO SENATE FLOOR



Sometimes there are bad bills, and the committee process will make those bills better. Sometimes, though, bad bills become worse. That’s what happened today as the Senate Tax, Business and Transportation Committee approved House Bill 14 on a 6-4 party-line vote, Ds in favor, Rs opposed.

The bill is sponsored by Rep. Derrick J. Lente (D-Rio Arriba, Sandoval & San Juan), chair of the House Taxation and Revenue Committee, and his Senate committee chair counterpart, Sen. Carrie Hamblen (D-Doña Ana).

While there are some good parts to the bill, the Chamber is opposed for one very simple reason: with $3 billion in new revenue this year, there is absolutely no reason why anyone, anywhere, anyhow should get a tax increase. In past sessions, HB 2 sets aside an amount of money to be used for tax reform or relief. There was no such set aside this year - bad planning on the part of the House Appropriations and Finance committee. So in a mad scramble to come up with something, new taxes are to be imposed on the oil and gas industry and on wholesale alcohol sales (a 20% increase). In total taxes will be raised almost $150 million because the Legislature blew the wad on a bunch of stuff and won't fall back, reprioritize spending and make room for tax reductions.

The bill as it came to the Senate from the House eliminates personal income tax for New Mexicans making up to $70,000. . An amendment passed today added several other beneficiaries of tax breaks, including:

- Personal income tax (PIT) credit for volunteer EMTs, firefighters and search-and-rescue personnel;
- PIT credit for local journalists;
- Corporate income tax (CIT) credit for local newspaper publishers;

- CIT credit for local printers (the Santa Fe New Mexican sponsored all these journalism proposals);
- PIT credit for foster parents and guardians;
- CIT credit for Quantum technology facilities;
- GRT exemption for patient co-pays;
- GRT set-aside to fund new UNM school of medicine;
- Exemption from gaming tax for casinos located in disaster areas.

Most of these are pretty darned good ideas. Nobody is going to argue against tax breaks for volunteer firefighters and foster parents. We should, however, be prioritizing those things that grow our economy and create more high-paying jobs. For example, we have a terrible health care crisis, and yet there's virtually nothing in here to provide incentives to attract health care professionals to come to or stay in our state. What about a GRT exemption for all medical services, for example?

It's a disappointing development in the 11th hour of the session. We'll keep following it and let you know what happens. This bill goes to the Senate floor next, and if it passes there, goes back to the House for concurrence on the changes made today. Then it's on to the governor for her pen. We wouldn't be unhappy if she vetoed the whole thing and said, "Try again, only this time with no tax increases."

SCHOOL LEADERSHIP TRAINING MOVES FORWARD - IN SENATE, AND ON CALENDAR



House Bill 157, sponsored by Reps. Joy Garratt (D-Bernalillo), Brian Baca (R-Valencia) and Raymundo Lara (D-Doña Ana), has as its goal achievement of nationally recognized best practices for principal (and superintendent) training, development and mentorship. A principal must lead a culture of learning, and with the right training and support, New Mexico can achieve a consistency of leadership. Turnover among principals is very high due to a number of factors, including lack of preparation for leadership and local support. Today, the bill was given a "do-pass" recommendation by the Senate Finance Committee, 6-4 along party lines.

The Chamber has long advocated for exactly this kind of change. Through a grant from the Thornburg and Los Alamos Laboratory foundations, the Chamber engaged Education Research and Development, a nationally recognized group of experts, to prepare a report on school leadership, and many of those recommendations are included in HB 157. Michael Dabrieo from the Los Alamos Laboratory foundation has done "yeoman's work" this session on this bill. Thank you, Mike!

Unfortunately, amendments added today effectively move the implementation of requirements for training and residency programs out so far into the future that it will do nothing between now and 2033. Purportedly, the impetus for the delay was to satisfy some legal concerns that truly need further examination before being taken at face value and acted upon. Next to teachers, student success depends on school leadership.

HB 157 now heads to the Senate floor. We appreciate the dedication of Rep. Joy Garratt (D-Bernalillo) who has worked with all of us on this bill. Perhaps half a loaf is better than none, but we're interested in whether these vital changes can be made a lot sooner. There must be a way.

MEDICAID TRUST FUND BILL CONTINUES ITS MARCH TOWARD THE HOUSE FLOOR



With a full docket on Tuesday evening, the House Appropriations & Finance Committee continued to plow through bills and heard Senate Bill 88, Medicaid Trust Fund, sponsored by Sens. George Muñoz (D-Cibola, McKinley & San Juan), William Sharer (R-San Juan), Pat Woods (R-Curry, Harding, Quay & Union), Elizabeth "Liz" Stefanics (D-San Miguel, Santa Fe, Torrance & Valencia) and Rep. Pamelya Herndon (D-Bernalillo). The bill creates a new Medicaid trust fund, which would be seeded with a $300 million appropriation from the general fund. A Senate Finance Committee amendment to SB 88 adds a provision requiring money in the fund be appropriated to support the state Medicaid program if a reduction in federal Medicaid funding received by the state will cause a reduction in coverage or benefits below the levels provided as of the effective date of the act.

Herndon said there would be $300 million a year put into the fund until it gets to $2 billion, and then the state will stop putting money into it. This is when the fund starts to draw off of the interest and fund itself. She also introduced an amendment that strips a volatile funding source, state treasurer's overnight investments, to avoid negative balances.

The Greater Albuquerque Chamber of Commerce has supported the bill through the session, and tonight J.D. Bullington testified in support for the Chamber:

“Having grown exponentially to the point where Medicaid is the second-largest demand on the general fund below public education, this bill, of course, aims at ensuring our state can sustain the Medicaid program regardless of whether or not there are federal reductions. We think this bill addresses what is likely to be a critical need, and the Greater Albuquerque Chamber of Commerce asks for your support.”

Also in support were Think New Mexico, AARP New Mexico and the New Mexico Medical Society. There was no public opposition to the bill.

After some discussion from the committee members, Chairman Rep. Nathan Small (D-Doña Ana) thanked Herndon for being on the bill and said it has undergone a number of evolutions, which is the reason he is comfortable supporting it. “It’s clearly a big driving fiscal issue for us. … Because there were some ways that funding this that would have not worked. We’ve found a way that does work, and so I think (the bill) shows that there’s been pretty good collaboration.”

A motion was made for a “do-pass” vote as amended. The committee voted in favor, 14-1, sending the bill to the House floor.

STRATEGIC WATER RESERVE FUND CLEARS ITS LAST COMMITTEE, HEADS TO HOUSE FLOOR



Ending the long day of meetings Tuesday evening, the House Appropriations & Finance Committee's final bill was Senate Bill 37, Strategic Water Reserve, sponsored by Rep. Liz Stefanics' (D-San Miguel, Santa Fe, Torrance & Valencia) and Rep. Meredith A. Dixon (D-Bernalillo).

The bill creates a fund for the Strategic Water Reserve that is capped at $15 million. The catch on this bill is that it's an empty vessel. It only establishes a fund, but it doesn't fund it. Funding would come in future Legislatures. According to Stefanics, the bill does not appropriate any new money. It simply creates an account in which current or future appropriations can be deposited.

The strategic water reserve, created by the Legislature in 2005, grants authority to the Office of the State Engineer and the Interstate Stream Commission to allow certain water rights to be designated for public use and allows the agency to acquire water rights to be held in the reserve. Currently, appropriations made to the strategic water reserve go to the Office of the State Engineer, with funds reverting to the general fund at the end of the fiscal year. Senate Bill 37 would add a non-reverting fund to supplement strategic water reserve functions.

The Greater Albuquerque Chamber of Commerce supports this bill as it creates a way for water to be preserved. Joining the Chamber in support are Healthy Rivers at Western Resource Advocates, Think New Mexico, New Mexico Wild, Conservation Voters, Amigos Bravos, American Rivers, the Environmental Defense Fund and the Sierra Club.

With little discussion, a motion was made for a "do pass," which moved the bill to the House floor on a vote of 12-3.

GREEN COMMUNITY BENEFIT FUND MOVES TO HOUSE FLOOR MINUS $340M APPROPRIATION



This evening the House Appropriations & Finance Committee heard Senate Bill 48, Community Benefit Fund, sponsored by House Majority Floor Leader Reena Szczepanski (D-Santa Fe) and Senate President Pro Tempore Mimi Stewart (D-Bernalillo). The bill creates the Community Benefit Fund, which provides an overarching structure for funds to flow to communities in New Mexico to reduce pollution through state departments or existing grants within those departments. The bill also creates an overlay that involves community in the decision-making.

The Senate Finance Committee amended the bill to strike its $340 million appropriation. It moves forward with $210 million that's included in House Bill 2, the budget bill.

Stewart said the bill has been through many iterations in its journey and getting $210 million is a start. She said the bill was created to help communities all over the state, and a study before the bill was being drafted found there are a half-billion dollars' worth of projects that need the help. “The idea behind this bill is to be responsive to the community and to have the communities come to the state for these funds,” she explained.

The Greater Albuquerque Chamber of Commerce has voiced its opposition to the bill because it includes no prioritization or measurables and no way to determine outcomes - and thus no way to know if the taxpayers got their money's worth. The Chamber believes that the bill is a prime candidate for interim study. Those in support of the bill include Samia Project, Somos un Pueblo Unido and Healthy Climate New Mexico.

Rep. Harlan Vincent (R-Lincoln & Otero) asked who would oversee the program. He was told it would be the Department of Finance Authority, which will issue a report every Dec. 1 to the Legislative Finance Committee.

Rep. Cathrynn N. Brown (R-Eddy & Lea) said at the end of the day when it’s all added up, the money won’t make a big impact in reducing emissions. “We are just a pinpoint on the globe, and we have jet streams and wind currents, so what we save in emissions, we will get it from somewhere else. There will be some tangible benefits. Maybe someone will get a really energy-efficient building out of this funding. At the end of the day, it is not going to be that measurable. I would rather focus on one or two things to do really well for the whole state.”

With a motion for a “do-pass” vote, the committee voted 9-6, sending the bill to the House floor.

REINCARNATED HOSPITAL MERGER BILL TRAVELS AT WARP SPEED TO SENATE FLOOR



"Warp speed Scotty," commanded Captain Kirk, and in a flash the starship Enterprise was off to where no man had gone before. Well, House Bill 586, a dummy bill sponsored by House Majority Leader Reena Szczepanski (D-Santa Fe), was yanked out of House Rules Committee, transformed by a House Judiciary Committee substitute dealing with regulating hospital mergers and acquisitions on March 12, given a "do-pass" recommendation on March 15, passed by the House on March 17, given a "do-pass" recommendation by the Senate tax, Business and Transportation Committee today and sent to the Senate floor. It's an example of how fast a bill can be moved when the leadership of both chambers agrees to get something done (wouldn't it be great if they did the same thing on the health care crisis?). In the local vernacular, this bill was "juiced."

Szczepanski had co-authored Senate Bill 14 with Sen. Katy Duhigg (D-Bernalillo) that failed passage in the Senate Judiciary Committee. Reincarnated as HB 586, it's blown by all the usual

committee reviews and leapfrogged the process, apparently on the strength of amendments that removed many objections to SB 14. Whether this turns out to be a good idea or not, only time will tell. We're skeptical that regulating hospital mergers is going to do much to increase access to doctors and other health care professionals. Health care compacts, health care loan repayments, medical malpractice reform and GRT exemptions on health care services would do a lot more. How about we "juice" those bills?

BILL THAT CLARIFIES HARM TO SELF AND OTHERS GETS A SPEEDY SECOND LIFE



Sen. Antonio "Moe" Maestas (D-Bernalillo) sponsored Senate Bill 166, which sought to refine the definitions of "harm to self" and "harm to others" as a way of allowing judges to encourage, or when necessary, to mandate, behavioral health care for individuals posing a potential threat. The idea is to get people help rather than to cycle them through a night in jail or a hospital and put them back out on the street - the old revolving door. The bill easily cleared the Senate but was tabled in the House Health and Human Services Committee. Throughout this process, the Chamber supported the bill, including in the July special session. We were disappointed the bill was tabled.

Enter Senate Bill 510, an omnibus crime-fighting bill sponsored by Senate Minority Leader William Sharer (R-San Juan) back on Feb. 20. The bill was not seeing the light of day in the Senate Judiciary Committee until tonight, when a quickly assembled four-minute meeting substituted Maestas' SB 166 into SB 510, and again, at warp speed, a bill is likely off to the Senate floor. Technically, it has a referral to the Senate Finance Committee, but we're suspecting that will be eliminated quickly and the bill moved off the Senate floor and to the House. We're also suspecting some kind of arrangement has been made with House leadership to get this bill quickly to the House floor and to the governor, as this is one of her top 10 crime bills she wants to see passed. And that would be a good thing, but it would have been better to have supported it all the way on that first run!

AROUND THE ROUNDHOUSE



Coming to Agreement - Conference Committees

As we get to the part of the session where bills are “crossing over,” i.e. being passed to the other house, it’s important to know what happens if a bill is amended in the “other” house. This always happens, for example, with the budget bill. The Senate adds its amendments to House Bill 2, reflecting expenditures that the Senate wants.
The bottom line is a bill cannot be sent to the governor for action until both houses have agreed to the same, identical version of the bill. Using the budget bill as an example, after the Senate passes the bill, it is then returned to the House for what is known as “concurrence in amendments”, i.e. determining whether the House will accept the Senate amendments. If the House concurs, then the bill is off to the governor.

Non-concurrence

However, if the House refuses to concur, the chief clerk notifies the Senate. The Senate is asked to “recede” from its amendments, i.e. withdraw its amendments. If it does not, then a conference committee is appointed to work out an agreement.
Each house has three members of the committee appointed by the Senate president pro tempore and the speaker of the House, respectively. Usually, this is two members from the majority party and one from the minority party. The “conferees” attempt to work out a solution. An agreement is reached only if at least two members from each chamber vote in favor. If agreement is reached, the “conference report” is sent to each chamber, which can only accept or reject the report. A conference report is just a newly amended version of the bill. If no agreement can be reached, such is reported to each house. New conferees might be appointed, or the legislation may just die for lack of agreement.

SIGNING OFF FROM SANTA FE



A tad dusty out there Tuesday? Inside the Roundhouse it was pretty much clear sailing for some pretty major pieces of legislation - the budget and tax package. That's two of the big three that have been unveiled, with capital outlay coming next. As of today, that bill was still being drafted. Committees are beginning to wind down and will likely shut down on Thursday. Sessions on Thursday and Friday will be fast and furious, leading up to adjournment on Saturday, though we can expect some protracted debate from the Republicans to slow down unwanted legislation. Stand by for very late floor sessions.

Yesterday, March 18, was National Agriculture Day, honoring all those who put food on our tables and spare tires on our tummies. So as you start your day today, thank a farmer or rancher for the abundance we enjoy. And that will wrap it up for us tonight. We'll be back with you later today.

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Legislative RoundUp

2025 Regular Session | Wednesday, March 19, 2025

57th Legislature | Day Fifty-Seven

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

DIVIDED SENATE SENDS $10.8 BILLION BUDGET TO HOUSE FOR CONCURRENCE



Today on a basically partisan vote of 24-16, the Senate sent the House a revised budget bill, House Bill 2, containing $10.8 billion in general funding spending, a 6% or $600 million increase over last fiscal year. Two Democrats, Shannon Pinto (D-McKinley and San Juan) and Harold Pope (D-Bernalillo), joined 14 Republicans in voting "no". The budget retains a 30% or about $3 billion reserve to help protect against economic swings or federal reductions. Sen. George Muñoz, Senate Finance Committee Chair (D-Cibola, McKinley & San Juan), presented the budget to his colleges, pointing to these highlights:

$61.5 million to bring behavioral health spending up to $280 million, including a $100 million "down payment" to the Behavioral Health Trust Fund, with the goal of reaching $1 billion (We incorrectly reported this last night as Medicaid funding - it's behavioral health.)

