

**MINUTES
of the
THIRD MEETING
of the
FEDERAL FUNDING STABILIZATION AND AFFORDABILITY SUBCOMMITTEE**

**August 3-4, 2026
The Blake at Taos Ski Valley
Tenderfoot Katie's Meeting Room
6 Ernie Blake Road
Taos Ski Valley**

The third meeting of the Federal Funding Stabilization and Affordability Subcommittee was called to order by Representative Patricia A. Lundstrom, co-chair, on August 3, 2026 at 9:08 a.m. at Tenderfoot Katie's Meeting Room in Taos Ski Valley.

Present

Rep. Patricia A. Lundstrom, Co-Chair
Rep. Mark Duncan
Rep. Raymundo Lara (8/3)
Sen. George K. Muñoz (8/3)
Sen. Linda M. Trujillo
Sen. Pat Woods

Absent

Sen. Cindy Nava, Co-Chair
Rep. Cathrynn N. Brown
Sen. James G. Townsend

Advisory Members

Rep. Dayan Hochman-Vigil (8/3)
Sen. Linda M. López (8/3)

Rep. Meredith A. Dixon
Sen. Shannon D. Pinto
Rep. Reena Szczepanski

Guest Legislators

Rep. Micaela Lara Cadena (8/3)
Sen. Roberto "Bobby" J. Gonzales (8/3)
Rep. Marian Matthews

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

Staff

Clinton Turner, Fiscal Policy Analyst, Legislative Council Service (LCS)
Nicole Waguespack, Researcher, LCS
Alyssa Reyes, Intern, 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 subcommittee meeting, which can be found at www.nmlegis.gov, under the "Webcast" tab. The presentations made and subcommittee discussions for agenda items can be found on the recorded webcast for this meeting.

Monday, August 3

Welcome and Introductions (9:08 a.m.)

Representative Lundstrom welcomed everyone, and members of the subcommittee introduced themselves.

Taos Ski Valley Welcoming Remarks (9:19 a.m.)

Chris Stagg, councilor and former mayor, Village of Taos Ski Valley, welcomed the subcommittee to the community and noted that funding for infrastructure and air service projects has been critical for Taos Ski Valley development and improvements. Mr. Stagg reviewed ongoing projects related to mountain improvements, snowmaking, the construction of a new hotel and investments made in staff housing. The presentation highlighted the involvement of the Village of Taos Ski Valley and its employees in the broader community, noting that more than \$600,000 has been spent on community projects, and opportunities to visit and ski have been provided to more than 1,400 children. He also said that staff regularly volunteer for a variety of community organizations.

Overview and Outlook of Federal Impacts on Taos County (9:32 a.m.)

Brent Jaramillo, county manager, Taos County, provided an overview of Payments in Lieu of Taxes (PILT) funds for the county. Noting that approximately 40 percent of county lands are managed by the United States Forest Service and 17 percent are administered by the United States Bureau of Land Management, Mr. Jaramillo said that Taos County received \$2.6 million in PILT funding for fiscal year 2026, accounting for 11 percent of the county's general funds. Mr. Jaramillo reviewed the general budget for Taos County and discussed the positive work between the county and the United States Forest Service through the Good Neighbor Authority program. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=ZFFSS&Date=8/3/2026&ItemNumber=2>.

State and Federal Fiscal Overview and Outlook (10:11 a.m.)

Scott Pattison, Esq., director of research and tax policy, Federation of Tax Administrators, opened by discussing the contributing factors to fiscal uncertainty faced by state governments due to global economic conditions and federal funding trends. A snapshot of the

United States economy based on current inflation, stock market trends, labor market indicators, energy prices and tariffs was presented. Mr. Pattison reviewed how state economies differ from the federal and global economies, emphasizing unemployment rates, demographics and private debt levels. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=ZFFSS&Date=8/3/2026&ItemNumber=3>.

Federal Impacts and Trends on State Taxation (11:19 a.m.)

Helen Hecht, uniformity counsel, Multistate Tax Commission, and Richard Anklam, president and executive director, New Mexico Tax Research Institute, summarized the major sources of direct and indirect tax revenues at the federal and state level and the interplay between them. The presenters provided details on the history and evolution of business and income taxes and discussed recent federal and international shifts in tax policy, with additional focus on taxation trends identified by the Multistate Tax Commission. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=ZFFSS&Date=8/3/2026&ItemNumber=4>.

