



NEW MEXICO LEGISLATURE

ECONOMIC DEVELOPMENT AND POLICY COMMITTEE

2022 INTERIM FINAL REPORT

LEGISLATIVE COUNCIL SERVICE
411 STATE CAPITOL
SANTA FE, NEW MEXICO 87501
(505) 986-4600
WWW.NMLEGIS.GOV

TABLE OF CONTENTS

INTERIM SUMMARY

WORK PLAN AND MEETING SCHEDULE

AGENDAS AND MINUTES

INTERIM SUMMARY

Economic Development and Policy Committee 2022 Interim Summary

The Economic Development and Policy Committee (EDPC) was created by the New Mexico Legislative Council on April 26, 2022 for the 2022 interim. The committee met six times, twice at the State Capitol and four times in communities around the state. The committee traveled to Las Vegas, Gallup, Hobbs, Artesia, Deming, Santa Teresa and Truth or Consequences.

During the 2022 interim, the EDPC concentrated on ways to attract visitors and businesses to New Mexico, particularly by growing New Mexico's entertainment industries. The committee heard presentations on gaming, horseracing, the film industry, liquor license reform, Spaceport America and the hospitality industry. The committee also heard presentations on how local governments work to improve the quality of life in their communities.

The EDPC also discussed financial literacy education; crude oil drilling and production; the economic impacts of climate change; educational institutions and economic development; cannabis banking options; legislative initiatives of the Economic Development Department; farming and livestock industries as economic generators; and hydrogen development.

The committee did not endorse any legislation.

WORK PLAN AND MEETING SCHEDULE

**2022 APPROVED
WORK PLAN AND MEETING SCHEDULE
for the
ECONOMIC DEVELOPMENT AND POLICY COMMITTEE**

Members

Rep. Antonio Maestas, Chair
Sen. Carrie Hamblen, Vice Chair
Rep. Meredith A. Dixon
Rep. Kelly K. Fajardo
Sen. Ron Griggs
Rep. Joshua N. Hernandez
Sen. Leo Jaramillo
Rep. Raymundo Lara
Rep. Georgene Louis

Rep. Tara L. Lujan
Rep. Willie D. Madrid
Rep. Kristina Ortez
Sen. Michael Padilla
Rep. Jane. E. Powdrell-Culbert
Rep. Patricia Roybal Caballero
Rep. Linda Serrato
Sen. Benny Shendo, Jr.
Sen. Pat Woods

Advisory Members

Rep. Eliseo Lee Alcon
Rep. Anthony Allison
Rep. Gail Armstrong
Rep. Micaela Lara Cadena
Sen. Jacob R. Candelaria
Rep. Ambrose Castellano
Rep. Christine Chandler
Sen. Crystal R. Diamond
Rep. Rebecca Dow
Sen. Katy M. Duhigg
Rep. Doreen Y. Gallegos
Rep. Joy Garratt
Sen. Siah Correa Hemphill
Rep. Pamelya Herndon

Rep. Susan K. Herrera
Rep. Derrick J. Lente
Rep. Patricia A. Lundstrom
Rep. Marian Matthews
Rep. Rod Montoya
Sen. Cliff R. Pirtle
Rep. William "Bill" R. Rehm
Rep. Andrea Romero
Sen. Joshua A. Sanchez
Rep. Nathan P. Small
Sen. Elizabeth "Liz" Stefanics
Rep. Candie G. Sweetser
Sen. Bill Tallman
Rep. Luis M. Terrazas

Work Plan

The Economic Development and Policy Committee (EDPC) was created by the New Mexico Legislative Council on April 26, 2022. During the 2022 interim, and as time permits, the EDPC will explore and discuss major areas and specific issues affecting economic development and policy as follows.

Statewide Economic Development Initiatives

The committee will hear presentations on:

- A. the state's water supply, including brackish water; New Mexico water law; beneficial use and agriculture and urban land development;
- B. hydrogen development;

- C. supply chain opportunities for airports and ports of entry;
- D. crude oil drilling and production and methane emissions;
- E. roads, including Paseo del Volcan, as an economic engine;
- F. tribal-state class III gaming compacts, sports betting opportunities and the horse racing industry and the New Mexico Racing Commission;
- G. the filmmaking industry's economic impact and a review of film tax credit;
- H. the Worker's Compensation Fund and its cost to the state, paid family leave and wages across the state;
- I. liquor license reform and its economic impact;
- J. professional and occupational licenses and permitting;
- K. name, image, likeness rights for New Mexico athletes;
- L. personal finance classes in high school;
- M. the Sports Authority Division of the Tourism Department;
- N. the New Mexico Outdoor Recreation Division of the Economic Development Department;
- O. current, proposed and recently enacted legislative initiatives of the Economic Development Department;
- P. the current status and needs of small businesses, including how COVID-19 recovery is progressing for restaurants and retail businesses and the effects of business closures;
- Q. adult-use recreational cannabis, including the following topics:
 - (1) the process of applying for the various cannabis licenses and for accessing funds from the Local Economic Development Act and the Department of Finance and Administration;
 - (2) implementation challenges that have arisen since legislation went into effect, including banking and grower expansion;
 - (3) the rollout of adult-use cannabis sales;

(4) county zoning and ordinances; and

(5) cannabis banking options;

