



NEW MEXICO LEGISLATURE

**ECONOMIC AND
RURAL
DEVELOPMENT AND
POLICY COMMITTEE**

2023 INTERIM FINAL REPORT

LEGISLATIVE COUNCIL SERVICE
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INTERIM SUMMARY

Economic and Rural Development and Policy Committee 2023 Interim Summary

The Economic and Rural Development and Policy Committee (ERDPC) was created by the New Mexico Legislative Council on May 1, 2023 for the 2023 interim. The committee met five times, twice at the State Capitol and thrice in communities around the state. The committee traveled to Albuquerque, Sunland Park, Las Cruces, Deming, Silver City, Taos and Los Alamos.

During the 2023 interim, the ERDPC focused on the impacts of and ways to support New Mexico industries, including film, cannabis, alcohol, nonprofits, agriculture, logging and restaurants. Possible methods of support included developing sites and real estate; expanding transportation infrastructure; and creating public funding sources, such as tax increment development districts, a catastrophic business relief fund and a public bank. The committee also discussed ways of strengthening the workforce, such as career and technical education; apprenticeships and fellowships; affordable housing; metropolitan redevelopment; paid family and medical leave; and programs for employees with disabilities.

Other topics explored by the committee included New Mexico ports of entry, industrial logistics, diversity in business, the economic development needs of New Mexico communities, diversification of energy and outdoor recreation. The committee also received updates from the Economic Development Department, New Mexico Finance Authority and Workforce Solutions Department.

The ERDPC endorsed five pieces of legislation: a bill related to railroad infrastructure development tax credits; a bill creating a catastrophic business relief loan program; a bill appropriating funds for a high school hospitality career program; a bill appropriating funds for rootstock and vines for new vineyards; and a joint memorial requesting New Mexico's congressional delegation to support construction of a rail line in the Four Corners region.

WORK PLAN AND MEETING SCHEDULE

**2023 APPROVED
WORK PLAN AND MEETING SCHEDULE
for the
ECONOMIC AND RURAL DEVELOPMENT AND POLICY COMMITTEE**

Members

Sen. Carrie Hamblen, Chair
Rep. Doreen Y. Gallegos, Vice Chair
Rep. Janelle Anyanonu
Rep. Gail Armstrong
Rep. Ambrose Castellano
Sen. Crystal R. Diamond
Sen. Ron Griggs
Sen. Siah Correa Hemphill
Rep. Joshua N. Hernandez
Rep. Jenifer Jones
Rep. Charlotte Little

Rep. Tara L. Lujan
Rep. Patricia A. Lundstrom
Sen. Antonio Maestas
Rep. Jimmy G. Mason
Sen. George K. Muñoz
Rep. Kristina Ortez
Sen. Cliff R. Pirtle
Rep. Linda Serrato
Sen. Benny Shendo, Jr.
Rep. Martin R. Zamora

Advisory Members

Rep. Eliseo Lee Alcon
Rep. Anthony Allison
Rep. Cynthia Borrego
Sen. William F. Burt
Sen. Katy M. Duhigg
Rep. Mark Duncan
Rep. Joy Garratt
Rep. Pamela Herndon
Rep. Susan K. Herrera
Rep. D. Wonda Johnson
Rep. Derrick J. Lente
Rep. Willie D. Madrid

Rep. Alan T. Martinez
Rep. Marian Matthews
Rep. Tanya Mirabal Moya
Rep. Rod Montoya
Rep. William "Bill" R. Rehm
Rep. Andrea Romero
Rep. Patricia Roybal Caballero
Sen. Joshua A. Sanchez
Sen. Elizabeth "Liz" Stefanics
Rep. Reena Szczepanski
Sen. Bill Tallman

Work Plan

The Economic and Rural Development and Policy Committee (ERDPC) was created by the New Mexico Legislative Council on May 1, 2023. During the 2023 interim, and as time permits, the ERDPC will discuss areas and specific issues affecting economic development and policy as follows.

Broadband and Economic Development

The committee will hear updates on:

A. broadband implementation progress made by the Office of Broadband Access and Expansion and the Connect New Mexico Council;

B. updates on broadband projects throughout New Mexico; and

C. internet coverage in rural areas.

Statewide and Local Economic Development Initiatives

The committee will hear updates from the Economic Development Department on:

A. currently available economic development incentives and programs developed from recently passed legislation;

B. the development, use and cost of the state's economic development incentives;

C. areas for improvement in different regions of the state, community outreach and legislative action;

D. improving New Mexico's ability to attract businesses; and

E. the economic development needs of rural New Mexico.

Issues Impacting Local and Small Businesses

The committee will discuss the following issues related to small business:

A. challenges and opportunities posed by and methods of prioritizing site readiness; and methods of reducing the cost of opening a small business;

B. new regulations and requirements regarding taxes, employees and sick leave;

C. workforce development, recruitment, training and employee retention, including competitive and affordable wages;

D. challenges to, successes of and opportunities for state assistance for minority and LGBTQ+ businesses;

E. methods of supporting employees with disabilities;

F. changes to the workforce and hiring post-COVID-19 pandemic;

G. the Catastrophic Business Relief Fund;

H. challenges facing labor and employers in New Mexico;

I. potential impacts of establishing a public bank;

J. hotel and mall renovation tax credits;

K. the COVID-19 pandemic's influence on small businesses and the impact of legislative action, including the Small Business Recovery and Stimulus Act;

L. the role of the gig economy in New Mexico;

M. reducing brain drain and retaining the next generation in New Mexico's workforce;

N. challenges and opportunities in New Mexico's medical economy for rural health care providers;

O. the economic impact of nonprofit organizations and mitigating the effects of minimum wage increases on nonprofit contracts;

P. the economic effects of affordable housing; and

Q. the types and impacts of tax increment development districts.

Updates from the Workforce Solutions Department

The committee will hear updates from the Workforce Solutions Department on:

A. programs for small businesses;

B. barriers that prevent employees from accessing unemployment benefits;

C. fiscal challenges faced by the department and possible avenues of legislative action;

D. paid family and medical leave;

E. the department's proposed Local News Fellowship Program;

F. unemployment fraud and recovery of overpaid unemployment insurance benefits during the COVID-19 pandemic; and

G. the effect of changes to federal work requirements for Supplemental Nutrition Assistance Program benefits.

Economic Impacts of Adult-Use Cannabis

The committee will hear:

A. reports from the Regulation and Licensing Department on the process of applying for different cannabis licenses and the number of licenses obtained;

B. how recreational cannabis businesses can benefit from statewide and regional resources;

C. challenges faced by the cannabis industry, such as banking oversight, legislative impacts, grower expansion and issuance of licenses;

D. a presentation on cannabis farming; and

E. using recreational cannabis revenue to fund state programs.

Opportunities Available for the Film Industry, the Outdoor Economy and Creative Industries

The committee will discuss:

A. the potential of the creative industries economy and the implementation of House Bill 8 (2023);

B. the economic impact and possible overpayment of film tax credits and ways to grow the industry and workforce throughout the state;

C. indigenous filmmaking and filming on tribal land; and

D. outdoor recreation opportunities and development throughout New Mexico.

Impact of Transportation Infrastructure on State and Local Economies

The committee will receive reports on:

A. New Mexico's ports of entry and their economic impacts to the state;

B. industrial logistics in the movement of goods via air, rail, truck and interstate;

C. the economic impact of short line railroads; and

D. the relationship between transportation infrastructure and tribal, state and local economies.

Farming and Livestock Industries as Economic Generators

The committee will receive updates on:

A. state meat inspectors assigned to the New Mexico Livestock Board;

B. reinstatement of a meat processing plant in eastern New Mexico;

C. the economic impact of drought on farming and ranching and technological methods of mitigation;

D. managing water resources for long-term economic well-being;

- E. the impact of veterinarian shortages on agriculture; and
- F. developing lumber microindustries in rural New Mexico.

Renewable Energy as an Economic Generator

The committee will hear presentations on:

- A. the development of a renewable energy industry and economy while transitioning from extractive industries and modernizing the grid;
- B. hydrogen production, including green hydrogen production in rural areas, pink hydrogen and blue hydrogen;
- C. renewable energy investment and needs assessment;
- D. the development of geothermal energy;
- E. fostering New Mexico's energy transmission economy; and
- F. implementation of the Energy Transition Act and the mitigation of economic effects on local economies.

Educational Institutions and Economic Development

The committee will hear presentations on:

- A. job training programs at community colleges throughout the state and how community colleges serve their regions;
- B. the Central New Mexico Community College Women in Trades program;
- C. the economic benefits of the medical field from New Mexico's medical schools;
- D. career and technical education in public schools;
- E. the impact of the Opportunity Scholarship; and
- F. collaborative efforts between the Higher Education Department, Workforce Solutions Department and the Health Care Authority Department to track and prepare students for employment trends.

Restaurant, Brewery and Distillery Industry Needs

The committee will discuss:

- A. the challenges and needs of the New Mexico wine industry;
- B. the challenges and successes of small distilleries and breweries; and
- C. the impacts of House Bill 255 (2021) on liquor licenses.

Economic Impact of Federal Installations

The committee will hear presentations on the economic impact of military bases and national laboratories on state and local economies.

**Economic and Rural Development and Policy Committee
2023 Approved Meeting Schedule**

<u>Date</u>	<u>Location</u>
June 21	Santa Fe
July 6-7	Albuquerque
August 28-30	Santa Teresa/Las Cruces
September 20-22	Silver City/Deming
October 11-13	Taos/Los Alamos/Santa Fe

AGENDAS AND MINUTES

**TENTATIVE AGENDA
for the
FIRST MEETING
of the
ECONOMIC AND RURAL DEVELOPMENT AND POLICY COMMITTEE**

**June 21, 2023
State Capitol, Senate Chamber
Santa Fe**

Wednesday, June 21

- 1:30 p.m. **Call to Order and Introductions**
—Senator Carrie Hamblen, Chair
—Representative Doreen Y. Gallegos, Vice Chair
- 1:50 p.m. (1) **[Proposed Work Plan, Meeting Schedule and Locations](#)**
—Senator Carrie Hamblen, Chair
- 3:15 p.m. **Public Comment**
- 3:30 p.m. **Adjourn**

**MINUTES
of the
FIRST MEETING
of the
ECONOMIC AND RURAL DEVELOPMENT AND POLICY COMMITTEE**

**June 21, 2023
State Capitol, Senate Chamber
Santa Fe**

The first meeting of the Economic and Rural Development and Policy Committee was called to order by Senator Carrie Hamblen, chair, on June 21, 2023 at 1:37 p.m. in the Senate Chamber of the State Capitol in Santa Fe.

Present

Sen. Carrie Hamblen, Chair
Rep. Doreen Y. Gallegos, Vice Chair
Rep. Janelle Anyanonu
Sen. Crystal R. Diamond
Sen. Ron Griggs
Rep. Joshua N. Hernandez
Rep. Charlotte Little
Rep. Tara L. Lujan
Rep. Patricia A. Lundstrom
Sen. George K. Muñoz
Sen. Benny Shendo, Jr.
Rep. Martin R. Zamora

Absent

Rep. Gail Armstrong
Rep. Ambrose Castellano
Sen. Siah Correa Hemphill
Rep. Jenifer Jones
Sen. Antonio Maestas
Rep. Jimmy G. Mason
Rep. Kristina Ortez
Sen. Cliff R. Pirtle
Rep. Linda Serrato

Advisory Members

Rep. Eliseo Lee Alcon
Rep. Cynthia Borrego
Rep. Susan K. Herrera
Rep. Alan T. Martinez
Rep. Marian Matthews
Rep. Tanya Mirabal Moya
Rep. Rod Montoya
Rep. William "Bill" R. Rehm
Rep. Andrea Romero
Rep. Patricia Roybal Caballero
Sen. Elizabeth "Liz" Stefanics
Sen. Bill Tallman

Rep. Anthony Allison
Sen. William F. Burt
Sen. Katy M. Duhigg
Rep. Mark Duncan
Rep. Joy Garratt
Rep. Pamelya Herndon
Rep. D. Wonda Johnson
Rep. Derrick J. Lente
Rep. Willie D. Madrid
Sen. Joshua A. Sanchez
Rep. Reena Szczepanski

Staff

Erin Bond, Researcher, Legislative Council Service (LCS)
D. Martin Fischer, Staff Attorney, LCS
Nicole Waguespack, Researcher, LCS

Guests

The guest list is in the meeting file.

Handouts

Handouts and other written testimony are in the meeting file and posted on the legislature's website.

References to Webcast

The time reference noted next to each agenda item in this document is cross-referenced to the webcast of the committee meeting, which can be found at www.nmlegis.gov, under the "Webcast" tab. The presentations made and committee discussions for agenda items can be found on the recorded webcast for this meeting.

Wednesday, June 21**Welcome and Introductions (1:37 p.m.)**

Senator Hamblen welcomed committee members to the first meeting of the interim and asked individual members of the committee to introduce themselves.

Proposed Work Plan, Meeting Schedule and Locations (2:29 p.m.)