$50 million for disaster relief loan fund

$25 million for rural health delivery

$65 million for road maintenance

$40 million to match local road projects, bringing the total available up to $99 million.

Several members of the Senate Finance Committee stood up in support, explaining different aspects of HB 2. Opposition to the budget proposal centers around how much the budget has grown over the last four years - something like 74%. Sen. Candy Spence Ezzell (R-Chaves & Eddy), a rancher and first-class cowhand, called the budget "bloated." She said, "I know what to do with a bloated cow. You get a sharp object and let some of the hot air out. We need to let some hot air out of this budget." Senate Minority Leader William Sharer (R-San Juan) said that while the budget has grown 74%, things in the state aren't 74% better, citing crime, education and health care as examples. Sen. Jay Block (R-Bernalillo) said that what the Legislature doesn't get is "kitchen-table economics," i.e. how families and small businesses struggle to make ends meet and would rather have more money in their pockets than have the state spend more.

The House will now decide whether to accept the Senate amendments. If the amendments are rejected, a conference committee would be appointed to work out the differences.

Peeling the Budget Onion

HB 2 is 294 pages long. It's a tough slog to get through it all, and even then you can't readily spot what you're trying to find. We did spend a good amount of time today taking a deeper dive than we could yesterday. We have learned that there is no additional money for LEDA because there is $70 million currently unspent. JTIP is funded at $6.7 million. A lot of the interesting stuff is in the special appropriations section that starts at page 192 in case you decide you want to do some onion peeling on your own. Here are our top findings:

$110 million for housing assistance; from that, $80 million split equally between the city of Albuquerque and Bernalillo County

$50 million for recreation centers and state beautification

$50 million for recruitment and retention of first responders (fire, police, etc.)

$18 million for tourism national and international marketing

$2.5 million for the Route 66 centennial celebration

$8 million for Roswell air show

$6 million for the bioscience development fund

$7.8 million to foster economic diversity in target industries

$15 million for entrepreneurship incubators, including $10 million for quantum ventures

$40 million to research fund to match federal grant funds to benefit quantum proposals

$15 million for innovation hubs, including $10 million for quantum space

$24 million over three years for site-readiness preparation

$50 million for trade ports development

$10 million for trails and outdoor infrastructure

$110 million for various behavioral health projects

$20 million for rural health care delivery systems

$38.5 million for CET education pilot programs

$29 million for science of reading intervention

$40 million for higher education buildings

$20 million for healthcare professionals loan repayment program

$10 million for food bank support

$3 million increase (recurring) for UNM Athletics.

We've gotten through several rings of the onion, but we're still looking for a few more items - we'll keep you posted.

AFTER PROLONGED DEBATE, HOUSE SENDS CAPITAL OUTLAY BILL TO SENATE



Wednesday afternoon and into the evening, representatives on the House floor heard House Bill 450, which they ultimately sent to the Senate on a vote of 41-25. This is the annual capital outlay bill wherein the governor, senators and representatives each get about $175 million to use for statewide and local projects. The $175 million in the Senate is divided by 42, the number of senators; and the $175 million in the House is divided by 70, the number of representatives. Legislators consult with their constituents about what projects should be funded. Sometimes legislators band together to get enough funding for a large project.

The bill is sponsored by Rep. Derrick J. Lente (D-Rio Arriba, Sandoval & San Juan), who's chair of the Taxation and Revenue Committee. The capital outlay bill originates in the House by tradition. The bill authorizes the issuance of severance tax bonds and appropriations from the general fund and other state funds for projects statewide across various state agencies.

A major debate broke out over a $10 million project in northern New Mexico for a reproductive health center that was added by the governor. The center, similar to one the governor is championing in Doña Ana County, would provide abortions. Opponents of abortion attempted to remove this item without success. The debate lasted nearly three hours.

The total capital outlay funded in HB 450 is $1.2 billion -- with $292 million from severance tax bonds, $800 million from the general fund and $133 million from other state funds. Severance tax bonds are issued every two years following voter approval at the November election. These funds are used for statewide projects such as higher education facilities. Severance tax bonds are issued against revenue from severance taxes, taxes based on the value of oil, gas or other natural resources “severed” from the ground. This revenue is deposited into the severance tax bonding fund. The Board of Finance reports on severance tax bonding capacity every Jan. 15 based on projected revenues in the fund.

Here are some highlights from the 1,400 projects contained in HB 450 affecting our area:

Albuquerque
$7.5 million for affordable housing
$3.8 million for various Balloon Fiesta items
$4 million for the North Domingo Baca Aquatic Center
$2.6 million for APD technology
$2 million for housing construction
$10 million for CNM's film school
$25 million for the UNM Pharmacy School renovation
$30 million for the UNM School of Medicine - planning
$11 million for a UNM football stadium plan

Bernalillo County

$1.7 million for sheriff technology and crime-prevention equipment
$1.3 million for a mental health family service center

Valencia County
$8.5 million for an acute-care hospital

Statewide
$20 million for a statewide safety radio system for law enforcement

The bill will now be taken up by the Senate. We'll keep you posted.

SENATE JUDICIARY AMENDS PHYSICIAN COMPACT, SENDS IT TO THE SENATE FLOOR



The Senate Judiciary Committee gave a "do-pass" recommendation on a 5-1 vote to House Bill 243, which would enter New Mexico into the Interstate Medical Licensure Compact for the purpose of facilitating interstate practice by physicians and improving public access to physician services. Chair Sen. Joseph Cervantes (D-Doña Ana & Otero) was the lone vote against it. The bill now heads to the Senate floor.

The Interstate Medical Licensure Compact Commission would serve as the national administrative body, and the bill authorizes the governor to appoint two members to the commission. As all of us know, there's a critical shortage of physicians in our state, and allowing out-of-state doctors to practice here, either in person or by telemedicine, could help fill the gap.

Specialists are especially difficult to get an appointment with. We're aware of an incident where a family with a child suffering a rare type of cancer had to make multiple trips to Texas to confer with an East Coast specialist because the UNM Cancer Center recommended getting an opinion from a doctor who treats this rare form of cancer. Why drive to Texas? Because Texas is among the 41 states in this compact. The specialist wouldn't accept a call from New Mexico because he would be practicing without a license. This family was lucky enough to have the resources to travel. Many, if not most, New Mexicans don't. That's why joining this compact is so important. Click **here** to read the story the Albuquerque Journal posted tonight on the meeting.

As is the usual case with the Senate Judiciary Committee, they piled on a bunch of amendments. We'll have to let you know tomorrow what the effect is when we untangle them. We will say that substantially amending the bill will put acceptance by the compact commission at risk. We understand qualified immunity was removed from the bill, and that is a key criteria for acceptance. Earlier today, many chambers of commerce from throughout the state joined the Greater Albuquerque Chamber of Commerce in sending the following letter to the governor and legislative leaders urging adoption of multiple interstate compacts. Here's the letter:

GREATER ABQ
CHAMBER OF COMMERCE

O: (505) 476-3700
400 Tijeras Avenue NW, Suite 100
Albuquerque, NM, 87102

March 19, 2025

The Honorable Michelle Lujan Grisham, Governor of the State of New Mexico
The Honorable Mimi Stewart, President Pro Tempore New Mexico State Senate
The Honorable Peter Wirth, Majority Floor Leader, New Mexico State Senate
The Honorable William Sharer, Minority Floor Leader New Mexico State Senate
The Honorable Javier Martinez, Speaker of the House, New Mexico House of Representatives
The Honorable Reena Szczepanski, Majority Floor Leader, New Mexico House of Representatives
The Honorable Gail Armstrong, Minority Floor Leader, New Mexico House of Representatives

Dear Leaders of the State of New Mexico:

As the first session of the 57th legislature draws to a close, we are quite concerned about the disposition of the 9 interstate healthcare compacts pending before the Legislature. We all acknowledge that our state has and is facing a healthcare crisis. New Mexicans are often unable to connect with a primary care physician because they have no room in their practices. Obtaining an appointment with a specialist is even more problematic, often taking weeks if not months. It isn't healthcare, if you can't see a doctor. Not only do our citizens deserve access to quality healthcare but also healthcare is a critical determinant in whether companies choose to expand or locate in our state. A healthy economy is vital to job creation and better incomes for our citizens. Right now, we are not competitive with other states in attracting healthcare professionals for several reasons. The compacts can help close the shortage of healthcare professionals in our state.

Interstate compacts allow healthcare professionals to practice in our state, either in person or via telemedicine, without going through a burdensome licensing process. However, our state retains control over requirements and disciplinary actions, if necessary. Forty states and D.C. participate in the interstate compact for physicians, including all five states that border New Mexico. Thirty-one or more states also participate in interstate compacts for psychologists, counselors, physical therapists, audiologists and speech therapists, and emergency medical personnel. (The two newest compacts, for physician assistants and dentists, were launched in 2022 and 2023 and are rapidly gaining members.) States keep signing onto these compacts and none have left them, a strong show of confidence in the benefits they provide to patients in these states.

The fact that New Mexico does not participate in any of these nine major compacts puts our state at a serious competitive disadvantage in attracting doctors and other health care workers.
Our neighboring states provide a stark contrast: Colorado has joined all ten compacts; Utah is in nine; Oklahoma is in eight; Arizona is in six; and Texas is in five (and their legislature is currently considering legislation to join four more). During the current legislative session, a team of 10 legislators from both parties and both chambers of the legislature have introduced bills to bring New Mexico into the other nine major interstate compacts for health care workers. Passing these bills is the single most important step that lawmakers can take right now to begin alleviating the state's health care worker shortage.

We urge you to ensure that these 9 compacts are brought to the Governor's desk before the session adjourns. On behalf of our organizations and the other New Mexico Chambers of Commerce copied on this letter, we appreciate your service to our state and considering our viewpoint.

Sincerely,

Terri Cole
President and CEO
Greater Albuquerque Chamber of Commerce

Bridget Dixson
President and CEO
Santa Fe Chamber of Commerce and Chair
NM Council of Chambers of Commerce

CC: Albuquerque Westside Business Association
Artesia Chamber of Commerce
Clovis/Curry County Chamber of Commerce
Farmington Chamber of Commerce
Gallup-McKinley County Chamber of Commerce
Greater Las Cruces Chamber of Commerce
Los Alamos Chamber of Commerce
Rio Rancho Regional Chamber of Commerce
Roosevelt Chamber of Commerce
Roswell Chamber of Commerce
Ruidoso Chamber of Commerce
Taos Ski Valley Chamber of Commerce
Socorro Chamber of Commerce
Tucumcari/Quay County Chamber of Commerce

HOUSE PASSES GRT REIMBURSEMENT ON MEDICAID 65-0, SENDS IT TO GOVERNOR



On Wednesday night, Senate Bill 249, Reimbursement of Gross Receipts Tax on Medicaid, sponsored by Rep. Mark Duncan (R-San Juan) and Sen. Craig Brandt (R-Sandoval), was heard on the House floor. The bill amends the Public Assistance Act to require that a health care provider receiving Medicaid reimbursement for providing health care services to a recipient be reimbursed for all applicable gross receipts taxes but must provide an itemized list including information on the services for which the provider is being reimbursed and how much money is being reimbursed.

Duncan said when a health provider gets paid, they lump it into one sum; this bill breaks it out from various municipalities. “This bill just breaks it out so the health care provider knows exactly what to send to the state.”

The Chamber has long supported all means of leveling the paying field - pun intended - in order to attract and keep health care professionals. This is another means to that end.

With no debate, a motion for a “do pass” was made, and the bill sailed through on a vote of 65-0. The bill now heads to the governor.

SENATE COMMITTEE APPROVES FORCING PREVAILING WAGE ON IRB PROJECTS

March 19, 2025

Honorable Members of the Senate Judiciary Committee,

On behalf of the Greater Albuquerque Chamber of Commerce, we stand in opposition to HB 6 because it will make New Mexico less competitive in attracting private investment for industrial development. We all know that New Mexico already has trouble attracting capital, so we shouldn't make the problem worse. We also know that raising the price of anything generally results in getting less of that thing - it's among the basic laws of economics. Increasing the cost of industrial revenue bonds will not defy that basic law.

States around us don't put this kind of additional cost burden on their industrial revenue bonds. Developers are consumers like the rest of us - if they can get the same thing for a lower cost, they'll shop there instead of here. The more private sector money we can attract for infrastructure development, the less public money is needed. And that stretches the amount of money available from the public sector. While well intended, we believe that HB 6 violates another immutable law: the law of unintended consequences.

Our research indicates that both Colorado and Texas have state prevailing wage laws that are strictly limited to public works projects, normally things such as road construction paid for out of public funds. Arizona has no state prevailing wage law and uses the federal Davis-Bacon Act, which confines prevailing wages to public works. IRB's are not public funds, they are private funds and remain so no matter the purpose to which they are put.

On average, labor is about 25% of the total cost of a construction project. So, higher labor rates are significant in terms of total costs. The answer to whether prevailing wage rates raise costs depends on where you stand. Generally, proponents of HB 6 say any higher costs are offset by higher productivity. A leading source of information for the construction industry, Gordian, says that on federal projects, costs can increase by 12-20%. Industry says that productivity does not offset most or all of these higher costs. Given the fact that our surrounding states do not require prevailing wages on IRB projects, it's pretty easy to conclude that HB 6 will result in New Mexico being less competitive. We urge a no vote on HB 6.

Sincerely,



Terri Cole, President and CEO
Greater Albuquerque Chamber of Commerce.

House Bill 6, co-sponsored by House Majority Floor Leader Rep. Reena Szczepanski (D-Santa Fe) and Senate President Pro Tempore Mimi Stewart (D-Bernalillo), was given a "do pass" by the Senate Judiciary Committee today on a 6-0 party-line vote; Ds voted in favor, and the three Republicans on the committee had left the room earlier. The bill now heads to the House floor.

HB 6 would require paying prevailing wage rates on Industrial Revenue Bond (IRB) projects. Prevailing wage rates, generally stated, are calculated as an average of wage rates by category of employment, i.e. electricians, heavy equipment operators, etc. The wage rates are significantly higher than minimum wages and are often influenced by wages earned by union labor, although labor availability affects the cost of labor also.

At the heart of this debate are two things: first, are projects financed with IRBs public or private? (Prevailing wage must be paid on public works projects paid for by public funds.) IRBs are investments made by private industry to build a project of public benefit in exchange for tax exemptions. The private financier is on the hook for repaying the bonds. By any reasonable interpretation, these are not public works projects in the true sense.

Second, do prevailing wages increase the cost of projects, making New Mexico less competitive compared to neighboring states? Terri Cole, president and CEO of the Chamber, provided written testimony, which you can read above, that lays out how surrounding states strictly limit or eschew prevailing wage laws and how this bill will make our state less attractive for investment.

As before, labor unions spoke on behalf of HB 6, arguing that higher wages produce higher quality work and, overall, the net result is that project costs are not increased but workers are paid a "fairer" wage, whether they are union or not.

The Chamber has advocated this entire session for policies that make New Mexico more competitive. At every turn, we've encouraged lawmakers to position our state to better compete for new businesses, workers, residents and visitors. HB 6 misses the mark completely and takes us in the opposite direction. It makes us decidedly less competitive with neighboring states. We'll let you know what happens, as we suspect legislative leadership will fast-track this bill to the

floor.

SENATE FLOOR GETS BILL CLOSING 'GOOD TIME' LOOPHOLE FOR DWI VEHICULAR MANSLAUGHTER



House Bill 102, Violent Felonies for Meritorious Deduction, sponsored by Rep. Andrea Reeb (R-Chaves, Curry & Roosevelt) was heard in Senate Judiciary this afternoon and quickly passed 8-0 with very little discussion. The bill now heads directly to the Senate floor. If it can be heard on the floor and passed, it will then head to the governor for her signature to become law. This is a bill that is nearing the end of the legislative process and therefore has a good chance of becoming law.