R. available support and opportunities for entrepreneurship, including:

(1) information on the angel investment credit expansion;

(2) methods to expand access to capital for early- to mid-stage start-up businesses;

(3) resources available to solo entrepreneurs and home industries; and

(4) opportunities for remote work;

S. opportunities for attracting businesses to New Mexico, including updates on:

(1) international trade between New Mexico's Indian nations, tribes and pueblos and other countries and the economic impacts to the state;

(2) cryptocurrency, cybersecurity and blockchain technology;

(3) railroads; and

(4) the New Mexico Innovation Triangle;

T. farming and livestock industries as economic generators, including:

(1) an update on state meat inspectors;

(2) an update on reinstating a meat processing plant in New Mexico;

(3) an update from the New Mexico Livestock Board;

(4) cattle ranching and elk management; and

(5) sustainable agriculture;

U. methods to overcome challenges in providing economic opportunities to certain populations, including the following topics:

(1) improving access to healthy food for rural communities;

(2) possible impacts of public banks for rural communities, small businesses and communities of color;

(3) public-private partnerships;

(4) effects of small loans and installment loans upon communities of color and rural communities and ways to improve access to financial resources; and

(5) economic effects of affordable housing;

V. renewable energy and conservation as an economic generator, including the following topics:

(1) development of the renewable energy industry for jobs and services;

(2) use of outdoor recreation industries to foster tourism in rural communities;

(3) contributions of alternative energy sources toward economic development;

(4) carbon capture; and

(5) electric car charging stations;

W. educational institutions and economic development, including:

(1) an update on job training programs and skills training throughout the state;
and

(2) an update from the Higher Education Department, economists and academics on economic contributions to New Mexico, including job creation and job training and placement and teacher training and placement;

X. an update on the rollout of broadband infrastructure;

Y. the economic consequences of changes occurring in the New Mexico climate, including the opportunities and impediments they create for growth, reforestation, the economic sectors and geographic regions most affected by the changes and how to make the state resilient in the face of climate change;

Z. manufactured housing;

AA. development of the New Mexico Space Valley;

BB. development of New Mexico as a leader in quantum science; and

CC. bankruptcy reform.

**Economic Development and Policy Committee
2022 Approved Meeting Schedule**

<u>Date</u>	<u>Location</u>
May 26	Santa Fe
July 14-15	Las Vegas
August 8-9	Gallup
September 14-16	Hobbs and Artesia
October 12-14	Deming, Santa Teresa and Truth or Consequences
November 28-29	Albuquerque and Santa Fe

AGENDAS AND MINUTES

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

**May 26, 2022
State Capitol, Room 322
Santa Fe**

Thursday, May 26

- 1:30 p.m. **Call to Order**
 —Representative Antonio Maestas, Chair
- 1:45 p.m. (1) **[Proposed Work Plan, Meeting Schedule and Locations](#)**
 —Representative Antonio Maestas, Chair
- 3:15 p.m. **Public Comment**
- 3:45 p.m. **Adjourn**

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

**May 26, 2022
State Capitol, Room 322
Santa Fe**

The first meeting of the Economic Development and Policy Committee (EDPC) was called to order by Representative Antonio Maestas, chair, on May 26, 2022 at 1:43 p.m. in Room 322 of the State Capitol in Santa Fe.

Present

Rep. Antonio Maestas, Chair
Rep. Meredith A. Dixon
Sen. Ron Griggs
Rep. Tara L. Lujan
Sen. Michael Padilla
Rep. Jane. E. Powdrell-Culbert
Rep. Patricia Roybal Caballero
Rep. Linda Serrato
Sen. Benny Shendo, Jr.
Sen. Elizabeth "Liz" Stefanics*

Advisory Members

Rep. Eliseo Lee Alcon
Sen. Siah Correa Hemphill
Rep. Pamela Herndon
Rep. Patricia A. Lundstrom
Rep. Andrea Romero
Sen. Bill Tallman

Absent

Sen. Carrie Hamblen, Vice Chair
Rep. Kelly K. Fajardo
Rep. Joshua N. Hernandez
Sen. Leo Jaramillo
Rep. Raymundo Lara
Rep. Georgene Louis
Rep. Willie D. Madrid
Rep. Kristina Ortez
Sen. Pat Woods

Rep. Anthony Allison
Rep. Gail Armstrong
Rep. Micaela Lara Cadena
Sen. Jacob R. Candelaria
Rep. Ambrose Castellano
Rep. Christine Chandler
Sen. Crystal R. Diamond
Rep. Rebecca Dow
Sen. Katy M. Duhigg
Rep. Doreen Y. Gallegos
Rep. Joy Garratt
Rep. Susan K. Herrera
Rep. Derrick J. Lente
Rep. Marian Matthews
Rep. Rod Montoya
Sen. Cliff R. Pirtle
Rep. William "Bill" R. Rehm
Sen. Joshua A. Sanchez

Rep. Nathan P. Small
Rep. Candie G. Sweetser
Rep. Luis M. Terrazas

Guest Legislator

Sen. Nancy Rodriguez

*The President Pro Tempore appointed this legislator a voting member for this meeting.

Staff

Peter Kovnat, Legislative Council Service (LCS)
Grace Balderamos, LCS
Erin Bond, LCS
Tom Kricka, 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.