Recent Legislative Tax Changes and Enhancing Affordability Through Targeted Tax Relief (1:31 p.m.)

Stephanie Schardin Clarke, secretary, Taxation and Revenue Department, and Donnita "Dee" Wald, chief legal counsel and acting director of tax policy, Taxation and Revenue Department, reviewed tax changes resulting from legislation passed during the 2026 legislative session. The issue of affordability through sound fiscal policies and targeted tax relief was addressed as it relates to reducing poverty, enhancing state insulation from revenue volatility and maintaining affordable health care. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=ZFFSS&Date=8/3/2026&ItemNumber=5>.

Federal Tax Reform, State Conformity and Decoupling (2:45 p.m.)

Marilyn Wethekam, of counsel, Council On State Taxation, detailed the implications of the passage of the 2025 federal budget reconciliation bill. The question of whether states should conform their taxes to or decouple their taxes from the federal legislation was discussed, and how various states have strategically responded to federal tax changes was summarized. Information on state level differences in interest expense limitations, bonus depreciation changes, factory expensing, research and experimental expenditures and foreign income taxation were provided, and the challenges and advantages of different strategies were discussed. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=ZFFSS&Date=8/3/2026&ItemNumber=6>.

Update on Local Government Impact of Federal Actions (3:16 p.m.)

Joy Esparsen, executive director, New Mexico Association of Counties, provided a breakdown of federal land revenues for New Mexico counties. Data on PILT, forest reserve payments from the United States Department of the Interior and funding from the federal Secure Rural Schools and Community Self-Determination Act and the federal Taylor Grazing Act were provided for each participating county. Variation in county revenues from gross receipts and property taxes were discussed, highlighting the variation between regions and counties. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=ZFFSS&Date=8/3/2026&ItemNumber=7>.

Approval of Minutes (3:45 p.m.)

Upon a motion duly made and seconded, and without any objections, the subcommittee approved the minutes of the June 29-30, 2026 meeting.

Review of State-Federal Litigation (3:46 p.m.)

Anjana Samant, deputy counsel for impact litigation, Department of Justice (NMDOJ), discussed ongoing litigation between the federal government and the state. In response to federal funding cuts by the United States Department of Health and Human Services, New Mexico and 20 additional states sued the federal government and recently received a preliminary injunction. Currently, the NMDOJ has initiated or joined litigation related to funding and policy changes concerning the Federal Emergency Management Agency, mental health initiatives for schools, compliance with immigration enforcement, Department of Transportation funding and various additional federal granting agencies.

Recess

The meeting recessed at 4:23 p.m.

Tuesday, August 4**Reconvene**

The meeting reconvened at 8:35 a.m.

Federal Agricultural Policy and Funding Update (8:38 a.m.)

Jeff Witte, director and secretary, New Mexico Department of Agriculture, presented a review of the fiscal structure and history of federal agricultural policies. Secretary Witte then discussed international partnerships and economic opportunities for New Mexico agricultural products and provided a strategic economic outlook for agriculture in the state. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=ZFFSS&Date=8/3/2026&ItemNumber=9>.

Welcoming Remarks and Developments in Pueblo of Taos (9:54 a.m.)

Mike Martinez, governor, Pueblo of Taos, and Cameron Martinez, tribal secretary, Pueblo of Taos, provided a historical overview of the federal and pueblo government relationship. Governor Martinez emphasized the importance of the tribal consultation process for land and natural resources and provided background for broadband connectivity issues at the pueblo. Current pueblo projects include a collaboration with the Office of Broadband Access and Expansion and the construction of a new hotel and heritage center, an elder care facility and a wildland fire command center. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=ZFFSS&Date=8/3/2026&ItemNumber=10>.

Update on New World Screwworm (10:25 a.m.)

Samantha Holeck, D.V.M., state veterinarian, New Mexico Livestock Board, provided an update on the presence of *Cochliomyia hominivorax* (New World screwworm) in New Mexico and Texas. To date, only one case has been confirmed in New Mexico, with eight active and 43 total cases in Texas. Dr. Holeck reviewed screwworm cases in Mexico, discussed state- and federal-level coordination to prevent its spread and provided details on New Mexico's ongoing response, surveillance and monitoring of the pest. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=ZFFSS&Date=8/3/2026&ItemNumber=11>.

Adjournment

There being no further business before the subcommittee, the meeting adjourned at 11:03 a.m.