This is a technical fix that doesn't increase penalties. Rather, it changes how a judge can apply good time for those convicted of killing someone while driving drunk. Here's the backstory: In 2016, the Legislature increased the penalty for vehicular manslaughter from a third-degree felony to a second-degree felony. Before this law passed, the third-degree felony was considered a serious violent crime, allowing judges to weigh all the factors and, when justified, to require the serious violent offender to serve 85% of their sentence before meritorious conduct deductions (what we normally call "good time") could be applied to reduce their sentence. A serious violent crime has to be enumerated in statute, and the third-degree vehicular homicide was on that list.

However, when the new law was passed in 2016, the second-degree crime was not placed on the list. A Supreme Court decision last year released a convicted criminal sentenced by a judge as a serious violent offender because the crime wasn't on the list and the judge was not allowed to interpret what the Legislature intended. Meritorious behavior can reduce a sentence by one day for every day served. Suddenly a two-year sentence turns into one year. This is the loophole that needs to be fixed, and HB 102 puts the crime back on the serious list where it belongs.

Enrique C. Knell spoke in support of the bill for the Chamber:

"The Chamber supports HB 102, which gives judges the flexibility to determine when homicide by vehicle should be considered a serious violent offense. The Supreme Court said in a recent opinion, 'It is solely within the prerogative of the Legislature to classify DWI homicide as a serious violent offense through the legislative process.' That's exactly what HB 102 does. This bill doesn't increase penalties. It simply realigns the statute to what many believe to have been the original intent of the Legislature."

We'll let you know what happens next on HB 102. We have three more days for it to pass the Senate floor. This is an important technical fix, and it's nearing the finish line.

WATER-QUALITY REGULATION BILL PASSES HOUSE 43-25 — HEADS TO GOVERNOR



Early on the House floor Wednesday, representatives heard the third reading of Senate Bill 21, Pollutant Discharge Elimination System Act, sponsored by Majority Floor Leader Sen. Peter Wirth (D-Santa Fe) and Rep. Kristina Ortez (D-Taos).

Ortez said this bill takes some important steps to put the state on the right track to control our own water resources in the state. It does it in a couple of different ways:

- First, it creates a new state law to lay the groundwork for the Environment Department to implement the federal Clean Water Act.
- Secondly, the state amends its own State Water Quality Act to protect New Mexico's waters that are no longer protected under the federal Clean Water Act or the Superfund law.
- Third, the state will set up a program to hold polluters accountable and to clean up neglected and contaminated sites.

Ortez said for the last three years, the body has appropriated money to the New Mexico Environment Department to begin work on the state's surface water permitting program — $7.6 million was appropriated in 2024 to establish the program. The bill is a result of six different meetings with 50 stakeholders and 26 organizations. It has moved through five committees with plenty of amendments along the way.

Though the Greater Albuquerque Chamber of Commerce was strongly opposed to the bill as introduced, Wirth worked diligently in all the assigned committees (five total!) to listen to the objections. We respect the work of both Wirth and Ortez, which has made the bill less harmful to business while protecting now-unregulated "ephemeral" waters. In a nutshell, SB 21, because of a U.S. Supreme Court decision, would take over federal administration of the Clean Water Act in order to protect now-unregulated "ephemeral" waters, i.e. arroyos and creeks that don't flow all the time.

The Chamber has written extensively about this bill, and here's why:

In 2023, the U.S. Supreme Court, in a case known as the Sackett decision, ruled that the Clean Water Act applied only to U.S. waters that are free-flowing and any associated wetlands. Think of the Mississippi, the Missouri and other large, free-flowing rivers. Not many of those in New Mexico. In fact, because of the decision, about 95% of New Mexico's waters are left high and dry, so to speak, with no water quality regulation and oversight. Think of arroyos and rivers like the Santa Fe that flow intermittently or only when it rains. Under the federal Clean Water Act, states are allowed to take over regulation from the EPA once an approved plan has been accepted. Forty-seven out of the 50 states do this currently, and thus, SB 21 was developed.

Our reservations, which we've expressed through all the hearings, were not in opposition to ensuring good water quality but about whether the New Mexico Environment Department can really implement this plan – it takes 50 new employees and $8 million over the next couple of years – and whether the rulemaking process will really be fair to all stakeholders. We've seen rulemakings where the advocates for strict controls far outweigh the voices from industry and agriculture that have to live with the rules. We're assured that won't happen in this case. But this concern is why we remain neutral instead of opposed to the bill.

Senate Bill 21 was given three committee referrals in the Senate – Conservation, Judiciary and Finance. Triple referrals are often considered the death knell for a bill. Wirth listened to and worked with stakeholders and made many, many changes in response. His bill underwent two committee hearings in the House, and on the House floor there was discussion for nearly 90 minutes.

Rep. John Block (R-Otero) had many questions, which led ultimately to “what New Mexicans will be charged as a result of this bill.” Ortez said the cost would be less than $3 a month, but nothing is set yet because it hasn’t gone through the process of creating rules and regulations, which will take more than a year to create if the bill is passed. Block said he couldn’t support the bill because even $3 is a lot of money for many New Mexicans.

Rep. Jimmy G. Mason (R-Chaves, Eddy & Lea) didn’t hear this bill in any of his committees, which led him to think about his constituents in southeast New Mexico, many who are ranchers. and question if they are endorsing the legislation. Ortez said when the bill was first drafted, the cattle growers were opposed but over the course of the bill’s journey through the Senate committee process, many changes were made. “We addressed their concerns, and they are now neutral. Nothing has changed for farmers and ranchers with regard to the agriculture exemptions that they’ve enjoyed under the Clean Water Act, and that will continue.”

Rep. Tara Lujan (D-Santa Fe) wanted to make sure the bill doesn’t exacerbate rural-urban disparities by imposing permanent fees on both large urban utilities and small ones. Ortez said they will be regulated the same way based on Water Quality Control Commission standards. Lujan said the bill is a streamlined approach and creates transparency. “This is how we really change how we are looking at water law/policy, and it makes our state a better place.”

With a motion for a “do pass,” the House floor voted 43-25, sending the bill to the governor.

COMMUNITY BENEFIT FUND MOVES FROM HOUSE FLOOR TO GOVERNOR’S DESK



On Wednesday evening, Senate Bill 48, Community Benefit Fund, sponsored by Majority Floor Leader Rep. Reena Szczepanski (D-Santa Fe) and President Pro Tempore Sen. Mimi Stewart (D-Bernalillo) was heard on the House floor. The bill creates the Community Benefit Fund, which provides an overarching structure for funds to flow to communities in New Mexico to reduce greenhouse gas emissions through state departments or existing grants within those departments. The bill also creates an overlay that involves communities in the decision making. The Senate Finance Committee amended the bill to strike the $340 million appropriation in the bill, but $210 million is included in House Bill 2, the budget bill.

Szczepanski said the bill is a forward-thinking investment that puts communities in the driver’s seat. The fund would give communities the resources and tools needed to reduce greenhouse gases, create high-quality family supporting jobs and modernize infrastructure for a resilient future. “With $210 million in funding, this initiative prioritizes locally driven solutions that address real needs, which include energy-efficient housing, strengthening our grids, reliably investing in outdoor recreation infrastructure and more. The bill empowers our communities to build a cleaner, healthier and more prosperous future for generations to come,” Szczepanski said.

Rep. Gail Armstrong (R-Catron, Sierra, Socorro & Valencia), Rep. Mark Duncan (R-San Juan) and Rep. Jonathan A. Henry (R-Eddy, Chaves & Otero) tried to make amendments to the bill that were deemed unfriendly — all three failed.

Over the course of the more than 90-minute discussion, many of the concerns were about what would happen in rural areas that don’t have the infrastructure yet for things like electric cars and buses. Rep. John Block (R-Otero) asked how far would the $210 million go and questioned how much the needle would be moved.

In previous committees, the Greater Albuquerque Chamber of Commerce has voiced its opposition to the bill because it has no measurables and there is no way to evaluate the outcomes or whether taxpayers get their money's worth. The Chamber believes the bill is a

candidate for interim study because it's not ready for prime time.

Szczepanski said by passing Senate Bill 48, "I would just encourage the members to take this event to be proactive, rather than reactive, in a changing world, protecting our land, where we camp, where we fish, where we go turkey hunting, protecting our water and protecting our cherished way of life."

With a motion for a "do pass," the House voted 39-26, sending the bill to the governor.

SIGNING OFF FROM SANTA FE



It was another long day and night, and with just two and a half days left in the session, we expect more of the same until the gavel falls at noon Saturday. We'll be back tomorrow to keep you informed on all the twists and turns as our legislators race to the finish line - hopefully with some health care compacts and crime-fighting legislation in tow. Until then, thanks once again for joining us, and good night!

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

GREATER ALBUQUERQUE CHAMBER OF COMMERCE

Working to make our city and state a great place to start and grow a business and a safe, exciting place to work and raise a family.

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Legislative RoundUp

2025 Regular Session | Thursday, March 20, 2025

57th Legislature | Day Fifty-Eight

BREAKING NEWS
March 20, 2025

BREAKING NEWS: SENATE STRIPS TAX INCREASES OUT OF TAX PACKAGE!

Minutes ago, the state Senate stripped the proposed $140 million in oil- and alcohol-tax increases out of House Bill 14, the so-called tax package. The vote was 36-1. This is a stunning victory for the business community! We have argued all the way along that with the largesse in the state budget, there is absolutely no way a tax increase is necessary. Great news!

The bill will now be returned to the House for concurrence in amendments, and it's quite likely the House will refuse to concur, forcing a conference committee to work out a compromise. Without a tax increase, the provisions of HB 14 will likely have to be paid for out of state reserves. The House will also be considering concurrence on House Bill 2 today, the budget bill. This has a lot of moving parts, and we'll bring you updates as this continues to unfold.

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GREATER ALBUQUERQUE CHAMBER OF COMMERCE

Legislative RoundUp

2025 Regular Session | Thursday, March 20, 2025

57th Legislature | Day Fifty-Eight

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

AND THEN THERE WERE NONE ... TAX INCREASES, THAT IS! IT'S A STUNNER!



On the Senate floor this morning, Senate Minority Leader William Sharer (R-San Juan) offered a floor amendment that stripped $140 million in tax increases on oil and alcohol from House Bill 14, the so-called tax package. The amendment was adopted by acclamation, obviously signaling bipartisan agreement. Wow! What a stunner! What a great day!

The House promptly acted to reject the Senate amendment, which also put sunset dates on tax credits for various groups, returning the measure to the Senate and asking members to recede from their amendment. The Senate didn't recede. They appointed Sens. Carrie Hamblen (D-Doña Ana), Majority Leader Peter Wirth (D-Santa Fe) and Joshua Sanchez (R-Socorro and Valencia) to represent the Senate on a conference committee. The House speaker appointed Reps. Derrick Lente (D-Rio Arriba, Sandoval & San Juan), Cristina Parajon (D-Bernalillo) and Mark Duncan (R-San Juan) to serve for the House on the conference committee.

The conference committee will now attempt to reach a compromise. If members do reach agreement, an amended version of the bill, known as a conference report, will be sent back to both chambers for their approval. The chambers may only vote "yes" or "no" to either accept or reject the conference report. Both chambers must accept the report before the bill can be sent to the governor - no agreement, then either back to another conference committee or throw in the towel and the bill is dead.

Stand Firm

The Chamber has stood firm all session in opposition to any new taxes. With $3 billion in new revenue, we have consistently said that no one, no where, no way should have a tax increase. We have argued that if the Legislature wants to spend more, then members need to go back to the budget and reprioritize just like any family or business would have to do. The Chamber's unwavering opposition, along with the New Mexico Oil and Gas Association, had a big impact. Both organizations stood firm. We have a strong position - tax increases are really unconscionable in this era of plenty. Let's hope the Senate members stand firm as well.

There are programs funded in the budget bill, House Bill 2, that won't be implemented because their enabling legislation didn't pass this session - there's a solid start in finding some money to cover HB 14's elimination of personal income tax on those making less than $70k a year as well as the various tax credits. And, of course, lawmakers should take a hard look at whether all items in the tax package really need to be enacted.

BOATLOAD OF CASH SAILING TO GOVERNOR



The Legislature also took final action on two major fiscal bills today, passing both the budget bill (House Bill 2) and the capital outlay bill (House Bill 450) to the governor for her action. Since these bills were sent to her less than three days before adjournment, she will have 20 days from the day when she actually receives the bills to take action. With appropriations bills she can line-item veto specific things she doesn't agree with. We have reported in detail on both of these bills. The bottom line is that the state's general fund budget weighs in at $10.8 billion, about a 6% increase over the previous fiscal year. The capital outlay bill tips the scales at $1.2 billion with over $700 million paid from the general or other state funds, thus minimizing the amount of debt incurred by the state. The Senate passed HB 450 on a vote of 25-16. Republican opposition, as in the House, is based on the governor including $10 million for a reproductive clinic in Northern New Mexico that will perform abortions. The House concurred on Senate amendments on HB 2 by voice vote.

What’s in HB2 and the Capital Outlay Bill Is a Surprise To Many

With respect to both the capital outlay and budget bills, our observation is that there is a lack of advance information available to many, even legislators prior to the public release of the bills. These massive, multipage, tree-devouring documents are available right about the time legislators are asked to vote on them. The public is in the same wilderness. Now, don’t get us wrong, we understand that it takes significant time to process all the details and incorporate them into these bills. A lot of well- intentioned effort goes into the preparation of these bills. We believe that one solution, then, is to adhere to the rule that these bills have to be noticed and available for public review at least 24 hours before action can be taken. See, in the last eight days of the session, the normal 24-hour rule is suspended. For most bills, that's probably okay, but even then there are many bills heavily amended without the legislators or the public having much of an opportunity to examine and analyze the effects. Surely, we can do better.

Capital Outlay Process Is Broken - Reform Is Needed

As Mark Twain said, "The problem with the weather is that everyone complains about it but no one does anything about it." So it goes with the capital outlay process. We've been advocating for reform of the capital outlay process for years. With the passage of House Bill 450, there will be more than 6,000 projects totaling around $7 billion in some form of suspended animation. And, there's a staff of six or seven people to oversee all these projects - in other words, mission impossible.

So what's the central problem? Folks back home, like cities, counties and schools, push for things they want and convince legislators to put them in the capital outlay bill regardless of whether it's really a viable project, whether the local governments can pony up their share of the funding and whether there's a solid plan in place. Senate Finance Committee Chair George Muñoz (D-Cibola, McKinley & San Juan) is more frustrated than anyone. He said in committee

today, "capital outlay is the worst thing we're doing. It's absolutely a waste of money. People show up with no real idea about what they're doing - it's just free money. ... We can have nice things in New Mexico, but we won't achieve that until we say we're not going to do it this way any more."

So what's the solution? As Muñoz observes, it has to be done gradually. One step taken this year was setting aside $50 million as a "closing fund" to finish several large projects that have been languishing for some time - like a waterline in Curry County and a hospital in Taos. Another step next year would be to place a minimum amount that can be included in capital outlay. Muñoz thinks a minimum of $50,000 should be put in rule. Large projects are the things that elevate the quality of life and make the state an attractive place to live. Muñoz said that if the Legislature has to come back in special session to deal with cuts in federal spending, raking in the unspent capital outlay cash is going to be on top of the list. Just think, $7 billion - that's two thirds of general fund spending for a year! Quite obviously, a lot more work needs to be done on fixing the process. Let's see if a better result can be achieved next session.

SCHOOL LEADERSHIP TRAINING GOES BACK TO HOUSE TO APPROVE SENATE CHANGES



House Bill 157, sponsored by Reps. Joy Garratt (D-Bernalillo), Brian Baca (R-Valencia) and Raymundo Lara (D-Doña Ana), is one of the Chamber's top priorities. It passed the Senate floor today on a 40-0 vote on the consent calendar. The bill, as we told you earlier this week, brings to New Mexico nationally recognized best practices for principal and superintendent training, development and mentorship.