Members of the committee discussed and amended the proposed work plan and meeting schedule for the committee during the 2023 interim.

On a motion made and seconded, and without any objections, the committee approved the proposed work plan and meeting schedule, as amended.

Public Comment (3:30 p.m.)

There was no public comment.

Adjournment

There being no further business before the committee, the meeting adjourned at 3:32 p.m.

Revised: July 5, 2023

**TENTATIVE AGENDA
for the
SECOND MEETING
of the
ECONOMIC AND RURAL DEVELOPMENT AND POLICY COMMITTEE**

**July 6-7, 2023
WORKforce Training Center
Central New Mexico Community College
5600 Eagle Rock Avenue NE
Albuquerque**

Thursday, July 6

- 10:00 a.m. **Call to Order and Introductions**
—Senator Carrie Hamblen, Chair
- 10:15 a.m. (1) [Welcome to Central New Mexico Community College \(CNM\)](#)
—Tracy Hartzler, President, CNM
- 10:30 a.m. (2) [Diversity in Business](#)
—Kristelle Siarza, Volunteer Executive Director, Asian Business Collaborative
—Ernie C'deBaca, President and Chief Executive Officer, Albuquerque Hispano Chamber of Commerce
—Cathryn McGill, Founder and Director, New Mexico Black Leadership Council
—Marvis Aragon, Jr., American Indian Chamber of Commerce of New Mexico
—TBD, New Mexico OUT Business Alliance (invited)
- 12:15 p.m. **Public Comment**
- 12:30 p.m. **Lunch**
- 1:30 p.m. (3) [Career and Technical Education in Albuquerque Public Schools](#)
—Tori Stephens-Shauger, Director, Career Technical Education, Career Connected Learning, Albuquerque Public School District
- 3:00 p.m. (4) [Local News Fellowship Program](#)
—Rashad Mahmood, Executive Director, New Mexico Local News Fund
—Mike Marcotte, Professor of Practice, Communication and Journalism Department, University of New Mexico; Principal Investigator, New Mexico Local News Fellowships and Internships Program

4:30 p.m. **Public Comment**

Friday, July 7

9:00 a.m. **Reconvene**

9:10 a.m. (5) **Underrepresented Populations in Trades and Apprenticeships**
—Tracy Hartzler, President, CNM
—Sharon Gordon-Moffet, Associate Dean, Skilled Trades and Arts, CNM
—Erin Johnson-Kruft, Senior Director, Employer and Industry Engagement,
 CNM
—Joan Day-Baker, Director, Political Affairs and Outreach, United
 Association Local Union 412

10:30 a.m. (6) **Update on New Mexico's Real Estate Development Process**
—Rhiannon Samuel, Executive Director, New Mexico Chapter of NAIOP
 (NAIOP NM)
—Toby Burke, Associate Vice President, State and Local Affairs, NAIOP
—Marla Shoats, Lobbyist, NAIOP NM

12:00 noon **Lunch**

1:00 p.m. (7) **Supporting Employees with Disabilities**
—Robin Garrison, Voting and Assistive Technology Team Lead and
 Advocate, Disability Rights New Mexico (DRNM)
—Bernadine Chavez, Director of Program Services, DRNM
—Casey Stone-Romero, Director, Vocational Rehabilitation Division,
 Public Education Department

3:00 p.m. **Adjourn**

**MINUTES
of the
SECOND MEETING
of the
ECONOMIC AND RURAL DEVELOPMENT AND POLICY COMMITTEE**

**July 6-7, 2023
WORKforce Training Center
Central New Mexico Community College
5600 Eagle Rock Avenue NE
Albuquerque**

The second meeting of the Economic and Rural Development and Policy Committee was called to order by Senator Carrie Hamblen, chair, on July 6, 2023 at 10:19 a.m. in the WORKforce Training Center of Central New Mexico Community College (CNM) in Albuquerque.

Present

Sen. Carrie Hamblen, Chair
Rep. Doreen Y. Gallegos, Vice Chair
Rep. Janelle Anyanonu (7/6)
Rep. Gail Armstrong
Sen. Ron Griggs
Sen. Siah Correa Hemphill
Rep. Joshua N. Hernandez
Rep. Charlotte Little (7/7)
Rep. Tara L. Lujan
Rep. Kristina Ortez

Absent

Rep. Ambrose Castellano
Sen. Crystal R. Diamond
Rep. Jenifer Jones
Sen. Patricia A. Lundstrom
Sen. Antonio Maestas
Rep. Jimmy G. Mason
Sen. George K. Muñoz
Sen. Cliff R. Pirtle
Rep. Linda Serrato
Sen. Benny Shendo, Jr.
Rep. Martin R. Zamora

Advisory Members

Rep. Anthony Allison (7/7)
Rep. Joy Garratt
Rep. Pamelya Herndon
Rep. Susan K. Herrera (7/6)
Rep. D. Wonda Johnson (7/6)
Rep. Alan T. Martinez
Rep. Marian Matthews
Rep. Tanya Mirabal Moya
Rep. Rod Montoya
Rep. William "Bill" R. Rehm
Rep. Patricia Roybal Caballero (7/6)
Sen. Elizabeth "Liz" Stefanics
Sen. Bill Tallman

Rep. Eliseo Lee Alcon
Rep. Cynthia Borrego
Sen. William F. Burt
Sen. Katy M. Duhigg
Rep. Mark Duncan
Rep. Derrick J. Lente
Rep. Willie D. Madrid
Rep. Andrea Romero
Sen. Joshua A. Sanchez
Rep. Reena Szczepanski

Guest Legislator

Sen. Linda M. Lopez

(Attendance dates are noted for members not present for the entire meeting.)

Staff

Erin Bond, Researcher, Legislative Council Service (LCS)
D. Martin Fischer, Staff Attorney, LCS
Nicole Waguespack, Researcher, LCS

Guests

The guest list is available in the meeting file.

Handouts

Handouts and other written testimony are in the meeting file and posted on the legislature's website.

References to Webcast

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Thursday, July 6**Welcome and Introductions (10:19 a.m.)**

Senator Hamblen welcomed committee members and guests to the meeting.

Welcome to CNM (10:20 a.m.)

Tracy Hartzler, president, CNM, welcomed the committee to the CNM campus and provided a brief overview of CNM programs and enrollment within their career technical education, or "trades", curriculum.

Diversity in Business (10:49 a.m.)

Kristelle Siarza, volunteer executive director, Asian Business Collaborative; Ernie C'deBaca, president and chief executive officer, Albuquerque Hispano Chamber of Commerce; Cathryn McGill, founder and director, New Mexico Black Leadership Council; and Marvis Aragon, Jr., executive director, American Indian Chamber of Commerce of New Mexico, introduced themselves and their respective organizations. Ms. Siarza advocated for funding an Asian cultural center to provide a gathering place for classes, functions and events and for the creation of an Asian commission to further the development of Asian businesses and existing organizations. Mr. C'deBaca addressed the importance of small businesses to the New Mexico economy. He emphasized the need to streamline regulations that prohibit the growth of small businesses, expand programs promoting development and increase collaboration between small business owners and the legislature. Ms. McGill, noting that less than one percent of New Mexico businesses are Black-owned, stressed the importance of workforce development and the collection of more comprehensive and accurate data on Black-owned businesses and employers. Mr. Aragon spoke about the Native Economic and Development Initiative focused on indigenous

business development, capacity building, access to capital, education and policy research. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=ERDPC&Date=7/6/2023&ItemNumber=2>.

Career and Technical Education in Albuquerque Public Schools (1:48 p.m.)

Tori Stephens-Shauger, director, Career Technical Education, Career Connected Learning, Albuquerque Public School District, presented an overview of the recently relaunched Career Connected Learning program designed to focus on quality programs of study and the delivery of deliberate educational guidance from elementary to high school. The presentation can be found here:

<https://www.nmlegis.gov/handouts/ERDPC%20070623%20Item%203%20CTE%20at%20APS%20talking%20points.pdf>.

Local News Fellowship Program (2:58 p.m.)

Rashad Mahmood, executive director, New Mexico Local News Fund, and Mike Marcotte, professor of practice, Communication and Journalism Department, University of New Mexico, presented information on the importance of local news and the success of the New Mexico Local News Fellowship and Internship Program. The fellowship/internship program is open to all New Mexico college graduates and pairs aspiring journalists with local news organizations. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=ERDPC&Date=7/6/2023&ItemNumber=4>.

Public Comment

There was no public comment.

Recess

The meeting recessed at 4:14 p.m.

Friday, July 7

Reconvene

The meeting reconvened at 9:11 a.m.

Underrepresented Populations in Trades and Apprenticeships (9:13 a.m.)

Ms. Hartzler; Sharon Gordon-Moffet, associate dean, Skilled Trades and Arts, CNM; Erin Johnson-Kruft, senior director, Employer and Industry Engagement, CNM; and Joan Day-Baker, director, Political Affairs and Outreach, United Association Local Union 412, presented information on workforce participation and barriers within the New Mexico trades.

Ms. Gordon-Moffet reviewed current CNM "skilled trades" funding and programs, growth among women participants and the success of the 2022 Women in Trades Summit and emphasized the need to overcome stigmas associated with women in trade professions. Ms.

Johnson-Kruft elaborated on CNM trade funding and highlighted recent CNM reorganization efforts to further support employee/industry partnerships and work-based learning opportunities. Ms. Day-Baker, noting efforts to support more apprenticeship training in rural and tribal communities, identified four challenges: access, funding, the availability of work and the lack of code enforcement. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=ERDPC&Date=7/6/2023&ItemNumber=5>.

Update on New Mexico's Real Estate Development Process (11:03 a.m.)

Marla Shoats, lobbyist, New Mexico Chapter of the National Association for Industrial and Office Parks (NAIOP); Rhiannon Samuel, executive director, New Mexico Chapter of NAIOP; and Toby Burke, associate vice president, State and Local Affairs, NAIOP, presented on commercial real estate development. The presenters discussed the permit review process and gave a brief description of recent legislation enacted in other states regarding that process. They stressed the need for predictable time-limit-based permitting procedures. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=ERDPC&Date=7/6/2023&ItemNumber=6>.

Supporting Employees with Disabilities (1:07 p.m.)

Bernadine Chavez, director of program services, Disability Rights New Mexico (DRNM); Robin Garrison, voting and assistive technology lead and advocate, DRNM; and Casey Stone-Romero, director, Vocational Rehabilitation Division, Public Education Department, provided a summary of resources and services provided by their organizations. Ms. Chavez and Ms. Garrison discussed the concept of "reasonable accommodation" for employees, emphasizing that it is an interactive process. Ms. Stone-Romero addressed student and adult service needs and employment services. The panelists all emphasized the importance of compliance with federal Americans with Disabilities Act of 1990 guidelines and their role in providing assistance to both employers and potential employees. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=ERDPC&Date=7/6/2023&ItemNumber=7>.

Adjournment

Senator Hamblen announced that legislation to be endorsed by the committee must be requested from the Legislative Council Service no later than the September 2023 meeting. There being no further business before the committee, the meeting adjourned at 2:19 p.m.