Thursday, May 26

Welcome and Introductions (1:43 p.m.)

Representative Maestas welcomed everyone to the meeting, and the members of the committee and LCS staff introduced themselves.

Proposed Work Plan, Meeting Schedule and Locations (1:52 p.m.)

Representative Maestas led the committee in a discussion of the work plan and meeting schedule. The document can be found here:

<https://www.nmlegis.gov/handouts/EDPC%20052622%20Item%201%20Proposed%20Work%20Plan.pdf>.

Public Comment

There was no public comment.

Adoption of Work Plan and Meeting Schedule (3:46 p.m.)

On a motion made, seconded and duly passed, the work plan and meeting schedule were approved as amended during the meeting.

Adjournment

There being no further business before the committee, the meeting adjourned at 3:47 p.m.

Revised: July 12, 2022

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

**July 14-15, 2022
Student Union Building Ballroom
New Mexico Highlands University
Las Vegas**

Thursday, July 14

- 10:00 a.m. **Call to Order**
—Representative Antonio Maestas, Chair
- 10:15 a.m. (1) **Welcome**
—Louie A. Trujillo, Mayor, City of Las Vegas
—Dr. Roxanne Gonzales-Walker, Provost, New Mexico Highlands University (NMHU)
—Dr. Denise Montoya, Associate Vice President for Finance, Administration and Government Relations, NMHU
- 12:00 noon **Lunch**
- 1:00 p.m. (2) **Economic Development Department Update on Current, Proposed and Recently Enacted Legislative Initiatives**
—Alicia J. Keyes, Secretary, Economic Development Department (EDD)
—Jon Clark, Deputy Secretary, EDD
—Mark Roper, Director, Economic Development Division, EDD
- 3:00 p.m. (3) **Economic Impact of the Film Industry and Review of Film Tax Credits**
—Carrie Wells, Deputy Director, New Mexico Film Office
—Shane Shariff, Economist, New Mexico Film Office
—Rebecca Puck Stair, President, IATSE Local 480
- 4:30 p.m. **Public Comment**
- 5:00 p.m. **Recess**

Friday, July 15

- 9:00 a.m. **Reconvene**
—Representative Antonio Maestas, Chair

- 9:15 a.m. (4) [**Economic Consequences and Opportunities Created by Changes to the Climate: Recovery, Reforestation and Resiliency**](#)
—Elmo Baca, Chair, Las Vegas New Mexico Community Foundation
—Paula Garcia, Executive Director, New Mexico Acequia Association
—Owen Burney, Superintendent, John T. Harrington Forestry Research Center, New Mexico State University
- 11:00 a.m. (5) [**New Mexico Water Law 101**](#)
—Mike Hamman, State Engineer
—Nat Chakeres, Office of the State Engineer
- 12:30 p.m. **Lunch**
- 1:30 p.m. (6) [**Farming and Livestock Industries as Economic Generators**](#)
—Belinda Garland, Executive Director, New Mexico Livestock Board
—Loren Patterson, President, New Mexico Cattle Growers' Association
—Jason New, Director, Division of Marketing and Development, New Mexico Department of Agriculture
- 3:00 p.m. **Public Comment**
- 3:30 p.m. **Adjourn**

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

**July 14-15, 2022
Student Union Building Ballroom
New Mexico Highlands University
Las Vegas**

The second meeting of the Economic Development and Policy Committee was called to order by Representative Antonio Maestas, chair, on July 14, 2022 at 10:30 a.m. in the Student Union Building Ballroom of New Mexico Highlands University (NMHU) in Las Vegas.

Present

Rep. Antonio Maestas, Chair
Rep. Ambrose Castellano* (7/14)
Rep. Kelly K. Fajardo (7/15)
Sen. Ron Griggs
Rep. Tara L. Lujan
Rep. Kristina Ortez
Sen. Michael Padilla (7/14)
Sen. Cliff R. Pirtle* (7/14)
Rep. Jane E. Powdrell-Culbert
Sen. Benny Shendo, Jr. (7/14)
Sen. Elizabeth "Liz" Stefanics* (7/14)
Sen. Pat Woods

Advisory Members

Absent

Sen. Carrie Hamblen, Vice Chair
Rep. Meredith A. Dixon
Rep. Joshua N. Hernandez
Sen. Leo Jaramillo
Rep. Raymundo Lara
Rep. Georgene Louis
Rep. Willie D. Madrid
Rep. Patricia Roybal Caballero
Rep. Linda Serrato

Rep. Eliseo Lee Alcon
Rep. Anthony Allison
Rep. Gail Armstrong
Sen. Jacob R. Candelaria
Rep. Christine Chandler
Sen. Crystal R. Diamond
Rep. Rebecca Dow
Sen. Katy M. Duhigg
Rep. Doreen Y. Gallegos
Rep. Joy Garratt
Sen. Siah Correa Hemphill
Rep. Pamela Herndon
Rep. Susan K. Herrera
Rep. Derrick J. Lente
Rep. Patricia A. Lundstrom

Rep. Rod Montoya
Rep. William "Bill" R. Rehm
Rep. Andrea Romero
Sen. Joshua A. Sanchez
Rep. Nathan P. Small
Rep. Candie G. Sweetser
Sen. Bill Tallman
Rep. Luis M. Terrazas

Guest Legislator

Sen. Pete Campos

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

*The speaker of the house of representatives and the president pro tempore of the senate appointed these legislators voting members for this meeting.