Through a grant from the Thornburg and Los Alamos Laboratory foundations, the Chamber engaged Education Research and Development, a nationally recognized group of experts, to prepare a report on school leadership, and many of those recommendations are included in HB 157. Unfortunately, changes made in Senate Finance this week push those changes out to the next decade. And just as unfortunate, those changes add another step in the process for HB 157. It must now go back to the House so that chamber can approve the changes made in the Senate.

We'll let you know what happens next. Next decade is better than never. Still, we think our kids deserve these changes today, not in 2033.

SENATE GIVES IT ONE MORE TRY TO UPDATE 'HARM TO SELF AND OTHERS'



One of the top priorities for public safety is to amend the definition of "harm to self and others." It's widely misinterpreted to mean criminalizing more offenses. *Au contraire.* The goal is to get more people into treatment to get them the help they and their families need, even if, on occasion, that means a judge has to enforce mandatory Assisted Outpatient Treatment. What's the alternative? Catch-and-release and the old revolving door. What happens now is someone is arrested, maybe spends a night in jail or a hospital, and the next day is back on the streets leading a dysfunctional life often plagued by addiction or deep emotional issues. Why we wouldn't give judges more clarity in dealing with folks with behavioral health issues is beyond us. But, while the Senate passed Senate Bill 166, sponsored by Sen. Antonio "Moe" Maestas (D-Bernalillo), the House stuffed it away in one of the "kill committees."

So, what's a Senate to do? Try another run and keep on truckin'. Today, the Senate passed Senate Bill 510, which was transformed from an omnibus crime bill, sponsored by Senate Minority Leader William Sharer (R-Farmington), into a replica of SB 166. The House's response? Stuffed into three kill committees: House Health and Human Services, House Consumer and Public Affairs and House Judiciary. Those individuals and families seeking help will just have to wait.

SWATTING BILL GETS 4-1 'DO PASS' - HEADS TO LAST COMMITTEE, HOUSE JUDICIARY



It was one and done for the House Consumer & Public Affairs Committee on Thursday morning. The committee had one bill — Senate Bill 18, False Reports: Crimes of Swatting, sponsored by Sen. Craig W. Brandt (R-Sandoval) — on the agenda. The bill creates the crime of "swatting" to address false or misleading reports to a public safety agency of an ongoing emergency with intent to cause an immediate agency response and makes the crimes of swatting, making a bomb scare and making a shooting threat all fourth-degree felonies.

During its journey, the bill received a Senate Judiciary substitute that makes minor modifications to clarify the illegality of a person making a false report.

Adrian Gomez, SVP of policy at the Greater Albuquerque Chamber of Commerce, testified in support of the bill by saying:

"Nothing is more terrifying to a student than to be threatened with violence, especially our youngest and most vulnerable. Swatting is a form of violence and intimidation that can leave lasting emotional scars. For those that commit such crimes, a slap-on-the-wrist misdemeanor is not nearly enough of a consequence for perpetrating violence. SB 18 would bring a meaningful consequence by making swatting a felony. It's what we should do for our children. As you can see, this is a big problem, and a growing problem. SB 18 is an important tool that can help. We urge your support of SB 18. Please vote 'yes.' Thank you."

There was no opposition to the bill.

Rep. Stefani Lord (R-Bernalillo & Torrance) said swatting is a problem and goes above and beyond because it's happening every day. "If you go on X, it's happening to people and

politicians. We are vulnerable to this, too. It's not that they are calling in and saying there's a DV (domestic violence). They are calling saying someone has a gun. What they want is law enforcement to come in with their firearms drawn and somebody ends up dead. That's the end game of swatting."

With less than 20 minutes of discussion, a motion was made for a "do-pass" vote. The committee voted 4-1 to move the bill to the House Judiciary Committee.

BILL TO EXPAND STATE'S RACKETEERING LAW IS HEADED TO THE HOUSE FLOOR



Senate Bill 70, sponsored by Sen. Craig Brandt (R-Sandoval), received a "do-pass" recommendation from the House Judiciary Committee today on a 10-0 vote. As with most committee votes happening these last few days of the session, the vote sends it to the House calendar for final action on the floor.

The Chamber strongly supports this legislation, Racketeering Act: 13 New and Additional Crimes, as J.D. Bullington explained in his testimony:

"SB 70 is aimed at dealing with heinous crimes committed by organized groups. These criminal enterprises need to be stopped in their tracks. That's why the Chamber supports SB 70, which would expand the state's Racketeering Act to include such heinous crimes as sexual exploitation of children, threats to our law enforcement officers and threats to some of our communities' most vulnerable with human trafficking. The bill would also target the leaders of such enterprises, specifically making it a crime to solicit or coerce another person, including a minor, into being a member of or working with their criminal enterprise, as well as financing or supervising racketeering activity. SB 70 offers those in our legal system a better tool by casting a wider net over criminal gangs."

Bullington added that "we know that human trafficking is a growing problem, largely because organized crime is involved - preying on women and children. Racketeering statutes are designed to go after just these kinds of organizations, but New Mexico's statute does not now encompass so many heinous crimes. That's why we need SB 70 to pass."

We'll let you know what happens with SB 70 in the waning days of this session.

HOUSE JUDICIARY PASSES EMBEZZLEMENT BILL



Senate Bill 155, Determination of Embezzlement Penalty, sponsored by Sen. Antonio “Moe” Maestas (D-Bernalillo), completed its last committee gantlet today. The bill passed the House Judiciary Committee 10-0 and heads to the House floor next for final action. If approved there, it’ll head to the governor’s desk.

The Chamber has supported this bill throughout its journey because it’s a common-sense measure that gives law enforcement and prosecutors an additional tool to go after embezzlers. Prosecutors would be able to aggregate crimes against any one victim, punishing all embezzlements within a one-year period as one crime, rather than treating each as a separate instance, and would aggregate the value of embezzled items to determine sentencing. Consolidating multiple offenses into a single chargeable amount addresses repeat offenses and ensures appropriate sentencing based on cumulative financial harm.

Embezzlement happens in government entities and in small and large businesses alike. Indeed, it’s happened in surprising places. You may recall that a former legislator is facing state and federal charges for allegedly embezzling money (while she was a legislator) over several years meant for the Albuquerque School District and its students.

J.D. Bullington testified in support of the bill for the Chamber:

“This bill is similar to legislation passed in 2023 that allowed aggregation of retail theft charges. And that new law is working. Albuquerque Police Department reports that they have charged over 100 repeat offenders under the aggregation of retail theft provision. And year-to-date, starting in November, Albuquerque was down in shoplifting for the year overall. Whether you steal a physical item or embezzle funds, it's theft, and unfortunately in New Mexico we've seen embezzlement in some pretty high places. The Chamber urges you to support this bill.”

With just a day and a half left, and no amendments to require concurrence, here's to SB 155 getting off the House floor and to the governor for her signature.

READY, SET, BUILD! SITE-READINESS BILL HEADS TO THE GOVERNOR'S DESK



Senate Bill 169 will utilize a $24 million fund (provided in the budget bill) under the auspices of the Economic Development Department to find and select sites that are prime candidates to become shovel-ready for development. Sites from around the state are eligible for consideration. The sites could be publicly or privately owned and would be selected with the help of a diverse advisory committee.

Senate Majority Whip Michael Padilla (D-Bernalillo) is the bill's sponsor.

It's estimated that New Mexico is losing 30% or more of prospects because of the lack of building sites. Thirty-six states already have such a program. SB 169 fills in a piece that is absent in our state’s economic development efforts, namely site readiness. Site readiness is something that we can easily do for ourselves. Essentially what needs to be done is site characterization studies that are overseen by a strategic economic development site advisory committee that knows what to look for.

The House approved the measure 59-4 today with little debate, sending it up to the fourth floor, where the governor hangs out. The Chamber has strongly supported this measure throughout its legislative journey.

HOUSE APPROPRIATIONS SENDS UTILITY SITE READINESS TO ITS LAST LEGISLATURE STOP



On Wednesday night, the House Appropriations & Finance Committee heard Senate Bill 170, MFA Definitions, Funds and Rates for Economic Development, sponsored by Majority Whip Sen. Michael Padilla (D-Bernalillo) and Reps. Meredith A. Dixon (D-Bernalillo) and Joseph Franklin Hernandez (D-San Juan). The bill empowers the Public Regulation Commission to allow public utilities to recover prudent and reasonable costs for certain economic development projects,

requires the Economic Development Department to certify projects will support reasonably anticipated economic development in the state and authorizes the PRC to issue expedited orders.

Padilla said SB 170 is a follow-up companion bill with SB 169, which is site readiness, which essentially is making sure sites are ready and provides an expedited — six months — approval process through the Public Regulation Commission. “If companies and organizations are looking to New Mexico and hanging out there waiting for too long, we will lose those opportunities. This is a great handshake with Senate Bill 169.”

Adrian Gomez, SVP of policy at the Greater Albuquerque Chamber of Commerce, testified in support of the bill by saying:

“SB 170 is another pragmatic bill that allows New Mexico to do the literal groundwork necessary to be truly ready when economic development opportunities arise. Allowing public utilities to recover prudent and reasonable costs for certain economic development projects will encourage investment in future projects today. And oversight from both the Economic Development Department and the Public Regulation Commission as well as a 10-year sunset are designed to ensure projects indeed pay dividends. We respectfully ask for your 'yes' vote on SB 170. Thank you.”

Standing in support alongside the Chamber are El Paso Electric, N.M. Idea, Southwestern Public Service, PNM, the New Mexico Chamber of Commerce and Mesa del Sol.

With little discussion and no objection, a motion for a “do pass” was made, and a vote of 15-0 moved the bill to the House floor.

A LEAP TO THE FUTURE - STATE FAIR PLANNING MOVES TO HOUSE FLOOR



Yogi Berra said, "The future ain't what it used to be." And neither is the New Mexico State Fair. Once in the country, the fairgrounds are now surrounded by a blighted neighborhood badly in need of revitalization. Parking is difficult, the area is not attractive and the fair, once in the top three in the country, has itself fallen on hard times. It's time to take that leap to better, and that's what Senate Bill 481 does, calling for creation of a state tax increment development district that will implement a path forward chosen from options created from a master plan, soon to be developed. The bill, sponsored by Senate President Pro Tempore Mimi Stewart (D-Bernalillo), whose district includes the fairgrounds, was sent to the House floor on a 10-6 straight partisan vote, Ds in favor, Rs opposed.

The Chamber is a strong supporter of this legislation as reflected in president and CEO Terri Cole's testimony:

"I'd like to make two points that are very important to understanding the value of this bill:

"1. Many young families own homes in the area around the fairgrounds because it's affordable and a place they can get a starter home. If we revitalize this area, it will make their neighborhoods safer with increased home value. Moreover, revitalization will attract more retail stores back to the area and also construction of more affordable housing.

"2. There are multiple safeguards in the bill against conflict of interest. The board consists of mostly elected officials, and all proceedings of the board are done in the open, including written documents. The Board of Finance and the New Mexico Finance Authority must oversee and review the district's proposals and approve them. Finally, before any bonds can be issued, the Legislature itself must approve. And, the district self-destructs in four years if progress has not been made.

"The Chamber has been involved in this issue for years, and I can tell you from personal experience this is the most well-conceived and credible of all the attempts made. We urge you to support SB 481."

Republicans continue to question whether there are enough safeguards built in to avoid conflict of interest. We certainly believe there are since, before any bonds can be issued, the State Board of Finance, the New Mexico Finance Authority and the Legislature itself must approve. All the meetings of the newly formed governing board of the district must adhere to all open meetings and records acts. We're not sure what more could reasonably be done. Moreover, if progress can't be made by 2029, then all money reverts to the state general fund. It's time to take this leap to the future for a better neighborhood and a better State Fair.

PUT THAT CELL PHONE AWAY! SCHOOL POLICY BILL BACK FOR CONCURRENCE



Senate Bill 11, cosponsored by Sens. Crystal Brantley (R-Catron, Doña Ana, Grant, Hidalgo, Luna, Sierra & Socorro) and Antonio "Moe" Maestas (D-Bernalillo) responds to 90% of teachers who have identified cell phone use as the No. 1 distractor in classrooms — with the average teenager spending over five hours a day on social media. The bill aims to increase proficiency rates in classrooms, but equally important, to address a mental health crisis that is plaguing our teenagers. The House approved the measure 59-4, returning it to the Senate for concurrence in amendments. The Chamber is a strong supporter of SB 11.

We know there is a direct link to increased suicide rates, anxiety, depression and a number of issues. The bill is not a mandate to school districts. Rather, it requires school districts to adopt a phone-free classroom policy, but the details of what that policy looks like would be left up to the individual districts.

Phones in the classroom undermine the learning environment, contributing to decreased academic performance, particularly in math, and increased classroom distractions - with low-income students disproportionately affected. The bill has one mandate, a conversation in every single school district community to come up with a policy for that school district. Here's to getting the bill on the governor's desk.

NEW LIFE FOR SCIENCE OF READING BILL



A former school board member and current state legislator said this session, “If you're okay saying that we're 50th in the United States, then just keep doing what you're doing. Or you make that change.” She was absolutely right. We need to make a change.

House Bill 167, Higher Ed Payment for Certain Tests, sailed out of the Senate today on a quick 39-0 vote. The bill makes GED testing for adults free in New Mexico, and we'll admit it wasn't a bill we were watching closely. Until a couple days ago, that is. The Senate Finance Committee made some major amendments to the bill, basically building in an entire Science of Reading component.

If you recall, we told you last week that the House Education Committee disappointingly tabled Senate President Pro Tem Mimi Stewart’s Senate Bill 242, Advancing the Science of Reading Act, effectively killing it. But not so fast. That bill is back and baked into the new and improved HB 167. Now that the bill passed the Senate, it goes back for a concurrence vote on the House floor.

Rep. Katherine Cullen (R-Sandoval), that former school board member, spoke eloquently about the importance of the Science of Reading:

“Parents are saying 'enough is enough.' You have chambers of commerce saying that they support this. Why? Because our scores are so low. Businesses are not coming here partially because of our education system. And we need to drastically move this needle. And we can't keep kicking the can down the road. We need to make bold change and to move the needle. If you're okay saying that we're 50th in the United States, then just keep doing what you're doing. Or you make that change.”

It was disappointing the House Education Committee would scuttle a demonstrated successful method to teach our students to read. But now, this incredibly important and game-changing effort has new life and will bypass the committee on its way directly to the House floor.

We’ll be watching this one closely over the next day and a half as the session comes to a close.

BILL PROTECTING NEWBORNS EXPOSED TO DRUGS IS HEADED TO THE HOUSE FLOOR



The House Judiciary Committee ran well into the night Wednesday, hearing a full docket of bills that included Senate Bill 42, CARA Program requirements, sponsored by Majority Whip Sen. Michael Padilla (D-Bernalillo) and Minority Floor Leader Rep. Gail Armstrong (R-Catron, Sierra, Socorro & Valencia). The bill amends the Children's Code to provide new guidelines for Plans of Safe Care for newborns who exhibit symptoms consistent with prenatal drug exposure. The measure also transfers certain duties from the Children, Youth and Families Department to the Department of Health.

Padilla began by saying there were a couple of substitutes that were put together to get to the bill where it is today. The Senate Judiciary Committee substitute for the Senate Rules Committee substitute for Senate Bill 42 makes a variety of changes within the state's child welfare system, including a few highlights:

- Enhancing the state's implementation of the Comprehensive Addiction and Recovery Act (CARA).
- Replacing the term "plan of care" with "plan of safe care" throughout sections of the Children's Code to align with federal statute.
- Making the Department of Health (DOH) the lead agency with more specific expectations about the roles and responsibilities of care coordination.
- Making DOH responsible for ensuring the completion of federally required reporting related to plans of safe care, developing an annual report related to the creation and implementation of plans of safe care for the Legislature, and delivering training. The bill also provides DOH with rule-making authority.
- Requiring someone at a birthing facility to create a plan of safe care for each substance-exposed newborn.
- Making DOH responsible for all training for hospitals and providers related to plans of safe care.
- Allowing for the creation of plans of safe care perinatally and directing all hospitals to use an evidence-based screening tool to screen and identify a substance-exposed newborn.