Revised: August 25, 2023

**TENTATIVE AGENDA
for the
THIRD MEETING
of the
ECONOMIC AND RURAL DEVELOPMENT AND POLICY COMMITTEE**

**August 28, 2023
Doña Ana Community College-Sunland Park Center
3365 McNutt Road
Sunland Park**

**August 29-30, 2023
Burrell College of Osteopathic Medicine
3501 Arrowhead Drive
Las Cruces**

Monday, August 28 — Doña Ana Community College-Sunland Park Center, Sunland Park

- 9:30 a.m. **Call to Order and Introductions**
—Senator Carrie Hamblen, Chair
- 9:40 a.m. (1) **[Welcome to Doña Ana Community College-Sunland Park](#)**
—Mónica Torres, Ph.D., President, Doña Ana Community College
- 10:30 a.m. (2) **[The Economic Impact of New Mexico Ports of Entry](#)**
—Jerry Pacheco, President, The Border Industrial Association; Executive
Director, International Business Accelerator
—Marco A. Grajeda, Executive Director, Border Authority
- 12:00 noon **Lunch**
- 1:00 p.m. (3) **[Industrial Logistics](#)**
—Dennis Melonas, Account Executive, Aries Worldwide Logistics
—Jose Guzman, District Manager, Aries Worldwide Logistics
- 2:15 p.m. (4) **[The Economic Impact of Short Line Railroads](#)**
—Raquel Espinoza, Senior Director, Public Affairs, Union Pacific
—Hildeberto Moreno, Director, Land Development and Sales, Ironhorse
Resources, Inc.
—Patrick J. Sandoval, Chief of Staff, Office of the President, Navajo Nation
—Arvin Trujillo, Executive Administrator, Office of the President, Navajo
Nation
—Mike Stark, County Manager, San Juan County

3:30 p.m. **Public Comment**

3:45 p.m. **Tour of The Border Industrial Association (Legislators Only)**

4:45 p.m. **Recess**

Tuesday, August 29 — Burrell College of Osteopathic Medicine (BCOM), Las Cruces

9:00 a.m. **Reconvene**

9:10 a.m. (5) **Welcome to and Economic Impact of BCOM**
—John Hummer, M.H.A., President and Chief Executive Officer (CEO),
BCOM

9:45 a.m. (6) **City of Las Cruces Metropolitan Redevelopment Areas and the
Catastrophic Business Relief Fund**
—Elizabeth Teeters, Director, Economic Development, City of Las Cruces
—Debbi Moore, President and CEO, Greater Las Cruces Chamber of
Commerce

11:00 a.m. (7) **Growing New Mexico's Film Industry**
—Amber Dodson, Director, New Mexico Film Office
—Shane Shariff, Economist, New Mexico Film Office

12:30 p.m. **Lunch**

1:30 p.m. (8) **Public Banking**
—Angela Merkert, Executive Director, Alliance for Local Economic
Prosperity
—Harold Dixon, Former President and CEO, State Employees Credit Union

3:00 p.m. (9) **Types and Impacts of Tax Increment Development Districts**
—Jennifer Garcia Kozlowski, Executive Director, Downtown Las Cruces
Partnership
—Susan Cabello, Director, Las Cruces Arts and Cultural District

4:30 p.m. **Public Comment**

4:45 p.m. **Recess**

Wednesday, August 30 — BCOM, Las Cruces

9:00 a.m. **Reconvene**

- 9:10 a.m. (10) [The Economic Impact of Nonprofit Organizations](#)
—Terra Winter, President and CEO, Community Foundation of Southern
New Mexico
—Dawn Hommer, President and CEO, Community Action Agency of
Southern New Mexico
—Lorenzo Alba, Jr., Executive Director, Casa de Peregrinos
- 10:30 a.m. (11) [Economics of Affordable Housing](#)
—Nicole Martinez, Executive Director, Mesilla Valley Community of Hope
—Natalie Green, Housing and Neighborhood Services, City of Las Cruces
- 12:00 noon **Public Comment**
- 1:00 p.m. **Tour of Baked Chicken Farm (Legislators Only)**
- 3:00 p.m. **Adjourn**

**MINUTES
of the
THIRD MEETING
of the
ECONOMIC AND RURAL DEVELOPMENT AND POLICY COMMITTEE**

**August 28, 2023
Doña Ana Community College-Sunland Park Center
3365 McNutt Road
Sunland Park**

**August 29-30, 2023
Burrell College of Osteopathic Medicine
3501 Arrowhead Drive
Las Cruces**

The third meeting of the Economic and Rural Development and Policy Committee was called to order by Senator Carrie Hamblen, chair, on August 28, 2023 at 9:44 a.m. at the Doña Ana Community College-Sunland Park Center in Sunland Park.

Present

Sen. Carrie Hamblen, Chair
Rep. Doreen Y. Gallegos, Vice Chair
Rep. Janelle Anyanonu (8/28, 8/29)
Rep. Gail Armstrong
Sen. Crystal Diamond Brantley
Sen. Ron Griggs (8/28, 8/29)
Rep. Charlotte Little
Rep. Jimmy G. Mason (8/28, 8/29)
Sen. Cliff R. Pirtle (8/30)
Sen. Benny Shendo, Jr.
Rep. Martin R. Zamora

Advisory Members

Rep. Eliseo Lee Alcon (8/28, 8/29)
Rep. Anthony Allison
Rep. Willie D. Madrid
Rep. Alan T. Martinez
Rep. Tanya Mirabal Moya
Rep. Rod Montoya (8/28, 8/29)
Rep. Patricia Roybal Caballero

Absent

Rep. Ambrose Castellano
Sen. Siah Correa Hemphill
Rep. Joshua N. Hernandez
Rep. Jenifer Jones
Rep. Tara L. Lujan
Rep. Patricia A. Lundstrom
Sen. Antonio Maestas
Sen. George K. Muñoz
Rep. Kristina Ortez
Rep. Linda Serrato

Rep. Cynthia Borrego
Sen. William F. Burt
Sen. Katy M. Duhigg
Rep. Pamelya Herndon
Rep. Susan K. Herrera
Rep. D. Wonda Johnson
Rep. Derrick J. Lente
Rep. Marian Matthews
Rep. William "Bill" R. Rehm
Rep. Andrea Romero
Sen. Joshua A. Sanchez
Sen. Elizabeth "Liz" Stefanics
Rep. Reena Szczepanski
Sen. Bill Tallman

Guest Legislator

Sen. Jeff Steinborn (8/29, 8/30)

(Attendance dates are noted for members not present for the entire meeting.)

Staff

Erin Bond, Researcher, Legislative Council Service (LCS)

D. Martin Fischer, Staff Attorney, LCS

Nicole Waguespack, Researcher, LCS

Guests

The guest list is in the meeting file.

Handouts

Handouts and other written testimony are in the meeting file and posted on the legislature's website.

References to Webcast

The time reference noted next to each agenda item in this document is cross-referenced to the webcast of the committee meeting, which can be found at www.nmlegis.gov, under the "Webcast" tab. The presentations made and committee discussions for agenda items can be found on the recorded webcast for this meeting.

Monday, August 28 — Sunland Park

Welcome and Introductions (9:44 a.m.)

The chair welcomed committee members and guests to the meeting.

Welcome to Doña Ana Community College-Sunland Park (9:48 a.m.)

Mónica Torres, Ph.D., president, Doña Ana Community College, welcomed the committee to the campus and provided an update on Doña Ana Community College, including its commitment to the community and opportunities and updates on its facilities, programs and students. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=ERDPC&Date=8/28/2023&ItemNumber=1>.

The Economic Impact of New Mexico Ports of Entry (10:48 a.m.)

Jerry Pacheco, president, The Border Industrial Association, and executive director, International Business Accelerator, spoke about New Mexico's growing exports and new border projects, buildings and developments. Marco A. Grajeda, executive director, Border Authority, and Julio A. Jimenez, deputy director, Border Authority, discussed the Border Authority's priorities of advancing key border infrastructure projects, expanding regional collaboration with

El Paso and Mexico and strengthening the Border Authority. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=ERDPC&Date=8/28/2023&ItemNumber=2>.

Approval of Minutes (1:13 p.m.)

Upon a motion made by Representative Gallegos and seconded by Representative Madrid, and without any objections, the committee approved the minutes of the June 21, 2023 meeting. Upon a motion made by Representative Gallegos and seconded by Representative Armstrong, the committee approved the minutes of the July 6-7, 2023 meeting.

Industrial Logistics (1:15 p.m.)

Dennis Melonas, account executive, Aries Worldwide Logistics, described Aries Worldwide Logistics, the services it offers and the industries it serves. The presentation can be found here:

<https://www.nmlegis.gov/handouts/ERDPC%20082823%20Item%203%20Aries%20Industrial%20Logistics.pdf>.

The Economic Impact of Short Line Railroads (2:07 p.m.)

Raquel Espinoza, senior director, Public Affairs, Union Pacific, spoke about the importance and influence of trains on New Mexico's economy. She also discussed Union Pacific's safety measures. Hildeberto Moreno, director, Land Development and Sales, Ironhorse Resources, Inc., described Ironhorse Resources, Inc.'s operations and new clients. Arvin Trujillo, executive administrator, Office of the President, Navajo Nation, and Mike Stark, county manager, San Juan County, spoke about how the Navajo Nation is evaluating a project that would build railroads to connect the Four Corners region and Navajo Nation to the BNSF Railway Company's freight rail network. They discussed the potential benefits and economic opportunities that the project could create. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=ERDPC&Date=8/28/2023&ItemNumber=4>.

Public Comment

There was no public comment.

Tour of the Border Industrial Association (3:45 p.m.)

Members of the committee and staff toured the Border Industrial Association.

Recess

The meeting recessed at 5:30 p.m.

Tuesday, August 29 — Las Cruces

Welcome to and Economic Impact of Burrell College of Osteopathic Medicine (BCOM) (9:20 a.m.)

John Hummer, M.H.A., president and chief executive officer (CEO), BCOM, welcomed the committee to the BCOM and discussed the BCOM's mission, performance and economic impact. The presentation can be found here:

<https://www.nmlegis.gov/handouts/ERDPC%20082823%20Item%205%20Impact%20of%20BCOM.pdf>.

City of Las Cruces Metropolitan Redevelopment Areas and the Catastrophic Business Relief Fund (10:23 a.m.)

Elizabeth Teeters, director, Economic Development, City of Las Cruces, and Debbi Moore, president and CEO, Greater Las Cruces Chamber of Commerce, spoke about the City of Las Cruces' efforts to develop and revitalize areas, including a storefront repair program, metropolitan redevelopment areas and a catastrophic business assistance program. Ms. Moore discussed the economic impact of small, local businesses and the importance of supporting them throughout the state. Jo Ann Garay, director, Small Business Development Center (SBDC), spoke about the SBDC's role in supporting small businesses, especially through the Catastrophic Business Assistance Program. The presentation can be found here:

<https://www.nmlegis.gov/handouts/ERDPC%20082823%20Item%206%20Metropolitan%20Redevelopment%20Areas%20and%20Catastrophic%20Business%20Relief%20Fund.pdf>.

Growing New Mexico's Film Industry (11:26 a.m.)

Amber Dodson, director, New Mexico Film Office, and Shane Shariff, economist, New Mexico Film Office, spoke about the film tax credit, the money spent and jobs created by productions and the general economic impact of film in New Mexico. The presentation can be found here:

<https://www.nmlegis.gov/handouts/ERDPC%20082823%20Item%207%20NM%20Film%20Office.pdf>.

Public Banking (1:34 p.m.)

Angela Merkert, executive director, Alliance for Local Economic Prosperity, spoke about the capital landscape and lending trends in New Mexico and a potential pilot program for a state bank. Harold Dixon, former president and CEO, State Employees Credit Union, detailed the potential pilot program. The presentation can be found here:

<https://www.nmlegis.gov/handouts/ERDPC%20082823%20Item%208%20AFLEP%20Public%20Banking.pdf>.

Public Comment (3:12 p.m.)

A list of individuals making public comment is available in the meeting file.

Types and Impacts of Tax Increment Development Districts (TIDDs) (3:17 p.m.)

Jennifer Garcia Kozlowski, executive director, Downtown Las Cruces Partnership, and Susan Cabello, director, Las Cruces Arts and Cultural District, gave an overview of TIDDs and examined the Las Cruces TIDD that was established in 2007. The presentation can be found here:

<https://www.nmlegis.gov/handouts/ERDPC%20082823%20Item%209%20Las%20Cruces%20TIDD.pdf>.

Recess

The meeting recessed at 4:30 p.m.

Wednesday, August 30 — Las Cruces

The Economic Impact of Nonprofit Organizations (9:13 a.m.)

Terra Winter, president and CEO, Community Foundation of Southern New Mexico (CFSNM), spoke about the mission and programming of the CFSNM and the economic impact of nonprofit organizations, the influence of COVID-19 on nonprofit organizations and the future outlook for nonprofit organizations. Dawn Hommer, president and CEO, Community Action Agency of Southern New Mexico (CAASNM), spoke about the mission of the CAASNM. Lorenzo Alba, Jr., executive director, Casa de Peregrinos, discussed the work of Casa De Peregrinos. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=ERDPC&Date=8/28/2023&ItemNumber=10>.

Economics of Affordable Housing (10:44 a.m.)

Nicole Martinez, executive director, Mesilla Valley Community of Hope, and Natalie Green, Housing and Neighborhood Services, City of Las Cruces, spoke about the economic impact of affordable housing and homelessness, Mesilla Valley Community of Hope's efforts and the state's housing needs. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=ERDPC&Date=8/28/2023&ItemNumber=11>.

Public Comment

There was no public comment.

Tour of Baked Chicken Farm (1:00 p.m.)

Members of the committee and staff toured the Baked Chicken Farm.

Adjournment

There being no further business before the committee, the meeting adjourned at 3:00 p.m.