Staff

Peter Kovnat, Legislative Council Service (LCS)
Erin Bond, LCS
Tom Kricka, 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.

Thursday, July 14

Welcome and Introductions (10:30 a.m.)

Representative Antonio Maestas, chair, welcomed everyone to the meeting, and the members of the committee and LCS staff introduced themselves.

Welcome (10:42 a.m.)

Louie A. Trujillo, mayor, City of Las Vegas; Dr. Roxanne Gonzales-Walker, provost, NMHU; Dr. Denise Montoya, associate vice president for finance, administration and

government relations, NMHU; and William E. García, regent, NMHU, welcomed the committee and discussed the impact of recent wildfires in the area, the importance of education in economic development and the successes and needs of NMHU.

Economic Development Department Update on Current, Proposed and Recently Enacted Legislative Initiatives (1:18 p.m.)

Alicia J. Keyes, secretary, Economic Development Department (EDD); Jon Clark, deputy secretary, EDD; and Mark Roper, director, Economic Development Division, EDD, provided an update on legislative initiatives, including increasing funding for the EDD and local economic development organizations, increasing capacity to garner federal funding and collaborating with higher education institutions to give incoming students the information needed to choose careers in high-demand areas. The presentation can be found here:

<https://www.nmlegis.gov/handouts/EDPC%20071422%20Item%202%20EDD%20Update.pdf>.

Economic Impact of the Film Industry and Review of Film Tax Credits (3:16 p.m.)

Alicia J. Keyes, secretary, EDD; Rebecca Puck Stair, president, IATSE Local 480; and Shane Shariff, economist, New Mexico Film Office, discussed the growing film industry in New Mexico and made a proposal for legislation to continue that growth. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=EDPC&Date=7/14/2022&ItemNumber=3>.

Public Comment

There was no public comment.

Recess

The meeting recessed at 4:22 p.m.

Friday, July 15

Reconvene

The meeting reconvened at 9:14 a.m.

Economic Consequences and Opportunities Created by Changes to the Climate: Recovery, Reforestation and Resiliency (9:19 a.m.)

Elmo Baca, chair, Las Vegas New Mexico Community Foundation; Paula Garcia, executive director, New Mexico Acequia Association; and Owen Burney, superintendent, John T. Harrington Forestry Research Center, New Mexico State University, presented on the economic consequences and opportunities created by changes to the climate including the recent wildfires and subsequent flooding. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=EDPC&Date=7/14/2022&ItemNumber=4>.

New Mexico Water Law 101 (11:40 a.m.)

Mike Hamman, state engineer, and Nat Chakeres, general counsel, Office of the State Engineer, provided an overview of water law in New Mexico, including a discussion of water use in cannabis production and an update on the 50-year water plan. The presentation can be found here:

<https://www.nmlegis.gov/handouts/EDPC%20071422%20Item%205%20OSE%20water%20law.pdf>.

Farming and Livestock Industries as Economic Generators (1:30 p.m.)

Shawn Davis, deputy director, New Mexico Livestock Board; Loren Patterson, president, New Mexico Cattle Growers' Association; and Jason New, director, Division of Marketing and Development, New Mexico Department of Agriculture, discussed farming and livestock industries as economic generators, agricultural marketing and meat value chain coordination. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=EDPC&Date=7/14/2022&ItemNumber=6>.

Public Comment

There was no public comment.

Adjournment

There being no further business before the committee, the meeting adjourned at 2:51 p.m.

Revised: August 5, 2022

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

**August 8-9, 2022
Student Services and Technology Center
University of New Mexico-Gallup
705 Gurley Avenue
Gallup**

Monday, August 8

- 10:00 a.m. **Call to Order**
—Representative Antonio Maestas, Chair
- 10:15 a.m. (1) **Welcome to Gallup**
—Sabrina Ezzell, Interim Chancellor, University of New Mexico-Gallup
—Louis Bonaguidi, Mayor, City of Gallup
—Billy Moore, Chair, McKinley County Board of County Commissioners
- 11:00 a.m. (2) **Liquor License Reform and Its Economic Impact**
—Andrew Vallejos, Director, Alcoholic Beverage Control Division,
Regulation and Licensing Department
—TBD
- 12:30 p.m. **Lunch**
- 1:30 p.m. (3) **Update on Public Banking**
—Angela Merkert, Ed.D., Executive Director, Alliance for Local Economic
Prosperity
—Chris Moya, President and Chief Executive Officer, Independent
Community Bankers Association of New Mexico
- 2:30 p.m. (4) **Update on the Energy Transition Act**
—Representative Nathan P. Small, District 36
—Rikki Seguin, Executive Director, Interwest Energy Alliance
—Steven Michel, Attorney
—Joseph F. Hernandez, Diné Energy Organizer, Naeva
- 4:30 p.m. **Public Comment**
- 5:00 p.m. **Recess**

Tuesday, August 9

- 9:00 a.m. **Reconvene**
—Representative Antonio Maestas, Chair
- 9:15 a.m. (5) **Hydrogen as Economic Development: Benefits and Challenges**
—Wiley Rhodes, Co-Founder, Escalante H2 Power
—David Schlissel, Director of Resource Planning Analysis, Institute for
Energy Economics and Financial Analysis
- 11:30 a.m. **Public Comment**
- 12:00 noon **Lunch**
- 1:00 p.m. **Tour of Escalante Power Plant***
- 3:00 p.m. **Adjourn**

*This is an invitation-only tour for committee members and staff.