J.D. Bullington testified in support of the bill for the Chamber, saying:

"It's clear from Legislative Finance Committee analysis that we're not reaching mothers with substance abuse through the current system. The National Institutes of Health reported that overdose deaths among pregnant women aged 35-44 tripled between 2018 and 2021. It's a problem all the states are grappling with. In New Mexico, the LFC tells us that rates of newborns with substance-withdrawal symptoms in New Mexico have climbed to more than twice the national average. And yet only one in seven local families with substance-exposed newborns accepts referrals to addiction treatment. We need to close the gaps on service delivery, and SB 42 seeks to do just that. It's a complicated problem that we want to try to solve through treatment rather than penalization. Yet, this is very real child abuse that has to be dealt with. We urge a 'yes' vote on SB 42."

There was no public opposition on the bill.

Majority Floor Leader Rep. Reena Szczepanski (D-Santa Fe) made an amendment to the bill that focuses on evidence-based practices to support the families that are involved in CARA. It also addresses the use of state devices for CYFD business. Szczepanski explained it "addresses records retention or devices used by employees of CYFD. So it's basically stating that CYFD employees must use only department-issued devices for communication related to their duties. It is ensuring that software and applications are allowed or compliant with all of the relevant data retention and protection laws. By (backing) up all electronic records to be saved for at least seven years, to ensure records retention policies and that those records are backed up on a daily basis, and then related to the CARA program." The amendment had no opposition.

A motion was made for a "do pass" of Senate Judiciary Committee substitute for the Senate Rules Committee substitute as amended. The committee voted 9-0, and the bill heads to the House floor.

STRATEGIC WATER RESERVE SENT TO GOV.



Not to be confused with the governor's strategic water supply and plan, the strategic water reserve is a 20-year old program wherein the State Engineer can acquire water rights (through purchase or lease) in order to honor interstate compacts or to protect threatened species from becoming endangered. Senate Bill 37, sponsored by Sen. Liz Stefanics (D-San Miguel, Santa Fe, Torrance & Valencia), does three things:

1. Creates a non-reverting fund with a cap of $15 million.
2. Expands the purposes of the program to include recharging of aquifers.
3. List supplementary purposes of the program to include such things as cultural and recreational benefits.

The Chamber supports this legislation which, with little debate, passed the House by a vote of 42-20, sending the bill to the governor's desk.

GOVERNOR SIGNS BILL EXPANDING PROPERTY-TAX EXEMPTIONS FOR VETERANS



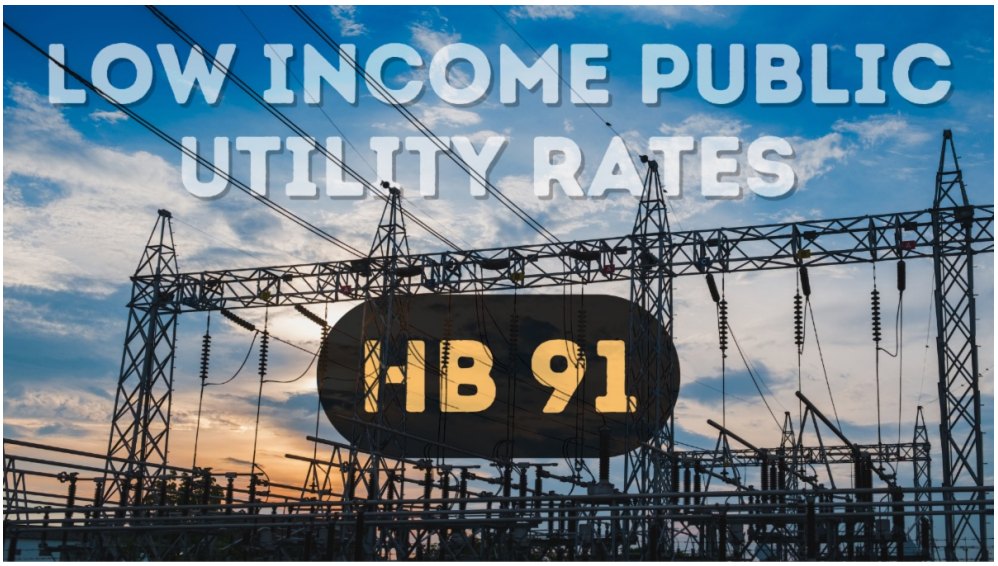
On Thursday, Gov. Michelle Lujan Grisham put her signature on House Bill 47, Veteran Property Tax Exemptions. HB 47 implements constitutional amendments approved by voters in the 2024 general election that will significantly increase property tax exemptions for veterans beginning in 2026. The legislation will raise the standard veteran property tax exemption from $4,000 to $10,000, with adjustments for inflation in subsequent years. It also establishes a proportional property tax exemption for disabled veterans that matches their federal disability rating, rather than requiring a 100% disability rating for exemption eligibility.

The bill is sponsored by Rep. Art De La Cruz (D-Bernalillo), Minority Whip Rep. Alan Martinez (R-Sandoval) and Sen. Harold Pope (D-Bernalillo). The bill’s journey didn’t have much opposition as it sailed through the House on Feb. 15 with a vote of 62-0 and the Senate on March 12 with a vote of 39-0. The bill has an emergency clause, which means it bacame law the instant it was signed.

The Chamber has supported this bill since its filing and testified in support at each stop. The Chamber wants to make New Mexico more attractive for active-duty personnel and veterans to serve here and stay in our great state. HB 47 is a good investment in New Mexico's economy and the many veterans who are business owners, consumers and contributors to our state's success.

"Today marks an important step forward in how we honor and support our veterans in New Mexico," said Lujan Grisham. "Our veterans deserve meaningful support for their service and sacrifice, and I'm proud to sign legislation that provides tangible benefits to them and their families."

LOW-INCOME PUBLIC UTILITY RATES MAKE IT THROUGH AND HEAD TO THE GOVERNOR



House Bill 91, Low-income Public Utility Rates, made it through the Legislative pipeline today when it passed the Senate on a 26-16 vote. It now heads to the governor's desk, and she will have until April 11 to sign or veto the bill.

The bill, sponsored by Rep. Tara Lujan (D-Santa Fe), allows the Public Regulation Commission (PRC) to approve low-income rates for gas and electric customers or other programs that can help low-income customers lower their home energy bills. According to sponsors, low-income consumers spend as much as 20% of their household income on utility bills. President Pro Tempore Sen. Mimi Stewart (D-Bernalillo) presented the bill today and fielded a few tough questions from Republicans opposed to the legislation.

Sen. Larry Scott (R-Chaves, Eddy & Lea): "Only in New Mexico would we develop public policies that increase utility rates on all of our ratepayers, including low-income customers. But the consequence of this piece of legislation will be to increase those rates on the folks that are actually paying their bills as opposed to the folks that are not."

"It's working in 20 other states," said Stewart. "I believe we want to do this in New Mexico, too."

The Chamber has supported this bill throughout the process as a short-term measure of necessity rather than a permanent way of life. Our long-term goal should be making New Mexico more competitive, attracting new businesses, and creating good, high-paying jobs in the private sector.

HOSPITAL MERGERS/ACQUISITIONS BILL REVIVED, EARLIER CONCERNS ADDRESSED



Bill on hospital mergers draws ire

Lobbyists say legislation granting more oversight authority to state insurance office would further harm already cash-starved facilities

By Daniel J. Chacón
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LEGISLATURE
THE 2025 SESSION

Acquisitions and mergers of hospitals in New Mexico by private equity companies would undergo increased oversight under legislation generating stiff opposition from some of the most powerful lobbyists in the Roundhouse.

In its first hearing Monday before the Senate Health and Public Affairs Committee, several lobbyists representing various interests, from the Greater Albuquerque Chamber of Commerce to Presbyterian Health Services, stood up to voice their opposition to Senate Bill 14.

The committee postponed a vote on the bill until Wednesday, partly because it ran out of time but also because the bill has been amended.

SB 14 creates a process for the state Office of Superintendent of Insurance to review acquisitions and mergers "that materially change the control of a New Mexico health-care entity and could negatively impact the availability, accessibility, affordability and quality of care for New Mexicans," according

Katy Duhigg

INSIDE

◆ Medicaid reform bill moves forward.
◆ House Democrats vow to tackle rising food costs.
◆ Legislative roundup with photos from the Capitol.

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Please see story on Page A-5

We told you earlier about Senate Bill 14, a misguided hospital mergers and acquisitions bill that was shelved in Senate Judiciary. That bill is back as House Bill 586, and has been amended for the better. HB 586, again sponsored by House Majority Leader Reena Szczepanski (D-Santa Fe) and Sen. Katy Duhigg (D-Bernalillo), passed the Senate floor today 28-12. Proponents of the bill used the "dummy bill" process we've told you about to resuscitate their proposal, though in a revised version.

Very serious hospital concerns were raised about the initial iteration of this legislation, which the Chamber shared. Legislators engaged directly with the hospital association to address those concerns in the new version, and hospital officials then dropped their opposition.

In short, the bill creates a process that allows the secretary of the Health Care Authority (HCA) to review proposed transactions (e.g., acquisitions, mergers) that materially change the control of a New Mexico health care entity.

The bill now heads to Gov. Michelle Lujan Grisham for her consideration.

SIGNING OFF FROM SANTA FE



Okay, we admit it. We've got this great big grin on our faces. We're just over the moon with the elimination of tax increases from the tax package. We sure hope the Senate stands firm in the conference committee and insists on a path forward sans reaching into the wallets of New Mexicans. We're down to the last day and a half, and other than perhaps a couple of quick committee meetings, the lion's share of the time will be spent on the floors of both chambers as we lurch, leap, grind and shuffle to *sine die* adjournment on Saturday at noon. We'll be back with you later this morning. Enjoy your breakfast!

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

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Legislative RoundUp

2025 Regular Session | Friday, March 21, 2025

57th Legislature | Day Fifty-Nine

BREAKING NEWS
March 21, 2025

BREAKING NEWS: Slimmed-Down Tax Package Gets Conference Committee OK

Following the House rejection of Senate amendments to House Bill 14, the so-called tax package, a conference committee was appointed to work out a compromise. The committee found a way to find $113 million in the existing budget without taxing the oil industry. The now $113 million package will fund these items:

- • Increase in the earned income tax credit exempting a family of three earning $70,000 or less from personal income taxes with an approximate cost of $75 million per year;
- • An exemption from gross receipts tax for medical services co-pays by patients;
- • A personal income tax credit for foster parents and guardians, the latter two items costing around $38 million.

A 20% tax increase is levied on wholesale liquor, but that money goes to the alcohol harms alleviation fund; therefore, it does not help pay for the tax reductions contained in the bill. Instead, they will be paid from the general fund starting with next year's budget. The Senate blocked the imposition of higher taxes on oil production and forced a budget reprioritization, which is prudent fiscal management.

Terri Cole, president and CEO of the Chamber, said, "We have stood firm against tax increases all session, and it paid off. We're disappointed to see the alcohol tax increase; however, this proposal is far superior to the original one contained in the House's tax package. Avoiding tax increases on the oil industry is good for New Mexicans and will help keep our state competitive." Stay tuned for more information in our upcoming edition of Legislative RoundUp.

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Legislative RoundUp

2025 Regular Session | Friday, March 21, 2025

57th Legislature | Day Fifty-Nine

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

SLIMMED-DOWN TAX PACKAGE SENT TO GOVERNOR WITH MINIMAL TAX INCREASE



Whew! After the Senate gutted the House Bill 14 tax package that was fueled by more than $130 million in new taxes, the House refused to concur on the Senate's amendments to the bill, setting up a six-person conference committee that ultimately produced a compromise that was accepted by both chambers, sending the measure to the governor.

The Chamber has stood firm all session in opposing any kind of tax increases. While we're disappointed in the tax increase on liquor, this legislation is much better than the original HB 14. We compliment the Senate on holding the line on the oil tax increase and insisting on a package that essentially requires some reprioritization of spending in the state's budget. It's a modest but affordable and fiscally responsible approach.

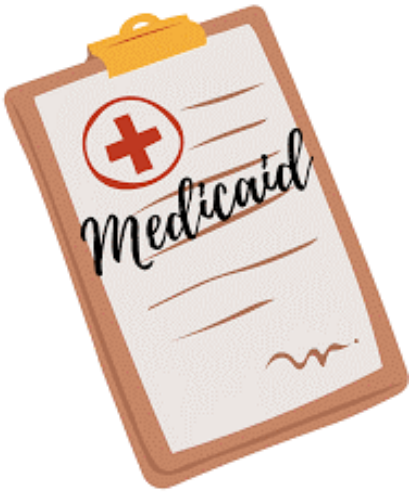
Here are some details on the Jenny Craig tax package:

- No increased tax on oil production
- A 20% tax increase on wholesale liquor, sending $10 million in revenues to the Tribal Alcohol Harms Alleviation Fund
- $113 million, to be funded from next year's budget, for:
    - o $250 per foster parent/guardian personal income tax credit - $8.8 million
    - o GRT exemption for co-insurance payments for medical services - $22.5 million

- o Increased earned income taxes structured such that taxpayers with a family of three earning $70,000 or less will pay no personal income tax - $81.7 million.

A conference committee consists of three senators and three representatives, customarily two from the majority party and one for the minority party. The committee produces a conference report, which is just an amended bill. Two members from each chamber must vote for a conference report for it to be adopted and sent to the respective chambers for final approval. The only choice each chamber has is either to vote for acceptance of the conference report or to reject it. Both the House and Senate must agree on exactly the same version of any bill before it can be sent to the governor. With this action, the Legislature has taken care of the fiscal trifecta - the budget, capital outlay and the tax package. Until next year, that's that.

HOUSE PASSES MEDICAID TRUST FUND, SENATE CONCURS, SENDS IT TO GOVERNOR



Friday on the House floor, representatives had a full slate of bills. One of them was Senate Bill 88, Medicaid Trust Fund, sponsored by Sens. George Muñoz (D-Cibola, McKinley & San Juan), William Sharer (R-San Juan), Pat Woods (R-Curry, Harding, Quay & Union), Elizabeth “Liz” Stefanics (D-San Miguel, Santa Fe, Torrance & Valencia) and Rep. Pamelya Herndon (D-Bernalillo). The bill creates a new Medicaid Trust Fund, which would be seeded with a $300 million appropriation from the general fund.

A Senate Finance Committee amendment to SB 88 adds a provision requiring money in the fund be appropriated to support the state Medicaid program if a reduction in federal Medicaid funding received by the state will cause a reduction in coverage or benefits below the levels provided as of the effective date of the act. There would be $300 million a year put into the fund until it gets to $2 billion, and then the state will stop putting money into it — this is when the fund starts to draw off of the interest and fund itself.

The Greater Albuquerque Chamber of Commerce has supported the bill through the session because it “aims at ensuring our state can sustain the Medicaid program regardless of whether or not there are federal reductions.”

A motion was made by Herndon for a “do-pass” vote as amended. The House floor voted 52-13 to move the bill back to the Senate for concurrence, where it was approved. It now heads up to the governor.

OH, FAIR NEW MEXICO! LEGISLATURE APPROVES FAIRGROUNDS DISTRICT ACT



After much discussion, it’s clear there is substantial interest in redeveloping the New Mexico State Fair property. On Friday night, the House floor heard Senate Bill 481, State Fairgrounds District Act, which calls for the creation of a state Tax Increment Development District (TIDD) that will implement a path forward in developing the 200-plus acres.