Revised: September 19, 2023

**TENTATIVE AGENDA
for the
FOURTH MEETING
of the
ECONOMIC AND RURAL DEVELOPMENT AND POLICY COMMITTEE**

**September 20, 2023
D.H. Lescombes Winery and Tasting Room
7075 Highway 549 SE
Deming**

**September 21-22, 2023
J. Cloyd Miller Library Forum Area
Western New Mexico University
1000 West College Avenue
Silver City**

Wednesday, September 20 — Deming

- 10:00 a.m. **Call to Order**
 —Senator Carrie Hamblen, Chair
- 10:10 a.m. (1) **Economic Impact of the Restaurant Industry and Workforce Development Needs**
 —Genevieve Wertz, Culinary Arts Instructor, Deming High School
 —Kristen Thomson, Director of Government Affairs, New Mexico Restaurant Association
 —Carol Wight, Chief Executive Officer (CEO), New Mexico Restaurant Association
- 11:00 a.m. (2) **Overview from the New Mexico Wine Growers Association and New Mexico Distillers and Brewers**
 —Skye Morris-Devore, Government Relations, New Mexico Distillers Guild; Owner, Tractor Brewing Company and Troubled Minds Distilling
 —Chris Schaefer, Owner, Operator and Distiller, Dry Point Distillers
 —Christopher Goblet, Executive Director, New Mexico Wine and Grape Growers Association
- 12:30 p.m. **Lunch**
- 1:30 p.m. (3) **Update on House Bill 255 (2021)**
 —Phillip Sanchez, Director, Alcoholic Beverage Control Division, Regulation and Licensing Department

- 2:30 p.m. (4) [Site Readiness](#)
—Eric Montgomery, Legislative Committee Chair, New Mexico IDEA
—Representative Joshua N. Hernandez
- 3:30 p.m. **Tour of D.H. Lescombes Winery (Legislators Only)**
- 4:00 p.m. **Public Comment**
- 4:30 p.m. **Recess**

Thursday, September 21 — Silver City

- 10:00 a.m. **Reconvene**
- 10:10 a.m. (5) [Report from the New Mexico Finance Authority \(NMFA\)](#)
—Marquita Russel, CEO, NMFA
- 11:15 a.m. (6) [Update from the Economic Development Department \(EDD\)](#)
—Sara Gutierrez, Deputy Division Director, Economic Development
Division, EDD
- 12:30 p.m. **Lunch**
- 1:30 p.m. (7) [Developing Energy Grid Equity](#)
—Theresa Cardenas, Chief Operating Officer, Noble Renewables Group of
the West, LLC
—Selena Connealy, Ph.D., Associate Director, New Mexico Established
Program to Stimulate Competitive Research
—Priscilla Lucero, Executive Director, Southwest New Mexico Council of
Governments
- 3:00 p.m. (8) [Economic Development Needs of Rural New Mexico](#)
—Cassie Arias-Ward, Economic and Tourism Development Coordinator,
City of Deming
—Jacqui Olea, Community Development Director, Town of Silver City
—Christie Ann Harvey, Executive Director, Greater Luna County
Economic Opportunity Council
—Emily Gojkovich, Economic Development Specialist, City of Lordsburg
—Priscilla Lucero, Executive Director, Southwest New Mexico Council of
Governments
- 4:00 p.m. **Public Comment**
- 4:30 p.m. **Tour of Little Toad Creek Brewery and Distillery (Legislators Only)**
- 4:45 p.m. **Recess**

Friday, September 22 — Silver City

9:00 a.m. **Reconvene**

9:10 a.m. (9) **Forest Health and the Logging Industry**
—Andrew Ortiz, Owner, AOK Forestry, LLC
—Russell Laney, Owner, Timber Tramp Logging, LLC

10:30 a.m. (10) **New Mexico's Agrarian Economies**
—Anthony Parra, Deputy Secretary, New Mexico Department of
Agriculture
—Belinda Garland, Executive Director, New Mexico Livestock Board
—Travis Day, Executive Director, New Mexico Chile Association

12:00 noon **Public Comment**

12:15 p.m. **Adjourn**

**MINUTES
of the
FOURTH MEETING
of the
ECONOMIC AND RURAL DEVELOPMENT AND POLICY COMMITTEE**

**September 20, 2023
D.H. Lescombes Winery and Tasting Room
7075 Highway 549 SE
Deming**

**September 21-22, 2023
J. Cloyd Miller Library Forum Area
Western New Mexico University
1000 West College Avenue
Silver City**

The fourth meeting of the Economic and Rural Development and Policy Committee was called to order by Senator Carrie Hamblen, chair, on September 20, 2023 at 10:17 a.m. in the D.H. Lescombes Winery and Tasting Room in Deming.

Present

Sen. Carrie Hamblen, Chair
Rep. Doreen Y. Gallegos, Vice Chair (9/20, 9/21)
Rep. Gail Armstrong
Sen. Crystal Diamond Brantley (9/20, 9/22)
Sen. Ron Griggs
Sen. Siah Correa Hemphill (9/20)
Rep. Joshua N. Hernandez (9/20, 9/21)
Rep. Jenifer Jones (9/20, 9/21)
Rep. Charlotte Little
Rep. Tara L. Lujan
Sen. Benny Shendo, Jr. (9/20)
Rep. Martin R. Zamora

Advisory Members

Rep. Eliseo Lee Alcon
Rep. Anthony Allison
Rep. Mark Duncan
Sen. Bill Tallman (9/20)

Absent

Rep. Janelle Anyanonu
Rep. Ambrose Castellano
Rep. Patricia A. Lundstrom
Sen. Antonio Maestas
Rep. Jimmy G. Mason
Sen. George K. Muñoz
Rep. Kristina Ortez
Sen. Cliff R. Pirtle
Rep. Linda Serrato

Rep. Cynthia Borrego
Sen. William F. Burt
Sen. Katy M. Duhigg
Rep. Joy Garratt
Rep. Pamela Herndon
Rep. Susan K. Herrera
Rep. D. Wonda Johnson
Rep. Derrick J. Lente
Rep. Willie D. Madrid
Rep. Alan T. Martinez

Rep. Marian Matthews
Rep. Tanya Mirabal Moya
Rep. Rod Montoya
Rep. William "Bill" R. Rehm
Rep. Andrea Romero
Rep. Patricia Roybal Caballero
Sen. Joshua A. Sanchez
Sen. Elizabeth "Liz" Stefanics
Rep. Reena Szczepanski

Guest Legislator

Rep. Luis M. Terrazas (9/20, 9/21)

(Attendance dates are noted for members not present for the entire meeting.)

Staff

Erin Bond, Researcher, Legislative Council Service (LCS)
D. Martin Fischer, Staff Attorney, LCS
Nicole Waguespack, Researcher, LCS

Guests

The guest list is in the meeting file.

Handouts

Handouts and other written testimony are in the meeting file and posted on the legislature's website.

References to Webcast

The time reference noted next to each agenda item in this document is cross-referenced to the webcast of the committee meeting, which can be found at www.nmlegis.gov, under the "Webcast" tab. The presentations made and committee discussions for agenda items can be found on the recorded webcast for this meeting.

Wednesday, September 20 — Deming

Welcome and Introductions (10:17 a.m.)

Senator Hamblen welcomed committee members and guests to the meeting.

Economic Impact of the Restaurant Industry and Workforce Development Needs (10:20 a.m.)

Genevieve Wertz, culinary arts instructor, Deming High School, spoke about Deming High School's culinary arts program. Kristen Thomson, director of government affairs, New Mexico Restaurant Association, spoke about the economic impact and workforce development needs of the state's restaurant industry. Carol Wight, chief executive officer (CEO), New

Mexico Restaurant Association, detailed the National Restaurant Association Educational Foundation's New Mexico ProStart program's need for additional funding to provide a complete pipeline process from school to restaurant. The presentation can be found here:

<https://www.nmlegis.gov/handouts/ERDPC%20092923%20Item%201%20NMRA%20-%20Economic%20Impact%20and%20Workforce%20Development%20Needs.pdf>.

Overview from the New Mexico Wine Growers Association and New Mexico Distillers and Brewers (11:28 a.m.)

Skye Morris-Devore, government relations, New Mexico Distillers Guild, and owner, Tractor Brewing Company and Troubled Minds Distilling, and Chris Schaefer, owner, operator and distiller, Dry Point Distillers, discussed the economic impact of craft alcohol and opportunities for growth, especially in distributing outside of the state. Christopher Goblet, executive director, New Mexico Wine and Grape Growers Association, spoke about the Wine and Grape Growers Association and its recent events, the 2023 wine harvest and the economic impact of New Mexico wine. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=ERDPC&Date=9/20/2023&ItemNumber=2>.

Update on House Bill 255 (2021) (1:42 p.m.)

Phillip Sanchez, director, Alcoholic Beverage Control Division, Regulation and Licensing Department, provided an update on delivery, restaurant, dispenser, retailer and manufacturing licensing. The presentation can be found here:

<https://www.nmlegis.gov/handouts/ERDPC%20092023%20Item%203%20Alcoholic%20Beverage%20Control%20Division%20Licensing%20Update.pdf>.

Site Readiness (2:45 p.m.)

Eric Montgomery, legislative committee chair, New Mexico IDEA, and Cassie Arias-Ward, vice president, New Mexico IDEA, spoke about the readiness of real estate sites for business development and expected economic growth from developing ready real estate sites. Representative Hernandez spoke about using public lands to grow and attract businesses to New Mexico. The presentation can be found here:

<https://www.nmlegis.gov/handouts/ERDPC%20092023%20Item%204%20Site%20Readiness.pdf>.

Public Comment

There was no public comment.

Tour of D.H. Lescombes Winery (3:45 p.m.)

Members of the committee and staff toured the D.H. Lescombes Winery.

Recess

The meeting recessed at 4:30 p.m.

Thursday, September 21 — Silver City**Reconvene**

The meeting reconvened at 10:12 a.m.

Report from the New Mexico Finance Authority (NMFA) (10:13 a.m.)

Marquita Russel, CEO, NMFA, discussed the NMFA, its programs and the small business capital landscape in New Mexico. The presentation can be found here:

<https://www.nmlegis.gov/handouts/EDRPC%20092023%20Item%205%20Report%20from%20NMFA.pdf>.

Update from the Economic Development Department (EDD) (11:33 a.m.)

Sara Gutierrez, deputy division director, EDD, spoke about the Job Training Incentive Program, the Main Street America Coordinating Program, the Creative Industries Division, the Local Economic Development Act and other programs and units of the EDD. The presentation can be found here:

<https://www.nmlegis.gov/handouts/ERDPC%20092023%20Item%206%20Economic%20Development%20Department.pdf>.

Welcome to Western New Mexico University (WNMU) (1:36 p.m.)

Joseph Shepard, Ph.D., president, WNMU, welcomed the committee and provided an update on WNMU.

Developing Energy Grid Equity (1:45 p.m.)

Selena Connealy, Ph.D., associate director, New Mexico Established Program to Stimulate Competitive Research (EPSCoR), spoke about EPSCoR's research into improving the energy grid. Theresa Cardenas, chief operating officer, Noble Renewables Group of the West, LLC, spoke about a town hall outreach project involving discussions and sessions in seven different settings across New Mexico and the adoption of recommendations to the legislature. Priscilla Lucero, executive director, Southwest New Mexico Council of Governments, spoke about the project's recommendations. The presentation can be found here:

<https://www.nmlegis.gov/handouts/ERDPC%20092023%20Item%207%20Energy%20Grid%20Equity.pdf>.

Economic Development Needs of Rural New Mexico (3:17 p.m.)

Jacqui Olea, community development director, Town of Silver City, spoke about Silver City's overall economic situation, projects and events. Cassie Arias-Ward, economic and tourism development coordinator, City of Deming, discussed Deming's economic development,

strengths and future opportunities. Christie Ann Harvey, executive director, Greater Luna County Economic Opportunity Council, spoke about the economic development challenges and needs of Luna County. Emily Gojkovich, economic development specialist, City of Lordsburg, spoke about Lordsburg's economic development needs and projects. Ms. Lucero spoke about entrepreneurship and economic development projects in southwest New Mexico. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=ERDPC&Date=9/20/2023&ItemNumber=8>.

Public Comment

There was no public comment.

Tour of Little Toad Creek Brewery and Distillery (4:30 p.m.)

Members of the committee and staff toured Little Toad Creek Brewery and Distillery.

Recess

The meeting recessed at 5:00 p.m.

Friday, September 22 — Silver City

Reconvene

The meeting reconvened at 9:21 a.m.

Forest Health and the Logging Industry (9:22 a.m.)

Andrew Ortiz, owner, AOK Forestry, LLC, and Russell Laney, owner, Timber Tramp Logging, LLC, spoke about the logging industry, forest management and forest health.

New Mexico's Agrarian Economies (10:39 a.m.)

Anthony Parra, deputy secretary, New Mexico Department of Agriculture, spoke about the state's agriculture industry and the New Mexico Department of Agriculture's Healthy Soil Program and 2024 legislative priorities. Belinda Garland, executive director, New Mexico Livestock Board, discussed the state's meat and poultry inspection program. Travis Day, executive director, New Mexico Chile Association, detailed New Mexico's chile harvests and issues facing the industry. The presentation can be found here:

<https://www.nmlegis.gov/handouts/ERDPC%20092023%20Item%2010%20Ag%20Update.pdf>.

Public Comment

There was no public comment.

Adjournment

There being no further business before the committee, the meeting adjourned at 12:06 p.m.