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

**August 8-9, 2022
Student Services and Technology Center
University of New Mexico-Gallup
705 Gurley Avenue
Gallup**

The third meeting of the Economic Development and Policy Committee was called to order by Representative Antonio Maestas, chair, on August 8, 2022 at 10:15 a.m. at the Student Services and Technology Center at University of New Mexico (UNM)-Gallup.

Present

Rep. Antonio Maestas, Chair
Sen. Carrie Hamblen, Vice Chair
Sen. Ron Griggs
Rep. Tara L. Lujan
Rep. Willie D. Madrid
Rep. Linda Serrato
Sen. Benny Shendo, Jr.

Absent

Rep. Meredith A. Dixon
Rep. Kelly K. Fajardo
Rep. Joshua N. Hernandez
Sen. Leo Jaramillo
Rep. Raymundo Lara
Rep. Georgene Louis
Rep. Kristina Ortez
Sen. Michael Padilla
Rep. Jane E. Powdrell-Culbert
Rep. Patricia Roybal Caballero
Sen. Pat Woods

Advisory Members

Sen. Crystal R. Diamond (8/8)
Rep. Rebecca Dow
Rep. Pamela Herndon
Rep. Susan K. Herrera
Rep. Patricia A. Lundstrom
Rep. Rod Montoya
Rep. Nathan P. Small (8/8)
Sen. Bill Tallman (8/8)

Rep. Eliseo Lee Alcon
Rep. Anthony Allison
Rep. Gail Armstrong
Sen. Jacob R. Candelaria
Rep. Ambrose Castellano
Rep. Christine Chandler
Sen. Katy M. Duhigg
Rep. Doreen Y. Gallegos
Rep. Joy Garratt
Sen. Siah Correa Hemphill
Rep. Derrick J. Lente
Sen. Cliff R. Pirtle
Rep. William "Bill" R. Rehm
Rep. Andrea Romero
Sen. Joshua A. Sanchez
Sen. Elizabeth "Liz" Stefanics

Rep. Candie G. Sweetser
Rep. Luis M. Terrazas

Guest Legislators

Rep. D. Wonda Johnson (8/8)
Sen. George K. Munoz (8/8)

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

Staff

Tom Kricka, Staff Attorney, Legislative Council Service (LCS)
Erin Bond, Researcher, LCS
Grecia Duarte, Intern, LCS

Guests

The guest list 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 8

Welcome and Introductions (10:15 a.m.)

Representative Maestas welcomed the committee and asked members and staff to introduce themselves. The committee offered a moment of silence for Mark Fleisher, who recently passed away.

Welcome to Gallup (10:23 a.m.)

Louis Bonaguidi, mayor, City of Gallup; Sabrina Ezzell, interim chancellor, UNM-Gallup; and Billy Moore, chair, McKinley County Board of County Commissioners, welcomed the committee to Gallup and noted economic development endeavors in the area.

Liquor License Reform and Its Economic Impact (11:07 a.m.)

Andrew Vallejos, director, Alcoholic Beverage Control Division, Regulation and Licensing Department, presented on recent changes to New Mexico's liquor licenses due to House Bill 255 (2021). Mr. Vallejos stated that there is not yet enough data on how the new

restaurant licenses have impacted the price of full dispenser licenses but that inter-local dispenser licenses have decreased slightly. The presentation can be found here:

<https://www.nmlegis.gov/handouts/EDPC%20080822%20Item%202%20Liquor%20License%20Reform.pdf>.

Update on Public Banking (1:18 p.m.)

Angela Merkert, Ed.D., executive director, Alliance for Local Economic Prosperity (AFLEP); Sarah Manning, outreach coordinator, AFLEP; and Harold Dixon, former chief executive officer and president, State Employees Credit Union, spoke to the committee in favor of creating a public bank of New Mexico. They stated that a public bank could fill gaps not met by existing agencies by focusing on community economic development with equitable access to lending. The presentation can be found here:

<https://www.nmlegis.gov/handouts/EDPC%20080822%20Item%203%20Create%20the%20Public%20Bank%20of%20New%20Mexico.pdf>.

Chris Moya, president and chief executive officer, Independent Community Bankers Association of New Mexico, spoke in opposition to the creation of a public bank of New Mexico. He noted that many state programs and agencies support economic development in New Mexico and highlighted possible risks associated with the creation of a state bank.

Update on the Energy Transition Act (ETA) (3:12 p.m.)

Representative Small; Rikki Seguin, executive director, Interwest Energy Alliance; Steven Michel, attorney; and Joseph F. Hernandez, Diné Energy organizer, Naeva, discussed the ETA. Ms. Seguin discussed the renewable energy market in New Mexico and how New Mexico could meet growing renewable demands in the Western Interconnection. Mr. Michel provided an overview of the ETA and noted challenges to implementation. Mr. Hernandez spoke on the importance of including tribes in the implementation of the ETA and other economic endeavors. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=EDPC&Date=8/8/2022&ItemNumber=4>.