The bill is sponsored by Senate President Pro Tempore Mimi Stewart (D-Bernalillo) and was presented on the House floor by Rep. Janelle Anyanonu (D-Bernalillo) — who, like Stewart, also represents the district containing the state fairgrounds. Anyanonu said the plan is to create a district that captures the gross-receipts taxes generated on the real estate owned by the state, including gaming taxes generated from the racino, to ensure the money is spent there. A half-million-dollar request for proposal (RFP) was appropriated last year and has been issued by the General Services Department to develop a master plan for the area. “The legislation will allow for bonds backed by the gross receipts and gaming tax proceeds. If no bonds are issued, after four years, all monies will revert back to the general fund.”

Anyanonu said the bill does not decide if the fair should stay or move. “It doesn't authorize the sale of state land, and it does not cede state control any more than any other TIDD; because it is state land, the Legislature will have even greater control over that land than under a traditional TIDD.”

Rep. Jack Chatfield (R-Colfax, Curry, Harding, Quay, San Miguel & Union) questioned how much community input has been taken in planning for the project and if the Downs Racetrack and Casino will stay. Anyanonu said the community has been involved from the beginning. Understandably, she also didn’t know too much about a definite master plan because the RFP is still out, but the racino has a 20-year agreement.

The Chamber is a strong supporter of this legislation because when the area is revitalized, it will make those neighborhoods safer and increase home and property values. Moreover, revitalization will attract commercial/retail stores back to the area as well as construction of affordable housing. The Chamber also has confidence in the multiple safeguards in the bill against conflicts of interest. The board consists of mostly elected officials, and all proceedings of the board are done in the open, including written documents. The Board of Finance and the New Mexico Finance Authority must oversee and review the district’s proposals and approve them. Finally, before any bonds can be issued, the Legislature itself must approve. And, the district self-destructs in four years if progress has not been made.

Many Republicans continued to question whether there are enough safeguards built in to avoid conflicts of interest. Anyanonu said all the meetings of the newly formed governing board — which will be representatives of the district — of the district must adhere to all open meetings and records acts.

After an hour of debate, Anyanonu closed by saying “the International District and surrounding area has been an area affected by crime and (with this bill) we are actually taking some time and taking an opportunity to invest in this community in a real way for the first time in decades.”

The House floor gave a "do pass" to the bill, officially Senate Tax Business & Transportation

Committee Substitute for Senate Bill 481 as amended, by a vote of 39-26 along party lines. The bill now goes to the governor for her approval.

KEY UTILITY SITE READINESS BILL IS READY FOR THE GOVERNOR'S SIGNATURE



Friday on the House floor, Senate Bill 170, sponsored by Majority Whip Sen. Michael Padilla (D-Bernalillo) and Reps. Meredith A. Dixon (D-Bernalillo) and Joseph Franklin Hernandez (D-San Juan) passed the House 68-0, returning it to the Senate for concurrence on amendments. The Senate concurred later in the day, sending SB 170 to the governor.

The bill empowers the Public Regulation Commission to allow public utilities to recover prudent and reasonable costs for certain economic development projects, requires the Economic Development Department to certify projects will support reasonably anticipated economic development in the state and authorizes the PRC to issue expedited orders. This bill complements Senate Bill 169, site readiness.

The Chamber has supported the bill along its journey through the Legislature, saying it "allows New Mexico to do the literal groundwork necessary to be truly ready when economic development opportunities arise. Allowing public utilities to recover prudent and reasonable costs for certain economic development projects will encourage investment in future projects today."

WRONG-HEADED PREVAILING WAGE ON IRB PROJECTS IS NOW IN EXECUTIVE'S HANDS



We told you last night (it was actually early this morning) that Senate leaders would fast-track House Bill 6 IRB Prevailing Wage to the Senate Floor. The bill, co-sponsored by House Majority Floor Leader Rep. Reena Szczepanski (D-Santa Fe) and Senate President Pro Tempore Mimi Stewart (D-Bernalillo), was among the first bills voted on in the Senate on Friday morning. It was approved along party lines, 23 to 15, with Republicans voting against it. With no Senate amendments or substitutions, it is ready for the governor's yay or nay.

HB 6 requires paying prevailing wage rates on Industrial Revenue Bond (IRB) projects. Rep. Larry Scott (R-Chaves, Eddy & Lea) summed up the Chamber's feelings about this proposal, “This is bad public policy and will result in fewer public projects and fewer jobs if it is enacted.”

Stewart defended her bill, saying, “It will increase the cost, but not by that much. If they (developers and construction companies) don’t want to pay it, they don’t have to do their project.”

Bingo. That’s exactly what we’re worried about.

GOV.'S STRATEGIC WATER SUPPLY IS A GO



This morning the Senate approved House Bill 137, the Strategic Water Supply Act, on a 33-6 vote, sending it to the governor. The bipartisan bill, a priority for the governor, is sponsored by Rep. Susan Herrera (D-Rio Arriba, Sandoval, Santa Fe & Taos), Sen. George Muñoz (D-Cibola, McKinley & San Juan), Rep. Rod Montoya (R-San Juan), and Sen. Craig Brandt (R-Sandoval).

The bill accelerates the treatment and use of brackish (salty) water often found in deep aquifers. The town of Cuba, for example, is facing dire water shortages and is preparing to install a desalination (de-sal) plant. The bill is aimed at helping fund these kinds of projects and advance scientific work at New Mexico Tech and New Mexico State University. Tech is working on characterizing aquifers throughout the state - geological mapping to understand possible effects of tapping brackish aquifers. NMSU is working on how to improve treatment technology.

The Chamber has supported HB 137 from the beginning. We need the research and development as well as aquifer characterization provided in this legislation. We also need to get some projects off the ground. We’re glad to see this bill move up to the fourth floor today.

RACKETEERING BILL SEES NO OPPOSITION ON HOUSE FLOOR, HEADS TO GOVERNOR



As the House found its groove Friday morning, Senate Bill 70, Racketeering Act: 13 New and Additional Crimes, sponsored by Sen. Craig Brandt (R-Sandoval), received a “do-pass” recommendation from the House floor on a 60-0 vote.

The bill amends the Racketeering Act to include 11 additional crimes within the definition of “racketeering,” defines “criminal gang” and creates two felony crimes related to membership or participation in racketeering activities of criminal gangs and other enterprises. The bill — which had a committee substitute in the Senate Judiciary Committee — includes sexual exploitation of children, criminal sexual penetration, criminal sexual contact, dogfighting, bringing contraband into places of imprisonment and human trafficking. Cockfighting was added back to SB 70 as a crime that could be prosecuted as a RICO violation.

The Chamber strongly supports this legislation as “the bill would also target the leaders of such enterprises, specifically making it a crime to solicit or coerce another person, including a minor, into being a member of or working with their criminal enterprise, as well as financing or supervising racketeering activity.”

With the unanimous vote, SB 70 heads to the governor’s desk.

EMBEZZLEMENT PENALTY BILL FLIES OFF THE HOUSE FLOOR WITH A 64-0 VOTE



With less than a day left, representatives on the House floor got off to a rocket start Friday morning, hearing a full plate of bills. Senate Bill 155, Determination of Embezzlement Penalty, sponsored by Sen. Antonio “Moe” Maestas (D-Bernalillo), received no discussion or opposition, garnering a 64-0 vote from the House. With the approval, it heads to the governor’s desk.

The Chamber has supported this bill throughout its journey because it’s a common-sense measure that gives law enforcement and prosecutors an additional tool to go after embezzlers. Prosecutors would be able to aggregate crimes against any one victim, punishing all embezzlements within a one-year period as one crime, rather than treating each as a separate instance, and would aggregate the value of embezzled items to determine sentencing. This is much like the law on retail theft, which has worked because it goes after the repeat offenders and can raise the penalties imposed to a serious felony level.

The Chamber is thankful to see this get to the end.

BILL CLEANING UP DWI SENTENCING 'GOOD TIME' PASSES LAST LEGISLATIVE HURDLE



House Bill 102 Violent Felonies for Meritorious Deduction was presented on the Senate Floor today by Sen. Antonio "Moe" Maestas (D-Albuquerque). Retired District Attorney Rep. Andrea Reeb (R-Chaves, Curry & Roosevelt) carried this bill on the House side. It corrects an oversight in state law that gives more “good time” than intended to those in prison for killing someone as the result of a DWI.

This bill doesn’t stiffen penalties; that question was settled in 2016. Sen Harold Pope (D-Bernalillo) asked, “We already made the decision on the severity of this felony, this just sounds like clean-up on the statute?”

Maestas replied, “Senator, it really is. It’s just that. Cleanup.”

Sen. Shannon Pinto (D-McKinley and San Juan), asked, “What about self-driving vehicles?” Maestas paused a second, then said, “Madam Senator, the car would be eligible for good time.”

The bill passed with no opposition, and is taking a self-driving car up to the fourth floor.

SENATE MAKES AN 11TH-HOUR THIRD RUN AT FIXING 'HARM TO SELF AND OTHERS'



The phrase "If at first you don't succeed, try, try again" is a proverb that encourages perseverance and resilience, suggesting that repeated attempts are necessary to achieve success.

Last night we told you that Senate Bill 510 was transformed from its original form into a replica of Senate Bill 166, which gives judges more clarity in dealing with people facing serious behavioral health issues to the point they are a danger to themselves or others. We’re talking about those cases that can lead to serious harm and stories that shake our community. The original SB 166 was stuffed in a House “kill committee” and died. The House took this new effort and stuffed it into three kill committees, killing it yet again.

Today, a bipartisan coalition of senators once again took an existing bill, this time a House bill dealing with something completely unrelated, and amended the bill into, once again, a SB 166 carbon copy.

HB 149, Supported Decision-Making Act, creates an alternative to guardianships for adults with disabilities or who otherwise need help managing their affairs. The core of the bill is still there, but the bill now also includes the behavioral health solutions that the House has seemingly cratered twice. Today the Senate ultimately passed HB 149, with extra freight aboard, on a 37-1 vote.

This sets up the House for a difficult decision. Do members agree with the changes made by the Senate and make the behavioral health components law? Or do they vote down a bill that in its original form was championed by one of their members and successfully moved through the process to the very end? We'll find out in the next few hours.

There's a significant amount of maneuvering happening here. A handful of senators was critical of the process, complaining the Senate should honor the House's decision to not move what amounts to SB 166 forward. They said that they were elected by their constituents to represent them honorably and get a job done for them, and that their constituents wouldn't accept a tactic like this one.

Supporters of the behavioral health changes, including Senate Minority Leader Bill Sharer (R-San Juan), Sen. Antonio "Moe" Maestas (D-Bernalillo and sponsor of SB 166), and Sen. Katy Duhigg (D-Bernalillo) were unfazed. Sharer said, "We have people that clearly need help. How do we provide that? How do we help them? How do you help people in crisis? You can arrest them, take them to a judge, they'll be released, and they're still in crisis."

Basically, their interpretation is, "We were also elected by our constituents to get a job done. And our constituents want this Legislature to do something about helping our neighbors who are going through mental health issues."

Like we said, if at first you don't succeed, try try again. Let's hope this third time is the charm.

PROTECTING NEWBORNS EXPOSED TO DRUGS AMENDED, RETURNS TO SENATE



Friday evening, the House floor came back from break to hear Senate Bill 42, CARA Program requirements, sponsored by Majority Whip Sen. Michael Padilla (D-Bernalillo) and Minority Floor Leader Rep. Gail Armstrong (R-Catron, Sierra, Socorro & Valencia). The bill amends the Children's Code to provide new guidelines for Plans of Safe Care for newborns who exhibit symptoms consistent with prenatal drug exposure. The measure also transfers certain duties from the Children, Youth and Families Department to the Department of Health.

Over the course of its journey, the bill has had committee substitutes from both Senate Rules and Senate Judiciary. It now makes the Department of Health (DOH) the lead agency with more specific expectations about the roles and responsibilities of care coordination. It also makes DOH responsible for ensuring the completion of federally required reporting related to plans of safe care, developing an annual report related to the creation and implementation of plans of safe care for the Legislature, and delivering training. The bill also provides DOH with rule-making authority.

On the House floor, Majority Floor Leader Rep. Reena Szczepanski (D-Santa Fe) made an

amendment to the bill. The floor amendment strikes the House Judiciary Committee amendments that addressed electronic records retention by CYFD. It replaces them with new, slightly different, material relating to CYFD's electronic records. It also adds provisions to the guidelines for plans of safe care for newborns with symptoms of substance exposure; these provisions require that written plans of safe care be sent within 24 hours of discharge to the Indian tribe of a parent or caretaker of such a newborn who resides on tribal land, and require HCA to communicate and consult with an Indian child's tribe to ensure plans of safe care are developed in a culturally responsive manner for each child. The floor amendment also makes information concerning a party to an abuse or neglect proceeding confidential and closed to the public. Exceptions are made for release of redacted information for research or certain investigations, and release of all information for research or certain investigations in the case of a fatality.

These are new provisions on electronic records and retention:

- Employees of CYFD may not erase data from electronic devices issued by CYFD for communication related to their duties.
- By Jan. 1, 2026, CYFD shall implement a system (approved by DoIT) to back up all electronic records generated or received by CYFD employees daily.
- Records must be retained for at least seven years after an employee's termination.
- CYFD must back up retained records daily, monthly, and annually.

The Chamber has supported the bill along its journey because from the Legislative Finance Committee analysis, New Mexico isn't reaching mothers with substance abuse through the current system. The LFC data tells us that rates of newborns with substance-withdrawal symptoms in New Mexico have climbed to more than twice the national average. Yet only one in seven local families with substance-exposed newborns accepts referrals to addiction treatment. The Chamber also said in our Legislative Agenda we support measures to deliver "greater transparency and accountability to know the full extent of the problems with CYFD."

A motion was made for a "do pass" as amended, and with a vote of 59-2, the bill goes back to the Senate for concurrence.

HOUSE REJECTS SMART SCIENCE OF READING AMENDMENT, SENDS BILL BACK TO SENATE



Education in New Mexico is a hot-button issue. On Friday night, representatives on the House floor heard House Bill 167, Higher Ed Payment for Certain Tests, sponsored by Reps. Joy Garratt (D-Bernalillo), E. Diane Torres-Velásquez (D-Bernalillo) and Sen. Nicole Tobiassen (R-Bernalillo). The bill was back on the House floor after clearing the Senate — with changes.
The bill makes GED testing for adults free in New Mexico, and we'll admit it wasn't a bill we were watching closely. Until a couple days ago, that is. The Senate Finance Committee made some major amendments to the bill, basically building in an entire Science of Reading component.

Garratt said the original bill has been discussed for a long time by higher education to further the work of students who are now seeking a high school diploma. She said of the amendment from the Senate about structured literacy for prep programs has “been discussed quite a bit over the last two years; elementary teachers have been required to study structured literacy. The PED in October 2023 mandated that in October 2024, the education programs would teach the structured literacy system. So we've studied it, and we've learned about it. The specific bill to which the amendment was amended was not precisely studied during the interim.”

The Chamber has supported Senate Bill 242 Science of Reading Act throughout the session; that bill got bottled up in House Education. The Chamber has long been involved in efforts to help lift student achievement. Through all that work, going back almost two decades, we know how critically important learning to read is. It's one of the reasons we started the Albuquerque Reads program, staffed by volunteers reading to children helping them to love reading. The current method of teaching simply hasn't worked. After decades of research, including brain science, there has emerged effective strategies of teaching kids to read. It's said that the science of reading is the converging evidence of what matters and what works in literacy instruction. We believe this is the right direction.

During discussion, six representatives questioned the Senate amendments. Rep. Susan K. Herrera (D-Rio Arriba, Sandoval, Santa Fe & Taos) questioned the amendment from the Senate Finance Committee that added structured literacy because a “one-size-fits-all” approach doesn’t work for everyone. “I’m just trying to figure out how this all came about when we were just trying to get all our kids’ tests covered. I just think, frankly, we have sent other bills back in concurrence. We certainly sent a big tax bill back, and I think we don’t have to accept everything. I think we should vote for this to go back for debate with the Senate.”