Revised: October 10, 2023

**TENTATIVE AGENDA
for the
FIFTH MEETING
of the
ECONOMIC AND RURAL DEVELOPMENT AND POLICY COMMITTEE**

**October 11, 2023
Bataan Hall
University of New Mexico-Taos
120 Civic Plaza Drive
Taos**

**October 12, 2023
City Council Chambers
Los Alamos County Municipal Building
1000 Central Avenue
Los Alamos**

**October 13, 2023
State Capitol, Senate Chamber
Santa Fe**

Wednesday, October 11 — Taos

- 10:00 a.m. **Call to Order**
—Senator Carrie Hamblen, Chair
- 10:10 a.m. (1) **[Update on New Mexico's Cannabis Industry](#)**
—Todd Stevens, Director, Cannabis Control Division, Regulation and
Licensing Department
—Ben Lewinger, Executive Director, New Mexico Cannabis Chamber of
Commerce
—Dillon Gross, Chief Executive Officer (CEO), Taos Canyon Cannabis
Company
—Tony Martinez, CEO, Lava Leaf Organics
- 11:30 a.m. (2) **[Indigenous Filmmaking](#)**
—Ramona Emerson, Co-Owner, Reel Indian Pictures
—Kelly Byars, Co-Owner, Reel Indian Pictures
—Geoff Kie, Owner, Geoff Kie Productions
—Peter Romero, Stage Manager, Camel Rock Studios
- 12:30 p.m. **Lunch**

- 1:00 p.m. (3) [Update from the New Mexico Bioscience Authority](#)
—Stephanie Tofighi, Executive Director, New Mexico Bioscience Authority
—Paul Laur, Member, New Mexico Bioscience Authority; Chief Operating Officer, Mercury Bio
- 2:00 p.m. (4) [Developing Geothermal Energy](#)
—Senator Gerald Ortiz y Pino
—Tom Solomon, Electrical Engineer and Facilitator, Geothermal Development Working Group; Co-Coordinator, 350 New Mexico
—Shari Kelley, Ph.D., Senior Geophysicist and Field Geologist, Bureau of Geology and Mineral Resources, New Mexico Institute of Mining and Technology
- 3:00 p.m. (5) [Distributed Energy Resources](#)
—Jim DesJardins, Executive Director, Renewable Energy Industries Association of New Mexico
- 4:00 p.m. (6) [Economic Development in Taos](#)
—Christopher Larsen, Director, Planning, Community and Economic Development, Town of Taos
—Ilona Spruce, Tourism Director, Pueblo of Taos
—Anthony Duran, Preservation Director, Pueblo of Taos
- 5:00 p.m. **Public Comment**
- 5:10 p.m. **Recess**

Thursday, October 12 — Los Alamos

- 9:00 a.m. **Reconvene**
- 9:10 a.m. (7) [Welcome to Los Alamos County](#)
—Steven Lynne, County Manager, Los Alamos County
- 9:30 a.m. (8) [Update from the Workforce Solutions Department \(WSD\)](#)
—Sarita Nair, Secretary, WSD
- 11:15 a.m. (9) [Paid Family and Medical Leave](#)
—Tracy McDaniel, Policy Advocate, Southwest Women's Law Center
—Sarita Nair, Secretary, WSD
—Representative Christine Chandler
—Representative Linda Serrato
- 1:00 p.m. **Lunch**

- 2:00 p.m. (10) [Outdoor Recreation in Los Alamos County](#)
—Anne Laurent, Deputy County Manager, Los Alamos County
—James Glover, Founder and Co-Director, endeavorOR New Mexico
- 3:00 p.m. (11) [Addressing Food Insecurity in New Mexico](#)
—Katy Anderson, President, New Mexico Association of Food Banks;
Chief Programs Officer, Roadrunner Food Bank
—Sherry Hooper, Executive Director, The Food Depot

4:00 p.m. **Public Comment**

4:15 p.m. **Recess**

Friday, October 13 — Santa Fe

9:00 a.m. **Reconvene**

- 9:10 a.m. (12) [Perspectives on Public Banking](#)
—Ryan Marie Decker, Policy and Capital Strategist, New Mexico Finance Authority (NMFA)
—Marquita Russel, CEO, NMFA (remote)
—Chris Moya, President and CEO, Independent Community Bankers Association of New Mexico
—John Anderson, Executive Vice President, New Mexico Bankers Association
—Jay Jenkins, CEO, CNB Bank (remote)
—Jason Wyatt, CEO, Western Commerce Bank (remote)
—Alan Shettlesworth, President and CEO, Main Bank
—Doug Stone, Executive Vice President, JP Stone Community Bank
—Melia Heimbeck, President and CEO, Credit Union Association of New Mexico
—Angela Merkert, Executive Director, Alliance for Local Economic Prosperity

11:30 a.m. (13) [Consideration of Legislation for Endorsement](#)

12:00 noon **Public Comment**

12:30 p.m. **Adjourn**

**MINUTES
of the
FIFTH MEETING
of the
ECONOMIC AND RURAL DEVELOPMENT AND POLICY COMMITTEE**

**October 11, 2023
Bataan Hall
University of New Mexico-Taos
120 Civic Plaza Drive
Taos**

**October 12, 2023
City Council Chambers
Los Alamos County Municipal Building
1000 Central Avenue
Los Alamos**

**October 13, 2023
State Capitol, Senate Chamber
Santa Fe**

The fifth meeting of the Economic and Rural Development and Policy Committee was called to order by Senator Carrie Hamblen, chair, on October 11, 2023 at 10:35 a.m. at Bataan Hall at the University of New Mexico-Taos in Taos.

Present

Sen. Carrie Hamblen, Chair
Rep. Doreen Y. Gallegos, Vice Chair
Rep. Janelle Anyanonu
Rep. Gail Armstrong (10/11)
Rep. Charlotte Little
Rep. Tara L. Lujan (10/12, 10/13)
Rep. Patricia A. Lundstrom (10/13)
Rep. Jimmy G. Mason (10/12, 10/13)
Rep. Kristina Ortez (10/11, 10/12)
Rep. Linda Serrato (10/12)
Rep. Martin R. Zamora

Advisory Members

Rep. Eliseo Lee Alcon (10/11, 10/12)
Rep. Anthony Allison
Rep. Cynthia Borrego (10/13)
Rep. Mark Duncan
Rep. Pamela Herndon (10/12)
Rep. D. Wonda Johnson (10/11, 10/12)

Absent

Rep. Ambrose Castellano
Sen. Crystal Diamond Brantley
Sen. Ron Griggs
Sen. Siah Correa Hemphill
Rep. Joshua N. Hernandez
Rep. Jenifer Jones
Sen. Antonio Maestas
Sen. George K. Muñoz
Sen. Cliff R. Pirtle
Sen. Benny Shendo, Jr.

Sen. William F. Burt
Sen. Katy M. Duhigg
Rep. Joy Garratt
Rep. Susan K. Herrera
Rep. Derrick J. Lente
Rep. Willie D. Madrid

Rep. Rod Montoya
Sen. Elizabeth "Liz" Stefanics (10/12)
Sen. Bill Tallman (10/12)

Rep. Alan T. Martinez
Rep. Marian Matthews
Rep. Tanya Mirabal Moya
Rep. William "Bill" R. Rehm
Rep. Andrea Romero
Rep. Patricia Roybal Caballero
Sen. Joshua A. Sanchez
Rep. Reena Szczepanski

Guest Legislators

Rep. Christine Chandler (10/12)
Sen. Roberto "Bobby" J. Gonzales (10/11)
Sen. Linda M. López (10/12)
Sen. Gerald Ortiz y Pino (10/11)
Sen. Nancy Rodriguez

(Attendance dates are noted for members not present for the entire meeting.)

Staff

Erin Bond, Researcher, Legislative Council Service (LCS)
D. Martin Fischer, Staff Attorney, LCS
Nicole Waguespack, Researcher, LCS

Minutes Approval

Because the committee will not meet again this year, the minutes for this meeting have not been officially approved by the committee.

Guests

The guest list is in the meeting file.

Handouts

Handouts and other written testimony are in the meeting file and posted on the legislature's website.

References to Webcast

The time reference noted next to each agenda item in this document is cross-referenced to the webcast of the committee meeting, which can be found at www.nmlegis.gov, under the "Webcast" tab. The presentations made and committee discussions for agenda items can be found on the recorded webcast for this meeting.

Wednesday, October 11 — Taos

Welcome and Introductions (10:35 a.m.)

Senator Hamblen welcomed committee members and guests to the meeting.

Update on New Mexico's Cannabis Industry (10:41 a.m.)

Todd Stevens, director, Cannabis Control Division, Regulation and Licensing Department, provided an update on cannabis sales, compliance and licensing, in addition to proposing legislative ideas. Ben Lewinger, executive director, New Mexico Cannabis Chamber of Commerce, discussed a historical time line of cannabis in the state, an overview of the industry, legislative priorities and future policy considerations. Dillon Gross, chief executive officer (CEO), Taos Canyon Cannabis Company, and Tony Martinez, CEO, Lava Leaf Organics, spoke about the experience of small cannabis companies and the challenges they have faced. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=ERDPC&Date=10/11/2023&ItemNumber=1>.

Indigenous Filmmaking (12:19 p.m.)

Geoff Kie, owner, Geoff Kie Productions, spoke about his experience as a filmmaker and an owner of a film production studio. Ramona Emerson, co-owner, Reel Indian Pictures, and Kelly Byars, co-owner, Reel Indian Pictures, discussed the challenges and opportunities for Native Americans and tribal communities in film. Peter Romero, stage manager, Camel Rock Studios, spoke about Camel Rock Studios and the discrepancies in film tax incentives.

Update from the New Mexico Bioscience Authority (1:34 p.m.)

Stephanie Tofighi, executive director, New Mexico Bioscience Authority, and Paul Laur, member, New Mexico Bioscience Authority, and chief operating officer, Mercury Bio, presented on the projects and organization of the New Mexico Bioscience Authority and made a request for funding. The presentation can be found here:

<https://www.nmlegis.gov/handouts/ERDPC%20101123%20Item%203%20Bioscience%20Authority.pdf>.

Developing Geothermal Energy (2:35 p.m.)

Senator Ortiz y Pino; Tom Solomon, electrical engineer and facilitator, Geothermal Development Working Group, and co-coordinator, 350 New Mexico; and Shari Kelley, Ph.D., senior geophysicist and field geologist, Bureau of Geology and Mineral Resources, New Mexico Institute of Mining and Technology, provided an overview of geothermal energy, the availability of geothermal resources in New Mexico and potential legislation for geothermal projects. The presentation can be found here:

<https://www.nmlegis.gov/handouts/ERDPC%20101123%20Item%204%20Geothermal%20Energy.pdf>.

Distributed Energy Resources (3:29 p.m.)

Jim DesJardins, executive director, Renewable Energy Industries Association of New Mexico, discussed the state of solar energy in New Mexico, the national solar energy situation and the role of small distributed energy resources. The presentation can be found here:

<https://www.nmlegis.gov/handouts/ERDPC%20101123%20Item%205%20REIA%20Distributed%20Generation%20Resources.pdf>.

Economic Development in Taos (4:16 p.m.)

Christopher Larsen, director, Planning, Community and Economic Development, Town of Taos; Ilona Spruce, tourism director, Pueblo of Taos; and Anthony Duran, preservation director, Pueblo of Taos, discussed the major industries, economic drivers and economic challenges and opportunities in Taos. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=ERDPC&Date=10/11/2023&ItemNumber=6>.

Public Comment

There was no public comment.

Recess

The meeting recessed at 4:45 p.m.

Thursday, October 12 — Los Alamos

Reconvene

The meeting reconvened at 9:19 a.m.

Welcome to Los Alamos County (9:21 a.m.)

Steven Lynne, county manager, Los Alamos County, welcomed the committee to Los Alamos and provided an update on the events and economic situation in Los Alamos.

Update from the Workforce Solutions Department (WSD) (9:48 a.m.)

Sarita Nair, secretary, WSD, discussed the state's unemployment rate and labor force participation, unemployment insurance, strategies for workforce recruitment and retention and the WSD's requests and challenges. The presentation can be found here:

[okhttps://www.nmlegis.gov/handouts/ERDPC%20101123%20Item%208%20Dept%20of%20Workforce%20Solutions.pdf](https://www.nmlegis.gov/handouts/ERDPC%20101123%20Item%208%20Dept%20of%20Workforce%20Solutions.pdf).

Approval of Minutes (10:57 a.m.)

Upon a motion made by Representative Zamora and seconded by Representative Lujan, and without any objections, the committee approved the minutes of the August 28-30, 2023

meeting. Upon a motion made by Representative Lujan and seconded by Representative Zamora, the committee approved the minutes of the September 20-22, 2023 meeting.

Paid Family and Medical Leave (11:17 a.m.)

Representative Serrato introduced the concept of paid family and medical leave, discussed relevant research and provided an example of how paid family and medical leave would work. Representative Chandler discussed business responses to paid family and medical leave and how Senate Bill 11 (2023) was adapted to incorporate these responses. Tracy McDaniel, policy advocate, Southwest Women's Law Center, highlighted the benefits of paid family and medical leave, described how it would work and discussed recommendations of the task force created by Senate Memorial 1 (2022). Secretary Nair discussed the anticipated economic and business impacts and economic modeling of paid family and medical leave. The presentation can be found here:

<https://www.nmlegis.gov/handouts/ERDPC%20101123%20Item%209%20McDaniel.pdf>.

Outdoor Recreation in Los Alamos County (2:04 p.m.)