Public Comment

There was no public comment.

Recess

The meeting recessed at 5:14 p.m.

Tuesday, August 9

Reconvene

Representative Maestas reconvened the meeting at 9:13 a.m.

Hydrogen as Economic Development: Benefits and Challenges (9:17 a.m.)

Wiley Rhodes, co-founder, Escalante H2 Power, and David Schlissel, director of resource planning analysis, Institute for Energy Economics and Financial Analysis, discussed the development of hydrogen power in New Mexico. Mr. Rhodes spoke in favor of hydrogen as a fuel and opined that New Mexico would benefit from investing in hydrogen, particularly at the Escalante Power Plant. Mr. Schlissel spoke in opposition and reviewed possible problems with converting the Escalante power plant to hydrogen. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=EDPC&Date=8/8/2022&ItemNumber=5>.

Public Comment (11:51 a.m.)

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

Adjournment

There being no further business before the committee, the meeting adjourned at 12:17 p.m.

Revised: September 13, 2022

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

**September 14-15, 2022
Career and Technical Education Center of Hobbs
801 North Marland Boulevard
Hobbs**

**September 16, 2022
Jack Case Community Room
Central Valley Electric Cooperative
1403 North 13th Street
Artesia**

Wednesday, September 14 — Hobbs

- 10:00 a.m. **Call to Order**
—Representative Antonio Maestas, Chair
- 10:15 a.m. **Welcome to Hobbs**
—Sam Cobb, Mayor, City of Hobbs
- 10:30 a.m. (1) **[Career and Technical Education Center of Hobbs \(CTECH\)](#)**
—Zeke Kaney, Director, CTECH
- 11:30 a.m. (2) **[Cannabis Banking](#)**
—Phil Forbert, Director of Cannabis Business Development, U.S. Eagle
Federal Credit Union
- 12:30 p.m. **Lunch**
- 1:30 p.m. (3) **[Oilfields Economics 101](#)**
—Sarah Mitchell, Regulatory Manager, EOG Resources, Inc.
—Olivia Desser, Water Resources Manager, EOG Resources, Inc.
—Greg Bloom, Assistant Commissioner for Mineral Resources, State Land
Office
- 3:30 p.m. (4) **[Global Energy Transition](#)**
—Karl Fennessey, Vice President, Corporate Public Policy, ConocoPhillips
- 4:30 p.m. **Public Comment**

5:00 p.m. **Recess**

Thursday, September 15 — Hobbs

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

9:10 a.m. (5) **Financial Literacy Education**
—Heather Morton, Senior Fellow, Fiscal Affairs, National Conference of
State Legislatures (remote)
—Ramona Ortega, Chief Executive Officer and Founder, My Money My
Future (remote)
—Tim Ranzetta, Co-Founder, Next Gen Personal Finance (remote)

10:30 a.m. (6) **Economics of the Racing Industry**
—Izzy Trejo, Executive Director, State Racing Commission
—Dave Dixon, Ph.D., Senior Lecturer, Department of Economics,
University of New Mexico (remote)
—Bill Belcher, General Manager, Zia Park Casino, Hotel and Racetrack
—Tom Goncharoff, President, New Mexico Horse Breeders Association
(NMHBA)
—Mike Logan, First Vice President, NMHBA

12:00 noon **Lunch**

1:00 p.m. (7) **A Market Perspective on Oil and Gas**
—Janie Chermak, Professor and Chair, Department of Economics,
University of New Mexico

2:00 p.m. (8) **Quality of Life in the Permian and the Effects on Economic
Development**
—Steve Aldridge, Mayor, City of Jal
—Mike Gallagher, Manager, Lea County
—Sam Cobb, Mayor, City of Hobbs

2:45 p.m. (9) **Economic Development Tax Discussion**
—Sam Cobb, Mayor, City of Hobbs
—Toby Spears, C.P.A., Finance Director, City of Hobbs

3:15 p.m. **Public Comment**

3:30 p.m. **Recess**

Friday, September 16 — Artesia

10:00 a.m. **Reconvene**

- 10:15 a.m. **Welcome to Artesia**
—Charles "Chuck" Pinson, Executive Vice President and General Manager,
 Central Valley Electric Cooperative, Inc.
—Jon Henry, Mayor, City of Artesia (invited)
- 10:30 a.m. (10) [Report on Eddy County Tax Study](#)
—Al Davis, Manager, Eddy County
- 11:15 a.m. (11) [Education and the Economy](#)
—Thad Phipps, Superintendent, Artesia Public School District
- 12:00 noon **Lunch**
- 1:00 p.m. **Public Comment**
- 1:30 p.m. **Adjourn**

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

**September 14-15, 2022
Career and Technical Education Center of Hobbs
801 North Marland Boulevard
Hobbs**

**September 16, 2022
Jack Case Community Room
Central Valley Electric Cooperative
1403 North 13th Street
Artesia**

The fourth meeting of the Economic Development and Policy Committee was called to order by Representative Antonio Maestas, chair, on September 14, 2022 at 10:15 a.m. at the Career and Technical Education Center of Hobbs (CTECH).