A motion was made to accept the concurrence, and it failed on a vote of 16-45. The bill goes back to the Senate asking the body to recede from its amendments. We’ll keep an eye out on what happens to this bill next.

SCHOOL DISTRICT CELL PHONE POLICY BILL GETS ITS FINAL LEGISLATIVE OK



The Senate quickly concurred with a House amendment to Senate Bill 11, Anti-Distraction Policy in Schools, on a unanimous voice vote today. The final approval came quicker than you can order a Dion’s pizza on their app from your phone.

Phones have become an intractable part of our lives. But minimizing phone use in our classrooms can increase proficiency rates and minimize the mental health crisis plaguing our teenagers.

The bill has one mandate, a conversation in every single school district community to come up with a policy for that school district. We’re glad the signal connected for this bill every step of the way, and it’s headed to that fourth floor desk where our governor sits.

GOV. SIGNS OFFICE OF CHILD ADVOCATE

ACT, ADVANCING CYFD TRANSPARENCY



It’s no secret that Gov. Michelle Lujan Grisham has been on a very public mission to improve public safety as well as behavioral health laws in the state. On Friday, Lujan Grisham signed House Bill 5, Office of Child Advocate Act, sponsored by Rep. Pauline Abeyta (D-Bernalillo, Cibola, McKinley, San Juan, Socorro & Valencia) and House Speaker Javier Martinez (D-Bernalillo).

In short, the bill sets up an independent office to monitor the Children, Youth and Families Department, intervene when appropriate and provide much greater transparency about how well CYFD is protecting children and delivering services to the child and family. Amendments made on the Senate floor appear to have satisfied the governor’s concerns. However, before signing the bill, Lujan Grisham voiced sharp criticism of both lawmakers and Attorney General Raúl Torrez for pushing the bill in what she described as a political vendetta.

We would stay out of that fray and simply refer once again to the Chamber's Legislative Agenda, in which we advocated for reforms to ensure "greater transparency and accountability to know the full extent of the problems with CYFD." That is what matters to New Mexicans and the children entrusted to CYFD's care.

With the bill signed, the new Office of the Child Advocate will be created within the state Department of Justice in July. The director of that office will be appointed by the governor but be subject to Senate confirmation.

SIGNING OFF FROM SANTA FE



The picture says it all - pretty much the way everyone is feeling at this time of the night/morning. Not exactly bright-eyed and bushy-tailed. But, it's all over tomorrow at noon. As we write this, the House has recessed until 8:30 a.m. tomorrow and the Senate will come in at 8 a.m., although, they are still on the floor as we're wrapping up our newsletter for the night… er morning! We'll be bringing you one last Legislative Roundup later today (Saturday) with last-minute actions and a 30,000 foot look back at the first session of the 57th Legislature. Until then, thanks for being with us.

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

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Legislative RoundUp

2025 Regular Session | Saturday, March 22, 2025

57th Legislature | Day Sixty

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

TEARS AND WORDS AREN'T ENOUGH - NM NEEDS CRIMINAL JUSTICE REFORM NOW



When horrific mass shootings, like what just happened in Las Cruces, occur, we and all people of goodwill feel a personal loss and a personal fear. What if that had been my spouse, my child, my relative, my friend? We also tear up for the folks injured or killed and their families. Kind hearts grieve and express condolences and concern. That's appropriate, wonderful and caring - it's an expression of the very human sense of family and community that's been deeply violated, made deeply sorrowful. Sure, we go on with life, but somewhere in our souls is a lasting scar, a remembrance never to be forgotten.

Incidents like this, of gang shootings, of human trafficking and fentanyl deaths, occur across our communities way too often. All these violent crimes and more are a plague, a growing pestilence. It must stop, and that means more action on the part of the Legislature. The governor laid the facts plainly on the table:

"The devastating loss of officer Jonah Hernandez in Las Cruces last year, and now this mass shooting, underscore the Legislature's years-long failure to address the crime crisis shattering lives and communities in our state. New Mexicans are heartbroken, and they should also be outraged that their Legislature will adjourn today without having passed a single bill to address juvenile crime or ban assault weapons.Their inaction is appalling and unacceptable."

Chamber President and CEO Terri Cole offered this perspective: "Outrage is a good descriptor. Consider just this one key fact: there were two identical bills, one in the Senate and one in the House, that sought to toughen our treatment of juvenile offenders committing violent crimes, especially involving the use of guns. One bill never was heard at all in the Senate Judiciary Committee, and the other was given short shrift in its first and only hearing before the House Consumer and Public Affairs Committee. Ironically and tragically, both committee chairs are from Doña Ana County. For those that think the wave of violent crime is just an Albuquerque problem, think again."

Our justice system is badly broken. Excusing or ignoring violent behavior by rationalizing it as the result of young age, poverty, addiction or tough breaks in life just doesn't cut it. Yes, those are all contributing factors, but, at some point, people, including juveniles, are accountable for

their own behavior and have to pay the consequences of poor choices. There must be zero tolerance from juveniles and adults for violent behavior - zero. The No. 1 priority is safety of our loved ones. Bad guys have to pay the price. No excuses. No rationalization. No more.

CHAMBER'S WORK ON SCHOOL LEADERSHIP PAYS OFF - BILL HEADS TO THE GOVERNOR



GREATER ALBUQUERQUE CHAMBER OF COMMERCE

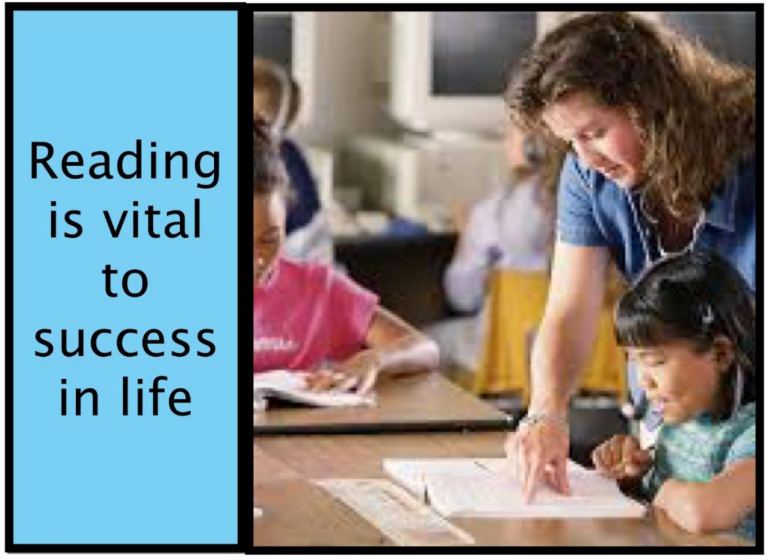
Education Research & Development, LLC

During Saturday's House floor session, representatives concurred with amendments made by the Senate on House Bill 157. The bill is sponsored by Reps. Joy Garratt (D-Bernalillo), Brian Baca (R-Valencia) and Raymundo Lara (D-Doña Ana), and it has as its goal achievement of nationally recognized best practices for principal (and superintendent) training, development and mentorship. A principal must lead a culture of learning, and with the right training and support, New Mexico can achieve a consistency of leadership. Turnover among principals is very high due to a number of factors, including lack of preparation for leadership and local support. Unfortunately, amendments added by the Senate effectively move the implementation of requirements for training and residency programs out so far into the future that it will do nothing between now and 2033.

The Chamber has long advocated for exactly this kind of change - and it was a key component of this year's Legislative Agenda - to "pass legislation to raise the standards for principal preparation in New Mexico, in alignment with best practices." Through a grant from the Thornburg and Los Alamos Laboratory foundations, in 2022 the Chamber engaged Education Research and Development, a nationally recognized group of experts, to prepare a report on school leadership, and many of those recommendations are included in HB 157. Read the report here.

The bill heads to the governor's desk.

PROVEN SCIENCE OF READING MAKES IT THROUGH GANTLET AS AN AMENDMENT



On Saturday morning, House Bill 156, Increase Teacher and Counselor Minimum Salaries, was given concurrence on the House floor.

The original bill, sponsored by Rep. Joy Garratt (D-Bernalillo) and Senate Pro Tempore Mimi Stewart (D-Bernalillo), amends the School Personnel Act to increase minimum salaries for Level 1 teachers to $55,000, for Level 2 teachers to $65,000 and for Level 3A teachers and counselors to $75,000. The Senate Finance Committee amended the bill to include a statutory requirement that the Science of Reading be taught in all collegiate teacher preparation training.

The Chamber has long been involved in efforts to help lift student achievement. Through all that work, going back almost two decades, we know how critically important learning to read is. It's one of the reasons we started the Albuquerque Reads program, staffed by volunteers reading to children helping them to love reading. The current method of teaching simply hasn't worked. After decades of research, including brain science, there has emerged effective strategies of teaching kids to read. It's said that the science of reading is the converging evidence of what matters and what works in literacy instruction. We believe this is the right direction.

The Chamber supported Senate Bill 242 Science of Reading Act throughout the session; in fact it is the first item on the K-12 Education/Student Learning section of our 2025 Legislative Agenda. Unfortunately, that bill got bottled up in House Education. The amendment to HB 156 means it will get to the governor's desk.

Two Tries Was the Charm - Second Reading Amendment Fails

On Saturday morning, the House received word from the Senate floor that the Senate receded from the same Science of Reading amendment to House Bill 167, Higher Ed Payment for Certain Tests. On Friday night, representatives didn't like the idea of including structured literacy instruction in this bill. After some negotiations (see article above), structured literacy was included in HB 156 and, therefore, the Senate agreed to take the same language out of HB 167 so it could proceed to the governor in its original form. The bill, which is sponsored by Reps. Joy Garratt (D-Bernalillo), E. Diane Torres-Velásquez (D-Bernalillo) and Sen. Nicole Tobiassen (R-Bernalillo), makes GED testing for adults free in New Mexico.

TRADE PORTS BILL CROSSES THE BRIDGE FROM LEGISLATURE TO GOVERNOR'S DESK



House Bill 19, Rep. Patty Lundstrom's (D-McKinley) Trade Ports Development Act, crossed the Legislative finish line in the countdown to the end of this year's session. We've been holding our breath because this is an important economic development bill that will help New Mexico get on the road to reaching its full potential.

HB 19 was heard in a quick Senate Finance Committee meeting squeezed in between Senate floor sessions last night. The committee worked in a few amendments that add additional guardrails to the bill, like an extra layer of approvals from the Board of Finance and a clawback provision enforced by the attorney general.

The bill was approved on the Senate floor 28-9 with less than an hour to go before *sine die*. Lundstrom wasted no time in getting the bill over to the House, where final concurrence with the Senate's changes sends the bill upstairs for the governor's action.

Sen. Roberto "Bobby" Gonzales (D-Los Alamos, Rio Arriba, Taos & Santa Fe) carried the legislation on the Senate floor and explained the bill to his colleagues, "This act creates the opportunity for the state to enter into a public-private partnership (PPP) agreement for the construction of a trade port. The purpose of this bill is to promote economic development through infrastructure projects. The bill allows the state to enter into up to 30-year agreements with private partners for trade, and trade port projects, and provides for taxpayer dollar protection."

The bill requires the state Board of Finance to review and give final approval of the PPP agreement by the Economic Development Department. Additional protections include requiring the attorney general to enforce clawbacks and preventing Economic Development Department staff from being hired by trade ports for two years following employment with the department. The bill also establishes an advisory committee composed of various agencies, secretaries and members appointed by the Legislature. The budget includes $50 million in the coming year's budget for this initiative.

In discussing the legislation, Minority Leader William Sharer (R-San Juan) said, "I'm looking at the map of New Mexico and I'm wondering where our port is. It doesn't look like we have any place to park a ship. I'm guessing these will be "inland ports."

He's right. Lundstrom believes in the power of this bill, and inland ports, to transform New Mexico from a nice place to drive through into a global player in economic trade. The goal is to make New Mexico more than just a bridge state. We have a built-in north-south corridor with the Santa Teresa Borderplex ready to maximize expansions of manufacturing plants in Mexico. We have the existing east-west corridors of Interstate 10 and Interstate 40 that are already getting goods to and from the West Coast and beyond. Communities from Bernalillo County, to Gallup and McKinley County, to Santa Teresa have recognized the opportunities in developing inland ports.

The Chamber fully agrees with Lundstrom and has been working with Bernalillo County on the Interstate 40 Inland Trade Port for some time; the county's economic development experts have amassed close to $40 million in funding for the project.

This is a significant economic development win for the state of New Mexico. It's a signature away from becoming reality, and is a job well done by Lundstrom and others.

BILL TO SET UP COLLEGE BUILDING FUND MAKES IT THROUGH, SENT TO GOVERNOR



House Bill 449, sponsored by Rep. Derrick Lente (D-Rio Arriba, Sandoval & San Juan), creates a statutory framework for a fund to support major academic and research projects at higher education institutions as well as student housing and student life projects, which are not currently eligible for funding through the statewide higher education capital outlay process. The bill was sent to the governor today.

According to the fiscal impact report, "general obligation (GO) bond capacity is insufficient to meet demand to replace and repair higher education facilities. Construction costs have risen steeply over the last several years and have far outpaced modest annual increases to general obligation bond capacity. From 2022 to 2024, requests for new construction projects from higher education institutions increased by 81% on a per-square-foot basis. General obligation bond capacity rose only 12% over the same period. This has made it increasingly difficult to fully fund new major construction in any single year."

This fund would be administered by the Higher Education Department and potentially filled with cash from reserves, abandoned capital outlay projects or other appropriations. It will create the mechanism to fund major projects like the UNM Medical School by transferring major dollars from reserves. Many other major higher education projects in New Mexico could benefit from this new fund. This might get us a step closer to identifying major higher education projects in New Mexico that are needed verses trying (unsuccessfully) to solve these major problems only through capital outlay. Thanks again to the oil and gas industry for pumping oil from the ground and cash into the state reserve coffers. What would we do without you?!

I'LL SEE YOU AND RAISE YOU ONE - MOVES TO UPDATE 'HARM TO SELF, OTHERS' GO BUST



As the session draws to a close, sometimes clever moves push a bill over the finish line. It's a

time-honored game of "now you see it, now you don't." The Senate tried several times to overcome the House's refusal to adopt legislation refining the definition of "harm to self and others." The update is in an attempt to slow the revolving door of crime and push people toward treatment and rehabilitation rather than a night in jail and a return to the streets to struggle with addiction or mental health issues. It's a reform the Chamber really supports.

But as the hours in the legislative hourglass drain away, there's not enough time to run a bill all the way through the parliamentary labyrinth. So, what to do? Hijack a bill from the opposite house and put your stuff in it. That way, you only have to return it to the other chamber for concurrence in amendments.

Here's a real-life example from this session: The Senate took House Bill 149 and put an amendment in to change the definition of "harm to self and others," passed the bill and sent it back to the House for concurrence (agreement) on amendments. The House said, "no thanks" "or words to that effect, and that killed "harm to self and others" for the session. (The Senate Judiciary Committee had made a similar move days earlier, subbing Senate Bill 510 with the "harm to self and others" legislation. When SB 510 crossed over, the House called that play and assigned it to three committees guaranteed to either kill it or burn up the time left in the session.)

And, just to underscore the point, the House said I'll see you and raise you one. Members amended Senate Bill 535 with something they wanted and served the bill back to the Senate for concurrence. Somewhat grudgingly, the Senate folded and agreed with the House amendments. Now you see it, now you don't.

SENATE CLOCK RUNS OUT ON VETO OVERRIDE TO ALLOW 4-DAY SCHOOL WEEKS



House Minority Leader Gail Armstrong represents the geographically largest district in the state, encompassing all or part of Catron, Sierra, Socorro and Valencia counties. It's pretty obviously a very rural district, where students often have to travel an hour or more one way to get to school. Consequently, several districts have opted for four-day rather than five-day school weeks. The Public Education Department, however, issued a firm requirement that school districts had to provide a minimum of 180 school days, thereby precluding four-day school weeks.