Anne Laurent, deputy county manager, Los Alamos County, and James Glover, founder and co-director, endeavor New Mexico, spoke about the tourism and outdoor recreation economy of Los Alamos and New Mexico. The presentation can be found here:

<https://www.nmlegis.gov/handouts/ERDPC%20101123%20Item%2010%20endeavor%20NM.pdf>.

Addressing Food Insecurity in New Mexico (2:59 p.m.)

Katy Anderson, president, New Mexico Association of Food Banks, and chief programs officer, Roadrunner Food Bank, and Sherry Hooper, executive director, The Food Depot, discussed food insecurity and food support needed in New Mexico and related legislative priorities for the 2024 legislative session. The presentation can be found here:

<https://www.nmlegis.gov/handouts/ERDPC%20101123%20Item%2011%20Food%20Bank.pdf>.

Public Comment (4:25 p.m.)

A list of individuals making public comment is available in the meeting file.

Recess

The meeting recessed at 4:39 p.m.

Friday, October 13 — Santa Fe

Reconvene

The meeting reconvened at 9:13 a.m.

Perspectives on Public Banking (9:25 a.m.)

Ryan Marie Decker, policy and capital strategist, New Mexico Finance Authority (NMFA), and Marquita Russel, CEO, NMFA, discussed their small business capital landscape research findings, an overview of small businesses and available funding, new NMFA programs and NMFA needs. Chris Moya, president and CEO, Independent Community Bankers Association of New Mexico; Alan Shettlesworth, president and CEO, Main Bank; Doug Stone, executive vice president, JP Stone Community Bank; John Anderson, executive vice president, New Mexico Bankers Association; Jay Jenkins, CEO, CNB Bank; and Jason Wyatt, CEO, Western Commerce Bank, spoke in opposition to a public bank and highlighted the issues with a public bank, the benefits of community banks and the adequacy of the existing banking and lending schemes. Melia Heimback, president and CEO, Credit Union Association of New Mexico, and Angela Merkert, executive director, Alliance for Local Economic Prosperity, described credit unions, the services they offer to small businesses and New Mexico's need for more financial resources that a public bank could provide. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=ERDPC&Date=10/11/2023&ItemNumber=12>.

Consideration of Legislation for Endorsement (11:57 a.m.)

Committee members discussed legislation for endorsement. The committee unanimously endorsed three bills, one that would create personal and corporate income tax credits for rail construction, reconstruction and replacement expenditures; one that would make an appropriation to the New Mexico Department of Agriculture to fund and provide rootstock or vines for new vineyards; and one that would make an appropriation to the Tourism Department for a high school hospitality career program. The committee unanimously endorsed a joint memorial urging New Mexico's congressional delegation to support legislation to fund the construction of a rail line and transloading facility on the Navajo Nation in the Four Corners region. The committee endorsed a bill creating a catastrophic business relief loan program, with Representative Zamora voting in the negative. The legislation endorsed by the committee can be found here:

https://www.nmlegis.gov/Committee/endorsed_legislation?CommitteeCode=ERDPC&Year=2023.

Public Comment

There was no public comment.

Adjournment

There being no further business before the committee, the meeting adjourned at 1:17 p.m.

ENDORSED LEGISLATION

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SENATE BILL

56TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2024

INTRODUCED BY

DISCUSSION DRAFT

FOR THE ECONOMIC AND RURAL DEVELOPMENT AND POLICY COMMITTEE

AN ACT

RELATING TO TAXATION; CREATING THE RAIL INFRASTRUCTURE INCOME TAX CREDIT AND THE RAIL INFRASTRUCTURE CORPORATE INCOME TAX CREDIT; ALLOWING THE TAXATION AND REVENUE DEPARTMENT AND THE DEPARTMENT OF TRANSPORTATION TO SHARE INFORMATION CONCERNING RAIL INFRASTRUCTURE INCOME TAX CREDITS AND RAIL INFRASTRUCTURE CORPORATE INCOME TAX CREDITS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. A new section of the Income Tax Act is enacted to read:

"[NEW MATERIAL] RAIL INFRASTRUCTURE INCOME TAX CREDIT.--

A. For taxable years prior to January 1, 2035, a taxpayer that is a railroad that is classified by the federal surface transportation board as a class two or class three railroad located in New Mexico, or an owner or lessee of a rail

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1 siding, yard track, industrial spur or industry track located
2 adjacent to any railroad in New Mexico, that incurs qualified
3 reconstruction or replacement expenditures or qualified new
4 rail infrastructure expenditures for the maintenance,
5 reconstruction, replacement or new construction of railroad
6 track infrastructure may apply for, and the department may
7 allow, a tax credit against the taxpayer's tax liability
8 pursuant to the Income Tax Act for the taxable year in which
9 the credit is approved by the department pursuant to this
10 section. The tax credit provided by this section may be
11 referred to as the "rail infrastructure income tax credit".

12 B. The amount of credit that may be allowed
13 pursuant to this section shall be equal to fifty percent of a
14 taxpayer's qualified reconstruction or replacement expenditures
15 or qualified new rail infrastructure expenditures; provided
16 that:

17 (1) for qualified reconstruction or
18 replacement expenditures, the amount of tax credit shall not
19 exceed an amount equal to the product of five thousand dollars
20 (\$5,000) multiplied by the number of miles of railroad track
21 owned or leased in the state by the taxpayer as of the close of
22 the taxable year; and

23 (2) for qualified new rail infrastructure
24 expenditures, the amount of tax credit shall not exceed one
25 million dollars (\$1,000,000) for each new rail-served customer

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1 project of the taxpayer; provided that the total amount of
2 credits that may be allowed in a calendar year shall not exceed
3 five million dollars (\$5,000,000).

4 C. A taxpayer that seeks to claim a tax credit
5 provided by this section shall apply for a certificate of
6 eligibility from the department of transportation after
7 completion of the maintenance, reconstruction, replacement or
8 new construction of railroad track infrastructure in New Mexico
9 for which qualified reconstruction or replacement expenditures
10 or qualified new rail infrastructure expenditures are made to
11 determine if the taxpayer is eligible to receive the tax credit
12 provided by this section. The department of transportation may
13 certify a maximum annual aggregate amount of credits of six
14 million dollars (\$6,000,000) per calendar year. That
15 department shall publish to its website on a regular basis the
16 number of rail infrastructure income tax credits that have been
17 certified in that calendar year. Completed applications shall
18 be made on forms and in the manner prescribed by that
19 department and considered in the order received.

20 D. If the department of transportation determines
21 that a taxpayer meets the requirements to claim a tax credit
22 pursuant to this section, that department may issue a
23 certificate of eligibility to the taxpayer. The certificate
24 shall be numbered for identification and declare its date of
25 issuance, the amount of the tax credit allowed pursuant to this

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1 section and the tax year in which the tax credit may be
2 claimed. The department of transportation shall provide to the
3 taxation and revenue department certification information for
4 all taxpayers to whom certificates are issued in a secure and
5 regular manner as agreed upon by both departments.

6 E. A certificate may be submitted by the taxpayer
7 with that taxpayer's return or may be sold, exchanged or
8 otherwise transferred to another taxpayer. The parties to such
9 a transaction shall notify the department of the sale, exchange
10 or transfer within ten days of the sale, exchange or transfer.

11 F. That portion of a tax credit that exceeds a
12 taxpayer's tax liability in the taxable year in which the tax
13 credit is claimed shall not be refunded but may be carried
14 forward for a maximum of five consecutive taxable years.

15 G. To receive a tax credit provided by this
16 section, a taxpayer shall apply to the department on forms and
17 in the manner prescribed by the department within twelve months
18 following the calendar year in which the certificate of
19 eligibility was issued. The application shall include a
20 certificate of eligibility issued by the department of
21 transportation pursuant to this section.

22 H. Married individuals filing separate returns for
23 a taxable year for which they could have filed a joint return
24 may each claim only one-half of a tax credit that would have
25 been claimed on a joint return.

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1 I. A taxpayer may be allocated the right to claim a
2 tax credit provided by this section in proportion to the
3 taxpayer's ownership interest if the taxpayer owns an interest
4 in a business entity that is taxed for federal income tax
5 purposes as a partnership or limited liability company and that
6 business entity has met all of the requirements to be eligible
7 for the credit. The total credit claimed by all members of the
8 partnership or limited liability company shall not exceed the
9 allowable amount of credit pursuant to this section.

10 J. A taxpayer allowed a tax credit pursuant to this
11 section shall report the amount of the credit to the taxation
12 and revenue department in a manner required by that department.

13 K. The taxation and revenue department shall
14 compile an annual report on the tax credit provided by this
15 section that shall include the number of taxpayers approved by
16 the department to receive the credit, the aggregate amount of
17 credits approved and any other information necessary to
18 evaluate the credit. The department shall present the report
19 to the revenue stabilization and tax policy committee and the
20 legislative finance committee with an analysis of the cost of
21 the tax credit.

22 L. As used in this section:

23 (1) "qualified new rail infrastructure
24 expenditures" means gross expenditures for new rail
25 infrastructure incurred by a taxpayer, including the new

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1 construction of industrial leads, switches, sidings, rail
2 loading docks and transloading structures involved with
3 servicing new customer locations or existing customer
4 expansions adjacent to a railroad located in New Mexico; and

5 (2) "qualified reconstruction or replacement
6 expenditures" means gross expenditures for maintenance,
7 reconstruction or replacement of railroad infrastructure,
8 including track, roadbed, bridges, industrial leads, sidings
9 and track-related structures in New Mexico that are owned or
10 leased by a taxpayer claiming the credit provided by this
11 section. "Qualified reconstruction or replacement
12 expenditures" does not include expenditures used to generate a
13 federal tax credit or expenditures funded by a state or federal
14 grant."

15 SECTION 2. A new section of the Corporate Income and
16 Franchise Tax Act is enacted to read:

17 "[NEW MATERIAL] RAIL INFRASTRUCTURE CORPORATE INCOME TAX
18 CREDIT.--

19 A. For taxable years prior to January 1, 2035, a
20 taxpayer that is a railroad that is classified by the federal
21 surface transportation board as a class two or class three
22 railroad located in New Mexico, or an owner or lessee of a rail
23 siding, yard track, industrial spur or industry track located
24 adjacent to any railroad in New Mexico, that incurs qualified
25 reconstruction or replacement expenditures or qualified new

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1 rail infrastructure expenditures for the maintenance,
2 reconstruction, replacement or new construction of railroad
3 track infrastructure may apply for, and the department may
4 allow, a tax credit against the taxpayer's tax liability
5 pursuant to the Corporate Income and Franchise Tax Act for the
6 taxable year in which the credit is approved by the department
7 pursuant to this section. The tax credit provided by this
8 section may be referred to as the "rail infrastructure
9 corporate income tax credit".

10 B. The amount of credit that may be allowed
11 pursuant to this section shall be equal to fifty percent of a
12 taxpayer's qualified reconstruction or replacement expenditures
13 or qualified new rail infrastructure expenditures; provided
14 that:

15 (1) for qualified reconstruction or
16 replacement expenditures, the amount of tax credit shall not
17 exceed an amount equal to the product of five thousand dollars
18 (\$5,000) multiplied by the number of miles of railroad track
19 owned or leased in the state by the taxpayer as of the close of
20 the taxable year; and

21 (2) for qualified new rail infrastructure
22 expenditures, the amount of tax credit shall not exceed one
23 million dollars (\$1,000,000) for each new rail-served customer
24 project of the taxpayer; provided that the total amount of
25 credits that may be allowed in a calendar year shall not exceed

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1 five million dollars (\$5,000,000).

2 C. A taxpayer that seeks to claim a tax credit
3 provided by this section shall apply for a certificate of
4 eligibility from the department of transportation after
5 completion of the maintenance, reconstruction, replacement or
6 new construction of railroad track infrastructure in New Mexico
7 for which qualified reconstruction or replacement expenditures
8 or qualified new rail infrastructure expenditures are made to
9 determine if the taxpayer is eligible to receive the tax credit
10 provided by this section. The department of transportation may
11 certify a maximum annual aggregate amount of credits of six
12 million dollars (\$6,000,000) per calendar year. That
13 department shall publish to its website on a regular basis the
14 number of rail infrastructure corporate income tax credits that
15 have been certified in that calendar year. Completed
16 applications shall be made on forms and in the manner
17 prescribed by the department of transportation and considered
18 in the order received.

19 D. If the department of transportation determines
20 that a taxpayer meets the requirements to claim a tax credit
21 pursuant to this section, that department may issue a
22 certificate of eligibility to the taxpayer. The certificate
23 shall be numbered for identification and declare its date of
24 issuance, the amount of the tax credit allowed pursuant to this
25 section and the tax year in which the tax credit may be

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1 claimed. The department of transportation shall provide to the
2 taxation and revenue department certification information for
3 all taxpayers to whom certificates are issued in a secure and
4 regular manner as agreed upon by both departments.