Present

Rep. Antonio Maestas, Chair
Sen. Carrie Hamblen, Vice Chair
Rep. Meredith A. Dixon (9/15, 9/16)
Rep. Raymundo Lara
Rep. Willie D. Madrid
Rep. Jane E. Powdrell-Culbert
Rep. Linda Serrato (9/16)
Sen. Benny Shendo, Jr. (9/14, 9/15)

Absent

Rep. Kelly K. Fajardo
Sen. Ron Griggs
Rep. Joshua N. Hernandez
Sen. Leo Jaramillo
Rep. Georgene Louis
Rep. Tara L. Lujan
Rep. Kristina Ortez
Sen. Michael Padilla
Rep. Patricia Roybal Caballero
Sen. Pat Woods

Advisory Members

Sen. Crystal R. Diamond
Rep. Rebecca Dow

Rep. Eliseo Lee Alcon
Rep. Anthony Allison
Rep. Gail Armstrong
Sen. Jacob R. Candelaria
Rep. Ambrose Castellano
Rep. Christine Chandler
Sen. Katy M. Duhigg
Rep. Doreen Y. Gallegos
Rep. Joy Garratt
Sen. Siah Correa Hemphill
Rep. Pamela Herndon
Rep. Susan K. Herrera

Rep. Derrick J. Lente
Rep. Patricia A Lundstrom
Rep. Rod Montoya
Sen. Cliff R. Pirtle
Rep. William "Bill" R. Rehm
Rep. Andrea Romero
Sen. Joshua A. Sanchez
Rep. Nathan P. Small
Sen. Elizabeth "Liz" Stefanics
Rep. Candie G. Sweetser
Sen. Bill Tallman
Rep. Luis M. Terrazas

Guest Legislators

Rep. Cathrynn N. Brown (9/14, 9/16)
Rep. Candy Spence Ezzell (9/15)
Sen. Gay G. Kernan (9/14, 9/15)

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

Staff

Erin Bond, Researcher, Legislative Council Service (LCS)
Tom Kricka, Staff Attorney, LCS
Martin Fischer, Staff Attorney, 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 14 — Hobbs

Welcome and Introductions (10:00 a.m.)

Representative Maestas welcomed the committee, and the members introduced themselves.

Welcome to Hobbs (10:25 a.m.)

Sam Cobb, mayor, City of Hobbs, welcomed the legislators to Hobbs.

CTECH (10:31 a.m.)

Zeke Kaney, director, CTECH, introduced legislators to the building, which was built with \$43 million in private funds and opened on August 8, 2022. Mr. Kaney provided a tour of the building and its six pathway clusters: culinary, auto, oil, digital, electric and woodworking. The presentation can be found here:

<https://www.nmlegis.gov/handouts/EDPC%20091422%20Item%201%20Ctech%20Welcome%20Sheet.pdf>.

Cannabis Banking (11:36 a.m.)

Phil Forbert, director of cannabis business development, U.S. Eagle Federal Credit Union, spoke about the credit union's role as New Mexico's first credit union for cannabis-related businesses (CRBs). He highlighted the exponential growth of CRBs in New Mexico, with about 800-1,000 CRBs licensed but only a few hundred within the credit union. Mr. Forbert described the credit union's provision of compliant banking services for managing and monitoring accounts and transactions, vetting and validating cash and receipts and ensuring that CRBs are conducting legal business and which services include an extensive onboarding process. He noted that the credit union disincentivizes cash transactions, which risk potential money laundering, and reduces the role of the black market in the cannabis industry. The presentation can be found here:

<https://www.nmlegis.gov/handouts/EDPC%20091422%20Item%202%20Cannabis%20Banking.pdf>.

Oilfields Economics 101 (1:38 p.m.)

Sarah Mitchell, regulatory manager, EOG Resources, Inc. (EOG), and Olivia Desser, water resources manager, EOG, presented about EOG being the largest crude oil producer in New Mexico, with 16 Permian operating rigs, and possessing a core trait of innovation in the field. They noted that EOG uses drones and fixed-wing aircraft to conduct surveys with 3D modeling; an electric frac to conduct its hydraulic fracturing; a water reuse system; a closed loop gas capture system to reduce flaring and emissions; and iSense continuous methane monitoring.

Greg Bloom, assistant commissioner for mineral resources, State Land Office, spoke about lease sales and royalty checks from oil and gas leasing, as well as state beneficiaries of this money. He noted that royalties are at an all-time high due to the production of oil and gas also being at an all-time high, earning New Mexico the spot as the second-largest state producer of gas and oil, behind only Texas, and that New Mexico earned \$2 billion in oil and gas royalties in the past 12 months. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=EDPC&Date=9/14/2022&ItemNumber=3>.

Global Energy Transition (3:44 p.m.)

Karl Fennessey, vice president, Corporate Public Policy, ConocoPhillips, discussed the need for energy policies during this global energy transition to low-carbon technologies. He introduced ConocoPhillips as the largest independent operator in the Permian basin, with 1.5

million net acres, and explained the costs of decarbonizing to net zero by the year 2050 and the continuing need for oil and natural gas as vital fuels in the global economy. Mr. Fennessey focused on oil and gas as enablers of the energy transition for developing new technologies, investing in low-carbon technologies, reducing emissions and designing durable and pragmatic policy. The presentation can be found here:

<https://www.nmlegis.gov/handouts/EDPC%20091422%20Item%204%20Global%20Energy%20Transition.pdf>.

Public Comment (4:39 p.m.)