In response, Armstrong, a Republican, introduced House Bill 65 that leaves it up to local school boards to determine the school calendar. She points out that many of her four-day schools are outperforming most other schools in the state. The bill passed the House 64-0 and the Senate 38-0. Defending her education department, the governor vetoed HB 65. Today, the House voted to override the governor's veto 64-0. The Senate didn't get around to it - either due to lack of time or to shield the governor from an override. Done for this session.

END OF A SEASON ... END OF A SESSION ... MIXED RESULTS AND MIXED EMOTIONS



For any of us, the end of a season and the start of another brings mixed emotions of satisfaction, disappointment and hope. It's like loving the Super Bowl and hating the reality that it's a long time until football is back. But, the thought of green grass, the crack of the bat and wafting of roasting hot dogs lures us forward to another season. It's the same for folks deeply involved in a legislative session - there's the satisfaction of good things that happened, disappointment over those that didn't and hope for the next session. Here's our highlight reel from the first session of the 57th Legislature.



Terri Cole, president and CEO of the Greater Albuquerque Chamber of Commerce, along with the board of directors, has set our bottom-line mission as making New Mexico competitive. Her assessment is that "Ultimately, it was a 'mixed bag' session. There may be a few bright spots here and there, but anyone watching our session from the outside would not get a sense that we are a competitive place to grow a business. The Legislature did very little to improve New Mexico's competitiveness, that is to make New Mexico a superior state in which to raise a family, to work or to start and run a business."

In one of the most beautiful and culturally rich states, the brilliance of our quality of life is badly tarnished by a horrible problem of crime, a crippled health care system and an inadequate educational system wherein our children are not learning to read or do math. And, make no mistake, we must compete with other states if we are to grow our economy in a way that provides higher-paying jobs and more wealth for our citizens so that fewer and fewer live in poverty and struggle every day to make ends meet. Nothing ends poverty of mind, spirit and physical security like a good job.

SATISFACTION WITH THE GOOD THAT HAPPENED



Of course, "good" and "satisfaction" are dependent on where you stand. It's like a quarterback throwing an interception - bad for him, good for the free safety. In the business community, it's often what didn't happen that is good and brings satisfaction. Good for us, bad for the sponsor. And sometimes, vice versa, what passed is good and what didn't is bad. With that perspective in mind, here we go for a fly over the session in review.

PUBLIC SAFETY - A GOOD START, BUT...

Despite some claims to the contrary, the governor calling a special session last summer shone a bright light on the need for the Legislature to step up and deal with the crime plague. And on the good-news side, they passed some important legislation:

- The "public-safety package " which rolled six bills together dealing with shooting threats, auto theft, Glock switches, enhanced penalties for drug trafficking, revisions to criminal competency statutes and blood testing for drug and alcohol DUI.
- Adding heinous crimes like human trafficking, drug trafficking and criminal sexual penetration to the racketeering statute, allowing law enforcement and prosecutors to go after organized crime gangs and groups.
- "Stacking" embezzlement charges so that repeat offenders suffer felony penalties. It's similar to steps taken to fight retail theft - and those steps are working.
- Passage of various significant changes to the behavioral health system including a fund to ensure long-term support for behavioral health services.
- Significant reform in dealing with pre- and postnatal treatment of babies born exposed or addicted to controlled substances or alcohol.
- Establishing an independent watchdog agency to oversee CYFD services for children and families.
- Significant budget support for law enforcement and first-responder equipment, recruitment and training.

MORE WORK TO BE DONE

And on the bad-news side there's lawmakers:

- Totally refusing to deal with juvenile crime, the fastest-growing area of crime, especially when it comes to murder, illegal gun usage, auto theft, drug trafficking and "meanness" crimes like recording running over a bicycle rider and laughing while watching the video. It's sick.
- Refusing to enhance penalties for convicted felons carrying firearms - they're not supposed to have guns.
- Refusing to set statutory requirements for detaining convicted violent offenders pending trial for yet another crime. Judges aren't getting the job done, so it's high time to give them some help.
- Rejecting bills to better protect children such as declaring exposure of a child to controlled substances is child abuse.
- Turning down creation of a new crime titled "home invasion." It's beyond burglary when someone breaks into your home - it's stealing your peace of mind and sense of safety in your own home.
- And more, but you get the idea.

IT'S NOT HEALTH CARE IF YOU CAN'T GET AN APPOINTMENT

Far and away this is the biggest missed opportunity of the session. Essentially nothing got done to keep doctors and other health care professionals in our state nor to attract them to our state.

With twice the national average of medical malpractice awards, runaway malpractice insurance rates, settlements forced by threats of ridiculously high punitive damage claims and bevies of trial lawyers, many from out of state, standing in line for their shot at practicing here. It's no wonder doctors are leaving and avoiding practicing here in the first place.

All of the surrounding states have fair and reasonable caps on awards, lawyer fees and punitive damages. A very well-thought-out bill developed by Think New Mexico and sponsored by the Legislature's only doctor\ waited six weeks to get an appointment - er - hearing before the Senate Health and Consumer Affairs Committee pulled the plug on the bill with trial lawyers smiling in the background. And, if that weren't enough, here some other things that didn't get done, although there was plenty of legislation introduced:

- No increase in loan repayment assistance for health care professionals - it's not uncommon for a new doctor starting out to be dragging $300,000 or more in debt. New Mexico only grants up to $75,000 in loan repayment assistance - other states are well into the six figures.
- No GRT tax relief on charges for medical care services. This is especially bad in New Mexico where nearly half of our citizens are on Medicaid and reimbursement to doctors is below the cost of service to begin with, so adding tax exacerbates the problem. Other states have about 25% of their citizens on Medicaid compared to our 45%. Private insurance pays a lot better than Medicaid, so it doesn't take an advanced degree to figure out the economics. Medicaid is not only tough on doctors but also on hospitals that often are treating very serious conditions without adequate reimbursement. (The skinny tax package did provide for a GRT exemption on coinsurance charges paid by patients, but this doesn't do much, if anything, for doctors.)
- In a similar vein, nothing was done to increase tax credits for rural practitioners. If people in Albuquerque think medical care is inaccessible, try living in one of our small towns.
- Plaintiffs lawyers blocked efforts to join interstate compacts that would allow a variety of health care professions to practice here without having to undergo burdensome relicensing in our state. Health care workers would have to be in good standing in their own states and be subject to New Mexico's professional standard of care rules. This might attract some to move here or for spouses of military families to practice while on duty in our state. Moreover, telemedicine connections can be provided for consultations on complicated cases or to fill in when specialty knowledge is needed. Why the objection from plaintiffs lawyers? Because there is an immunity against litigation baked into the compacts.

A FEW RAYS OF SUNSHINE

The UNM School of Medicine did receive $30 million for the design and planning of a new medical school and renovation of the existing facility. That's good for UNM and for the docs we are trying to recruit to the school and to New Mexico. And the School of Pharmacy received $25 for renovation and upgrades. Also, a compromise bill acceptable to the industry was fashioned to govern hospital mergers and acquisitions.

BAD THINGS THAT DIDN'T HAPPEN

Very importantly, we and others stopped statutory establishment of nurse-to-patient ratios. While intended as a means to improve patient care, the likely result would be less available care given the workforce shortages. Fewer patients per nurse is a goal we'd all like to achieve. The problem is, more nurses can't be hired if they don't exist.

Another well-intended but potentially budget-busting and financially dangerous proposal is called "Medicaid Forward." This idea would basically result in everyone in the state (other than some veterans, Medicare patients and a few people still with private insurance) being on Medicaid. Medicaid is already the second-biggest portion of the state's general fund, trailing only public education. And, there are realistic concerns about federal cuts to Medicaid funding. State budget officials are deeply concerned about how they can pay for what we have now, much less adding thousands more recipients. And, if you're a doctor or hospital, the last thing you want to hear about is more Medicaid patients that Medicaid reimbursement won’t pay adequately for.

BUILDING A BUFFER AGAINST BUDGET CUTS

In response to potential federal budget cuts, legislators wisely created a Medicaid Trust Fund and deposited $100 million as a down payment for the goal of achieving a $1 billion fund corpus. It's a start, but it's a long-term proposition, not likely to help much in the short term. The concern over cuts is what has prompted the governor to potentially call a special session in the fall after the amount of cuts is known. Seems to us that a special session ought to do a lot more than just deal with Medicaid cuts. Rinse, repeat and see above.

BUILDING OPPORTUNITY THROUGH A STRONGER ECONOMY

It's a Mixed Bag...Let's Start with Some Good Things

It seems like there is finally a willingness to put some money into diversifying our economy, especially in high-tech industries and to bolster efforts to attract visitors, new businesses and improve the quality of life.

- The Tourism department received $18 million for national and international advertising; $8 million for the Roswell Air Show (which could turn into a new Balloon Fiesta); $2 million to market New Mexico as a good place to do business; and $2.5 million for the Route 66 centennial celebration along with a steady budget.
- The Economic Development Department received $6.7 million for JTIP and $70 million of ongoing funding for LEDA. With the passage of the trade port bill, the department will be overseeing $50 million to facilitate inland trade ports throughout the state. In addition meaningful appropriations were made to support bioscience and quantum technology, including $40 million to help secure federal grants. Another big win is funding and statutory structure of site-readiness preparation, including up-front utility service.
- Other projects and programs for economic development include high-tech worker support, entrepreneurship incubators, innovation hubs, trails and outdoor infrastructure, broadband funding and a statewide recreation center.
- Passage of the governor's strategic water plan is a first big step in addressing water availability. The focus is conversion of brackish water to fresh by funding projects and expanding research by NMSU and New Mexico Tech.
- The State Fair TIDD was placed in statute, enabling development of a master plan to look at all options for the future of the fair. The TIDD could issue up to $1 billion in bonds, subject to approval by state agencies and the Legislature. Many people look at the State Fair as an opportunity to redevelop a blighted area while finding a better, more expansive home for the fair. But that's prejudging the results of the master plan. There's a lot more discussion to be had on this subject.
- UNM athletics was given a boost in recurring funding, and money was appropriated to look into development of a new stadium.
- Funds were received to address local housing needs and recreation venues, including the Balloon Fiesta.

Stopping Some Bad Things from Happening Like...

The Obvious Assault on the Oil and Gas Industry

In concert with the New Mexico Oil and Gas Association (NMOGA), we worked hand-in-glove to push back against the extreme environmental and community organizer advocates that view the industry as bad for New Mexico despite its enormous financial contributions to the state and jobs it creates for New Mexicans. Legislation to mandate unworkable well setbacks, fees, fines and tax increases along with more regulation are all tools used by the opponents of energy development. The result of standing strong against these assaults was stopping 16 anti-industry bills and supporting four that were eventually lost but served as a platform of pro industry advocacy and education. The biggest victory of all was turning back a massive increase on oil excise taxes that would have sucked up over $400 million that otherwise could be invested in new well development and job creation. Lest we forget, this is the industry that supports nearly half of the state's general fund and, through various permanent funds, our schools.

A Costly Paid Family and Medical Leave Proposal

This bill has had more permutations than Michael Jordan has sneakers. Without going into all the details and nuances, the left sneaker featured six weeks of paid family medical leave accompanied by a $200-plus million payroll tax increase on employees and employers to pay for it. The right sneaker featured 12 weeks of unpaid leave and a $9,000 "refund" (we were never sure about what was being refunded) to parents at the birth, adoption or fostering of a child. This, too, cost about $200 million per year and was unfunded, leaving it up to future legislatures to figure out how to absorb the budget hit. Suggestions to pay for the program from the Early Childhood Trust Fund were not well received in important places, like the fourth floor of the Roundhouse.

Stopping New Taxes

Other than the increase to wholesale liquor taxes, efforts to increase corporate income taxes and the aforementioned oil excise tax were stopped. Equally important were turning back a herd of fees, fines and penalties. One disappointment was the inability to prevent tax lightning on multifamily housing properties. However, efforts to repeal the statewide ban on rent control were

nixed.

No Green Amendment or Zero Emissions Requirements

The Green Amendment would bake into the state's constitution a broad yet vague set of "rights" to clean air, water, land and a healthful environment. Who doesn't want that? In principle, no one - until the hounds of litigation are set loose on your business, resulting in paying lawyers becoming your new product line. Or worse yet, a business simply throws in the towel and moves to Texas. This bill was defeated.

In a similar vein, a proposed zero greenhouse gas emissions target (2050 levels of emissions measured against a 2005 baseline) would likely result, down the road, in onerous regulations that would affect every nook and cranny of our economy, not to mention our homes. It's not hard to imagine a complete ban on gasoline- or diesel-powered vehicles, a mandate to require all-electric homes or driving out businesses requiring high levels of heat for processing. This bill was also defeated.

Some Bad Things Did Happen, But Only a Few

- Legislation was sent to the governor to require payment of prevailing wages on IRB projects, which will increase the cost of already costly construction even more. New Mexico has trouble attracting private capital, and moves like this are detrimental.
- A "community benefits fund" was approved and sent to the governor to expend $240 million on poorly defined "community projects" that will address climate change. How the success or failure of this initiative will be measured is an open question probably because there isn't a way to do it. This is $240 million that coulda/shoulda funded multiple health care initiatives.

EDUCATION LOST IN THE LAND OF THE FORGOTTEN

We're beginning to get a sense that legislator/educators (and there are many) are bewildered about what to do next. The state has heaped money on schools, our teachers are among the highest paid in the region and student achievement improvements are not happening. Our kids' competency rankings in reading and math are the worst in the nation. Graduation rates are at the bottom, and school attendance has failed to rebound after COVID. Absenteeism is rampant. Despite free college, enrollment levels have fallen and are only beginning to tick upward a tad. Too often our college graduates leave the state for greener pastures elsewhere, leaving behind a declining and aging population.

Teacher unions have and continue to be a stumbling block on the path to improvement, resisting new methods of teaching reading and math. Only at the last minute was legislation salvaged to require the teaching of structured literacy in all teacher preparation courses. Perhaps looking for a scapegoat, a lot of time has been wasted blaming "education governance" for all the problems, the purported solution being to make a "back to the future" move to reinstate a failed system of a state school board and a state superintendent of public education.

In many ways, it's really not worth having an argument because the form of governance doesn't really matter. What matters is reaching kids with methods that result in learning to read and do math. It's about providing intensive tutoring where necessary. It's about lifting school leadership to higher levels of professionalism. In short, it's all about the kids and what kids need, not about adults fussing with governance structures.

Unfortunately, good legislation to do many of these student-oriented things went nowhere or was watered down. For example, increased principal and superintendent licensing requirements involving greater training and mentoring were pushed off until 2033. In eight years a child will go from kindergarten to eighth grade without the benefit of better-performing school leadership. Next to teachers, principals are the most important factor to boost school performance.

Fortunately, there was no adverse legislation to restrict charter school expansion. This, in and of itself, is amazing. Charter schools are very often the examples of how good education can be when the right ingredients of involved parents, quality faculty and strong school leadership are brought together. Also on the bright side is increased funding for, and credit recognition of, career technical training at the high school and junior college level gaining legislative support. CTE has proven to be a way to engage students looking to graduate with job skills to help support a family or because they have little interest in college preparatory instruction. Let's hope the bewilderment ends soon and we get back on track to making some bold moves to help kids learn.

WRAPPING UP THE WRAP-UP

It's been our honor to represent the business community in Santa Fe. We deeply appreciate the support of our membership, the leadership of our board of directors and the quality of our staff. To our faithful readers, our thanks for being with us on the journey through the first session of the 57th Legislature. And so, for one final time, thanks for being with us, and we'll look forward to bringing you all the news and views ... next year. Good night.

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

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