5 E. A certificate of eligibility issued pursuant to
6 this section may be submitted by the taxpayer with that
7 taxpayer's return or may be sold, exchanged or otherwise
8 transferred to another taxpayer. The parties to such a
9 transaction shall notify the department of the sale, exchange
10 or transfer within ten days of the sale, exchange or transfer.

11 F. That portion of a tax credit that exceeds a
12 taxpayer's tax liability in the taxable year in which the tax
13 credit is claimed shall not be refunded but may be carried
14 forward for a maximum of five consecutive taxable years.

15 G. To receive a tax credit provided by this
16 section, a taxpayer shall apply to the department on forms and
17 in the manner prescribed by the department within twelve months
18 following the calendar year in which the certificate of
19 eligibility was issued. The application shall include a
20 certificate of eligibility issued by the department of
21 transportation pursuant to this section.

22 H. A taxpayer allowed a tax credit pursuant to this
23 section shall report the amount of the credit to the taxation
24 and revenue department in a manner required by that department.

25 I. The taxation and revenue department shall

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1 compile an annual report on the tax credit provided by this
2 section that shall include the number of taxpayers approved by
3 the department to receive the credit, the aggregate amount of
4 credits approved and any other information necessary to
5 evaluate the credit. The department shall present the report
6 to the revenue stabilization and tax policy committee and the
7 legislative finance committee with an analysis of the cost of
8 the tax credit.

9 J. As used in this section:

10 (1) "qualified new rail infrastructure
11 expenditures" means gross expenditures for new rail
12 infrastructure incurred by a taxpayer, including the new
13 construction of industrial leads, switches, sidings, rail
14 loading docks and transloading structures involved with
15 servicing new customer locations or existing customer
16 expansions adjacent to a railroad located in New Mexico; and

17 (2) "qualified reconstruction or replacement
18 expenditures" means gross expenditures for maintenance,
19 reconstruction or replacement of railroad infrastructure,
20 including track, roadbed, bridges, industrial leads, sidings
21 and track-related structures in New Mexico that are owned or
22 leased by a taxpayer claiming the credit provided by this
23 section. "Qualified reconstruction or replacement
24 expenditures" does not include expenditures used to generate a
25 federal tax credit or expenditures funded by a state or federal

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1 grant."

2 SECTION 3. Section 7-1-8.8 NMSA 1978 (being Laws 2019,
3 Chapter 87, Section 2, as amended) is amended to read:

4 "7-1-8.8. INFORMATION THAT MAY BE REVEALED TO OTHER STATE
5 AND LEGISLATIVE AGENCIES.--An employee of the department may
6 reveal confidential return information to the following
7 agencies; provided that a person who receives the information
8 on behalf of the agency shall be subject to the penalties in
9 Section 7-1-76 NMSA 1978 if the person fails to maintain the
10 confidentiality required:

11 A. a committee of the legislature for a valid
12 legislative purpose, return information concerning any tax or
13 fee imposed pursuant to the Cigarette Tax Act;

14 B. the attorney general, return information
15 acquired pursuant to the Cigarette Tax Act for purposes of
16 Section 6-4-13 NMSA 1978 and the master settlement agreement
17 defined in Section 6-4-12 NMSA 1978;

18 C. the commissioner of public lands, return
19 information for use in auditing that pertains to rentals,
20 royalties, fees and other payments due the state under land
21 sale, land lease or other land use contracts;

22 D. the secretary of [~~human services~~] health care
23 authority or the secretary's delegate under a written agreement
24 with the department:

25 (1) the last known address with date of all

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1 names certified to the department as being absent parents of
2 children receiving public financial assistance, but only for
3 the purpose of enforcing the support liability of the absent
4 parents by the child support enforcement division or any
5 successor organizational unit;

6 (2) return information needed for reports
7 required to be made to the federal government concerning the
8 use of federal funds for low-income working families;

9 (3) return information of low-income taxpayers
10 for the limited purpose of outreach to those taxpayers;
11 provided that the [~~human services~~] health care authority
12 department shall pay the department for expenses incurred by
13 the department to derive the information requested by the
14 [~~human services~~] health care authority department if the
15 information requested is not readily available in reports for
16 which the department's information systems are programmed;

17 (4) return information required to administer
18 the Health Care Quality Surcharge Act; and

19 (5) return information in accordance with the
20 provisions of the Easy Enrollment Act;

21 E. the department of information technology, by
22 electronic media, a database updated quarterly that contains
23 the names, addresses, county of address and taxpayer
24 identification numbers of New Mexico personal income tax
25 filers, but only for the purpose of producing the random jury

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1 list for the selection of petit or grand jurors for the state
2 courts pursuant to Section 38-5-3 NMSA 1978;

3 F. the state courts, the random jury lists produced
4 by the department of information technology under Subsection E
5 of this section;

6 G. the director of the New Mexico department of
7 agriculture or the director's authorized representative, upon
8 request of the director or representative, the names and
9 addresses of all gasoline or special fuel distributors,
10 wholesalers and retailers;

11 H. the public regulation commission, return
12 information with respect to the Corporate Income and Franchise
13 Tax Act required to enable the commission to carry out its
14 duties;

15 I. the state racing commission, return information
16 with respect to the state, municipal and county gross receipts
17 taxes paid by racetracks;

18 J. the gaming control board, tax returns of license
19 applicants and their affiliates as provided in Subsection E of
20 Section 60-2E-14 NMSA 1978;

21 K. the director of the workers' compensation
22 administration or to the director's representatives authorized
23 for this purpose, return information to facilitate the
24 identification of taxpayers that are delinquent or noncompliant
25 in payment of fees required by Section 52-1-9.1 or 52-5-19 NMSA

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1 1978;

2 L. the secretary of workforce solutions or the
3 secretary's delegate, return information for use in enforcement
4 of unemployment insurance collections pursuant to the terms of
5 a written reciprocal agreement entered into by the department
6 with the secretary of workforce solutions for exchange of
7 information;

8 M. the New Mexico finance authority, information
9 with respect to the amount of municipal and county gross
10 receipts taxes collected by municipalities and counties
11 pursuant to any local option municipal or county gross receipts
12 taxes imposed, and information with respect to the amount of
13 governmental gross receipts taxes paid by every agency,
14 institution, instrumentality or political subdivision of the
15 state pursuant to Section 7-9-4.3 NMSA 1978;

16 N. the superintendent of insurance, return
17 information with respect to the premium tax and the health
18 insurance premium surtax;

19 O. the secretary of finance and administration or
20 the secretary's designee, return information concerning a
21 credit pursuant to the Film Production Tax Credit Act;

22 P. the secretary of economic development or the
23 secretary's designee, return information concerning a credit
24 pursuant to the Film Production Tax Credit Act;

25 Q. the secretary of public safety or the

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1 secretary's designee, return information concerning the Weight
2 Distance Tax Act;

3 R. the secretary of transportation or the
4 secretary's designee, return information concerning the Weight
5 Distance Tax Act and return information concerning rail
6 infrastructure income tax credits and rail infrastructure
7 corporate income tax credits for which eligibility is certified
8 or otherwise determined by the secretary or the secretary's
9 designee;

10 S. the secretary of energy, minerals and natural
11 resources or the secretary's designee, return information
12 concerning tax credits or deductions for which eligibility is
13 certified or otherwise determined by the secretary or the
14 secretary's designee;

15 T. the secretary of environment or the secretary's
16 designee, return information concerning tax credits for which
17 eligibility is certified or otherwise determined by the
18 secretary or the secretary's designee; and

19 U. the secretary of state or the secretary's
20 designee, taxpayer information required to maintain voter
21 registration records and as otherwise provided in the Election
22 Code."

23 SECTION 4. APPLICABILITY.--The provisions of this act
24 apply to taxable years beginning on or after January 1, 2024.

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SENATE BILL

56TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2024

INTRODUCED BY

DISCUSSION DRAFT

FOR THE ECONOMIC AND RURAL DEVELOPMENT AND POLICY COMMITTEE

AN ACT

MAKING AN APPROPRIATION TO THE NEW MEXICO DEPARTMENT OF AGRICULTURE TO FUND AND PROVIDE ROOTSTOCK OR VINES FOR NEW VINEYARDS IN NEW MEXICO.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. APPROPRIATION.--One million dollars

(\$1,000,000) is appropriated from the general fund to the board of regents of New Mexico state university for expenditure in fiscal years 2025 through 2028 for the New Mexico department of agriculture to fund and provide rootstock or vines for the production of new vineyards in New Mexico. Any unexpended or unencumbered balance remaining at the end of fiscal year 2028 shall revert to the general fund.

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SENATE BILL

56TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2024

INTRODUCED BY

DISCUSSION DRAFT

FOR THE ECONOMIC AND RURAL DEVELOPMENT AND POLICY COMMITTEE

AN ACT

MAKING AN APPROPRIATION TO THE TOURISM DEPARTMENT FOR A HIGH SCHOOL HOSPITALITY CAREER PROGRAM THAT SUPPORTS THE DEVELOPMENT OF A TALENT PIPELINE FOR THE STATE'S HOSPITALITY INDUSTRY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. APPROPRIATION.--Five hundred thousand dollars (\$500,000) is appropriated from the general fund to the tourism department for expenditure in fiscal year 2025 and subsequent fiscal years for a high school hospitality career program that supports the development of a talent pipeline for the state's hospitality industry that includes a nationally recognized curriculum and offers high school students the opportunity to work in the hospitality industry and earn wages. Any unexpended or unencumbered balance remaining at the end of a fiscal year shall not revert to the general fund.

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SENATE BILL

56TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2024

INTRODUCED BY

DISCUSSION DRAFT

FOR THE ECONOMIC AND RURAL DEVELOPMENT AND POLICY COMMITTEE

AN ACT

RELATING TO PUBLIC FINANCE; ENACTING THE CATASTROPHIC BUSINESS RELIEF ACT; CREATING THE CATASTROPHIC BUSINESS RELIEF LOAN FUND; PROVIDING CATASTROPHIC BUSINESS RELIEF LOANS FOR CERTAIN BUSINESSES; ESTABLISHING TERMS FOR CATASTROPHIC BUSINESS RELIEF LOANS; REQUIRING REPAYMENT; ESTABLISHING REPORTING REQUIREMENTS; MAKING APPROPRIATIONS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. [NEW MATERIAL] SHORT TITLE.--This act may be cited as the "Catastrophic Business Relief Act".

SECTION 2. [NEW MATERIAL] DEFINITIONS.--As used in the Catastrophic Business Relief Act:

A. "authority" means the New Mexico finance authority;

B. "average adjusted monthly business expenses"

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1 means an amount equal to the quotient of:

2 (1) a business's total expenses for the most
3 recent taxable year, excluding expenses deducted pursuant to
4 Section 179 of the United States Internal Revenue Code of 1986,
5 as that section may be amended or renumbered, and expenses for
6 depreciation and bonus depreciation deducted pursuant to the
7 United States Internal Revenue Code of 1986, as determined from
8 the business's federal income tax return for the most recent
9 taxable year; and

10 (2) twelve;

11 C. "catastrophic incident" means a sudden and
12 devastating event that causes significant harm or damage to a
13 business or its assets and that threatens the survival of the
14 business and includes operational disruptions, loss of data,
15 financial losses and equipment or infrastructure loss or
16 destruction caused by events that include public health
17 epidemics such as the coronavirus disease 2019 pandemic,
18 natural disasters, such as floods, earthquakes and tornadoes,
19 and human-made events, such as fires, explosions, acts of
20 terrorism, cyber attacks or technological failures;

21 D. "community development financial institution"
22 means a legal entity operating within the state that is
23 certified as a community development financial institution by
24 the federal community development financial institutions fund;

25 E. "loan servicer" means a federally insured

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1 depository institution or community development financial
2 institution that assembles and submits the business relief loan
3 documents to the authority;

4 F. "New Mexico resident" means an individual who is
5 domiciled in this state during any part of the year or an
6 individual who is physically present in this state for one
7 hundred eighty-five days or more during the taxable year;

8 G. "nonprofit corporation" means an entity
9 organized pursuant to Section 501(c)(3) or 501(c)(6) of the
10 Internal Revenue Code of 1986;

11 H. "qualifying business" means a business or
12 nonprofit corporation that:

13 (1) has experienced a catastrophic incident;
14 and

15 (2) is owned as follows:

16 (a) for a sole proprietorship, one
17 hundred percent of the assets of the business are owned or
18 leased by a New Mexico resident; and

19 (b) for a corporation, partnership,
20 joint venture, limited liability company, limited partnership,
21 nonprofit corporation or other business entity, at least eighty
22 percent of the total voting power of the entity and at least
23 eighty percent of the total value of the equity is owned by one
24 or more New Mexico residents and the headquarters and principal
25 place of business are located in New Mexico; and

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1 I. "service provider" means a nonprofit or
2 governmental organization that provides interactive, technical
3 assistance to businesses, including:

- 4 (1) developing sustainable business practices;
- 5 (2) training in marketing, administration and
6 financial management; and
- 7 (3) complying with legal requirements,
8 licensing requirements and tax liabilities.

9 SECTION 3. [NEW MATERIAL] CATASTROPHIC BUSINESS RELIEF
10 LOAN FUND--CREATED.--

11 A. The "catastrophic business relief loan fund" is
12 created as a nonreverting fund in the authority. The fund
13 consists of distributions, appropriations, gifts, grants,
14 deposits, transfers, donations, income from investment of the
15 fund and any other money distributed or otherwise allocated to
16 the fund. The authority shall administer the fund, and money
17 in the fund is appropriated to the authority to administer the
18 provisions of the Catastrophic Business Relief Act.

19 B. The state investment officer, subject to the
20 approval of the state investment council, shall invest money in
21 the catastrophic business relief loan fund:

- 22 (1) in accordance with the prudent investor
23 rule set forth in the Uniform Prudent Investor Act; and
- 24 (2) in consultation with the state treasurer.

25 C. The state investment officer shall report

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1 quarterly to the legislative finance committee and the state
2 investment council on the investments made pursuant to this
3 section. Annually, a report shall be submitted no later than
4 November 1 of each year to the legislative finance committee,
5 the revenue stabilization and tax policy committee and any
6 other appropriate interim committees.

7 SECTION 4. [NEW MATERIAL] LOANS--TERMS.--

8 A. The authority shall receive and review
9 applications for catastrophic business relief loans pursuant to
10 the Catastrophic Business Relief Act. The authority shall
11 review all completed applications in the order in which they
12 were received and shall provide a determination to the
13 applicant within five business days. The authority shall make
14 loans to qualifying businesses; provided that funds are
15 available, prudent lending practices are followed and, as
16 determined by the authority, the qualifying business meets the
17 requisite creditworthiness. The authority shall adopt rules to
18 govern the application procedures and requirements for
19 disbursing loans under the Catastrophic Business Relief Act,
20 including requirements consistent with the purpose of that act,
21 for determining the eligibility of qualifying businesses for
22 catastrophic business relief loans.

23 B. The authority shall evaluate the
24 creditworthiness of an applicant based on information received
25 from the applicant, which may include an independent credit

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1 reporting agency report when available.

2 C. The authority may use funding made available for
3 the purposes of the Catastrophic Business Relief Act to
4 contract with a loan servicer to assist in carrying out the
5 provisions of the Catastrophic Business Relief Act, including
6 determining:

7 (1) whether an entity meets the requirements
8 to be considered a qualifying business;

9 (2) whether a qualifying business is eligible
10 for a catastrophic business relief loan; and

11 (3) the amount that the qualifying business is
12 eligible to receive for a catastrophic business relief loan.

13 D. The authority shall make catastrophic business
14 relief loans in accordance with the following:

15 (1) the loan amount shall be in an amount up
16 to two hundred percent of the qualifying business's average
17 adjusted monthly business expenses from the previous calendar
18 or fiscal year; provided that the maximum loan amount shall be
19 no greater than twenty-five thousand dollars (\$25,000);

20 (2) prudent lending practices shall be
21 followed; and

22 (3) the terms of the loan shall require that
23 the loan recipient:

24 (a) use a minimum of eighty percent of
25 the proceeds of the loan to recover from the catastrophic

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1 incident or for ordinary and necessary business expenses,
2 including capital expenses, other than compensation for
3 employees who own equity in the business;

4 (b) provide a written certification
5 signed by an appropriate officer of the qualifying business
6 that certifies that: 1) the officer understands that the
7 business is receiving a loan under the Catastrophic Business
8 Relief Act that must be repaid by the business with interest
9 under the terms of the loan agreement; 2) all documents
10 submitted in support of the loan application are true and
11 accurate to the best of the officer's knowledge; 3) the officer
12 has a reasonable basis to believe that, as of the date of
13 origination of the loan and receipt of the loan proceeds, the
14 business does not expect to permanently cease business
15 operations or file for bankruptcy; 4) prior to the catastrophic
16 incident, the business was current on all obligations pursuant
17 to the Income Tax Act, the Corporate Income and Franchise Tax
18 Act, the Withholding Tax Act, the Gross Receipts and
19 Compensating Tax Act and the Unemployment Compensation Law
20 applicable to the business's operations; and 5) all loan
21 proceeds will be used for purposes as provided in the
22 Catastrophic Business Relief Act, including that no more than
23 twenty percent of the proceeds may be used as compensation for
24 employees who own equity in the business;

25 (c) provide the authority with ongoing

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1 information relevant to the reporting requirements of the
2 authority provided in Section 7 of the Catastrophic Business
3 Relief Act; and

4 (d) provide specific guidelines related
5 to personal guarantees or collateral, as determined by the
6 authority.

7 E. The authority may exercise any power provided to
8 the authority in the New Mexico Finance Authority Act to assist
9 in the administration of this; provided that the power is
10 consistent with the provisions of the Catastrophic Business
11 Relief Act.

12 SECTION 5. [NEW MATERIAL] LOAN REPAYMENT.--

13 A. Catastrophic business relief loans shall be made
14 for an initial loan period of three years. The loans shall
15 bear an annual interest rate of one percent.

16 B. Payment of the interest accrued on a
17 catastrophic business relief loan shall be due in annual
18 installments, with the first interest payment due on the first
19 anniversary of the funding date of the loan, and with each
20 subsequent interest payment due on each subsequent anniversary
21 of the funding date of the loan thereafter until the loan is
22 paid in full. Payment on the outstanding principal of a
23 catastrophic business relief loan may be made on the third
24 anniversary of the funding date of the loan, or the outstanding
25 principal and interest on the loan may be converted to a loan,

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1 at the request of the borrower and with the consent of the
2 authority, to be paid in monthly installments over a period of
3 three additional years.

4 C. Receipts from the repayment of principal or
5 interest accrued on the loans made pursuant to the Catastrophic
6 Business Relief Act shall be deposited in the catastrophic
7 business relief loan fund.

8 D. No provision in a catastrophic business relief
9 loan or the evidence of indebtedness of the loan shall include
10 a penalty or premium for prepayment of the balance of the
11 indebtedness.

12 SECTION 6. [NEW MATERIAL] SMALL BUSINESS TECHNICAL
13 ASSISTANCE--SERVICE PROVIDERS.--

14 A. A qualified business with an annual gross
15 revenue of five hundred thousand dollars (\$500,000) or less
16 that applies for and receives a catastrophic business relief
17 loan and that is receiving technical assistance from a service
18 provider is eligible to receive additional funding in the
19 amount of one-half percent of the loan amount to pay the
20 service provider for continued technical assistance during the
21 term of the loan or until the service provider certifies to the
22 authority that the qualified business no longer needs the
23 assistance of the service provider; provided that the authority
24 shall use funding made available pursuant to the Catastrophic
25 Business Relief Act to provide the service provider with the

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1 additional amount, and the additional amount shall require
2 repayment from the qualified business.

3 B. Nothing in this section shall be construed to
4 require a qualified business with an annual gross revenue of
5 five hundred thousand dollars (\$500,000) or less to contract
6 with or use the services of a service provider to meet the
7 qualifications of a catastrophic business relief loan.

8 SECTION 7. [NEW MATERIAL] REPORTS--CONFIDENTIALITY.--

9 A. Prior to October 1, 2024 and each October 1 for
10 the proceeding four years, the authority shall submit a report
11 to the legislature, the legislative finance committee, the New
12 Mexico finance authority oversight committee, the revenue
13 stabilization and tax policy committee and any other
14 appropriate legislative interim committee. The report shall
15 provide details regarding the loans made pursuant to the
16 Catastrophic Business Relief Act. The report shall include:

17 (1) the number of loans made pursuant to that
18 act;

19 (2) the number of loan applications;

20 (3) the average amount provided to loan
21 applicants;

22 (4) the number of loans and the amount of
23 those loans, if any, in a delinquent status or default;

24 (5) the number of loan recipients that are in
25 the process of filing or have filed for bankruptcy;

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1 (6) the number of employees currently employed
2 by a qualifying business that received a loan; and

3 (7) an overview of the industries and types of
4 business entities represented by loan recipients.

5 B. Information obtained by the authority regarding
6 individual loan applicants is confidential and not subject to
7 inspection pursuant to the Inspection of Public Records Act;
8 provided that nothing in this section shall prevent the
9 authority from disclosing broad demographic information and
10 information relating to the total amount of loans made and the
11 total outstanding balance of loans made pursuant to the
12 Catastrophic Business Relief Act and the names of the loan
13 recipients.

14 SECTION 8. APPROPRIATIONS.--

15 A. Twenty-five million dollars (\$25,000,000) is
16 appropriated from the general fund to the catastrophic business
17 relief loan fund for expenditure in fiscal year 2025 and
18 subsequent fiscal years for the purposes of the Catastrophic
19 Business Relief Act. Any unexpended or unencumbered balance
20 remaining at the end of a fiscal year shall not revert to the
21 general fund.

22 B. Two hundred fifty thousand dollars (\$250,000)
23 is appropriated from the general fund to the New Mexico finance
24 authority for expenditure in fiscal year 2025 and subsequent
25 fiscal years to:

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(1) administer the provisions of the
Catastrophic Business Relief Act; and

(2) partner with business-serving
organizations, such as chambers of commerce, business
associations and small business development centers, to conduct
a statewide public outreach campaign to notify businesses in
every community of the loans available through the Catastrophic
Business Relief Act.

SECTION 9. EFFECTIVE DATE.--The effective date of the
provisions of this act is July 1, 2024.

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HOUSE JOINT MEMORIAL

56TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2024

INTRODUCED BY

DISCUSSION DRAFT

FOR THE ECONOMIC AND RURAL DEVELOPMENT AND POLICY COMMITTEE

A JOINT MEMORIAL

RAISING AWARENESS OF THE ECONOMIC CHALLENGES EXPERIENCED BY THE
FOUR CORNERS REGION AND URGING NEW MEXICO'S CONGRESSIONAL
DELEGATION TO SUPPORT LEGISLATION THAT WILL FUND THE
CONSTRUCTION OF A FREIGHT RAIL LINE AND TRANSLOADING FACILITY
ON THE NAVAJO NATION IN THE FOUR CORNERS REGION.

WHEREAS, San Juan county experiences high systemic poverty
and unemployment, with a poverty level that is twice the
national mean and with approximately one in four people living
below the poverty line; and

WHEREAS, the Navajo Nation in San Juan county experiences
even more severe poverty, with a poverty level that is nearly
four times the national mean and with an estimated three out of
every four young children living in households with incomes
under one hundred eighty-five percent of the poverty level; and

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1 WHEREAS, power plants, mines and associated businesses
2 account for eighty percent of property tax revenues for San
3 Juan county; and

4 WHEREAS, the San Juan generating station and San Juan coal
5 mine closed in 2022, resulting in the loss of a substantial
6 number of high-paying jobs; and

7 WHEREAS, the Four Corners power plant, which contributes
8 nearly forty percent of the total revenue to the Navajo Nation
9 general fund, is scheduled to close in 2031 and will result in
10 the loss of thousands of additional jobs and millions of
11 dollars in tax revenue; and

12 WHEREAS, the Four Corners region in San Juan county is one
13 of the largest metropolitan statistical areas in the nation
14 that does not have a freight rail line and the only
15 metropolitan statistical area in New Mexico that does not have
16 a freight rail line, interstate highway or commercial airport;
17 and

18 WHEREAS, research by the economic development department
19 and the city of Farmington identified nearly twenty billion
20 dollars' (\$20,000,000,000) worth of products in projected
21 demand for transport by rail through the Four Corners region;
22 and

23 WHEREAS, constructing a Four Corners rail line that would
24 connect to the present BNSF railway company rail line on the
25 interstate 40 corridor between Gallup and Grants would capture

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1 a high percentage of this projected demand, attract investment
2 and businesses to the region, help diversify and support the
3 tax base and workforce of San Juan county and contribute
4 significant tax revenues to the state; and

5 WHEREAS, moving freight by rail can lower greenhouse gas
6 emissions by up to seventy-five percent, with railroads being
7 up to four times more fuel efficient than trucks and moving an
8 average of one ton of freight more than four hundred eighty
9 miles per single gallon of diesel fuel; and

10 WHEREAS, moving freight to the Four Corners region by rail
11 would reduce shipping costs, traffic, road accidents and the
12 cost of road construction and maintenance; and

13 WHEREAS, a memorandum of agreement already exists between
14 the Navajo Nation and San Juan county to pursue the development
15 and study the feasibility and environmental impact of a freight
16 rail line to connect the Navajo agricultural products industry
17 headquarters and Bisti areas on the Navajo Nation in San Juan
18 county to the existing BNSF railway company rail line on the
19 interstate 40 corridor; and

20 WHEREAS, with the Navajo Nation's dependence on power
21 plants, coal mines and electric utility transmission lines, the
22 recent and future closures of power plants and coal mines and
23 the economic hardships and decreasing revenues of San Juan
24 county, the Four Corners region needs financial assistance to
25 build a rail line and capture the concomitant economic growth;

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LEGISLATIVE COUNCIL SERVICE
SANTA FE, NEW MEXICO