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

Recess

The meeting recessed at 4:44 p.m.

Thursday, September 15 — Hobbs

Financial Literacy Education (9:19 a.m.)

Heather Morton, senior fellow, Fiscal Affairs, National Conference of State Legislatures (NCSL), introduced the NCSL and presented an overview of national financial education legislation. She spoke about the 27 states that have requirements for financial education courses or content compared to the 23 states without such requirements and noted that there are 18 states and Washington, D.C. that passed legislation or resolutions in 2022 and 37 states with pending financial education and literacy bills. Ms. Morton highlighted several states' laws, including Florida and Mississippi, which have passed substantial legislation, adding that South Carolina directed its state board of education to promulgate requirements for financial literacy credits and that Washington enacted legislation requiring a financial education public-private partnership to establish a grant program to provide assistance to school districts for the purpose of integrating financial literacy into their professional development courses. The presentation can be found here:

<https://www.nmlegis.gov/handouts/EDPC%20091422%20Item%205%20State%20Financial%20Education%20Legislation.pdf>.

Ramona Ortega, chief executive officer and founder, My Money My Future, presented about financial literacy, especially its effect on the racial wealth gap. Ms. Ortega created her company around the thesis: "What would I have needed to learn as a 20-year-old?". She noted that many people who do not learn financial literacy at home or in school, especially minorities, learn about finances through costly mistakes, adding that financial literacy needs to be a national priority, starting at the state level, with legislators and educators stepping up.

Ms. Ortega spoke about the racial wealth gap as it pertains to financial literacy and how it relates to economic development and growth in the state. She defined "net worth" as being the money that remains after subtracting liabilities, noting that the average net worth of a white American is \$437,000, while the average net worth of an African American is \$107,000 and that of a Latino American is \$53,000. Ms. Ortega emphasized that disparities are increasing despite

overall growth in wealth, which is connected to financial literacy and a negative correlation between poverty and socioeconomic outcomes, as well as educational outcomes. Ms. Ortega stated that high poverty rates in rural New Mexico have led to predatory practices, such as payday loans and other financial products, that heighten the need for financial literacy courses to protect this most vulnerable population.

Ms. Ortega stated that financial literacy is especially important now because of the increase in the wealth disparity gap and because it is necessary for overall economic growth, including retirement accounts, mortgages and small business capital and scaling, noting that wealth disparity costs the United States about \$5 trillion in gross domestic product output per year and because of changing demographics. She explained that for the first time, minorities are the top-hired group in the workforce, and the "millennial" generation will inherit trillions of dollars from the "baby boomer" generation.

In sum, Ms. Ortega stated that financial technology needs to unbundle financial products to meet the needs of the changing demographics of the United States and that educational guidance by nonprofits, technology companies, foundations, schools and universities is lacking.

Tim Ranzetta, co-founder, Next Gen Personal Finance (NGPF), presented about the NGPF platform and provided a national and statewide look at the state of financial education, focusing on New Mexico. He said that 40% of young people receive their financial information from TikTok and that he was inspired to create NGPF based on his past experience teaching. Mr. Ranzetta said that there are 15 states that guarantee a standalone, one-semester personal finance course and cited research that says embedded content is not learned, but rather that a standalone semester is required for the material to stick. He added that 40% of states have passed laws to implement a semester-long personal finance course. Mr. Ranzetta highlighted that California recently passed a law that provided \$600 per student for financial literacy, Oregon passed a law mandating a future planning course to include financial literacy and Idaho and Montana superintendents made commitments to expand financial education.

Mr. Ranzetta studied New Mexico through a research partnership with Montana State University and found that only two schools currently guarantee a financial education course for students, although several hundred educators use NGPF's curriculum to teach financial literacy. Mr. Ranzetta recommended against buying textbooks, which become outdated quickly, and instead using applications and websites that can be updated immediately to reflect relevant current events, such as the Robinhood stock investment and GameStop phenomena.

Mr. Ranzetta described the benefits of financial education, such as improvements to credit scores and reduced use of payday loans. Mr. Ranzetta stated that local control is the linchpin to community change and that several surveys have shown that financial literacy courses are popular with adults. He recommended that legislation should set standards but not mandate curriculum while allowing local districts to determine financial literacy graduation requirements and placement in class schedules, noting that national standards already exist to guide educators. He said that effective and certified teachers are needed and that he believes that NGPF can help meet this need through its free teacher certification and curriculum, which has resulted in 10,000 teacher certifications and 350,000 hours of teacher training on various topics,

such as cryptocurrency. He said that a scalable model to implement on a state level is necessary. The presentation can be found here:

<https://www.nmlegis.gov/handouts/EDPC%20091422%20Item%205%20NGPF%20Mission%202030%20Fund.pdf>.

Responding to questions from committee members, panelists stated that:

- NGPF is current, customizable and curated for best resources and content across the web;
- there is a mandate that schools offer financial literacy courses that can qualify as a math credit, but only 11% of students take those courses;
- financial literacy is very important for narrowing the racial wealth gap;
- it is not enough to require a national curriculum; there need to be specific, targeted solutions for different communities based on the nuanced relationships each community has to money, finances and institutions;
- there is a need to understand the nuances in communities in order to build trust and provide education and advice that the diverse community members will heed;
- if financial literacy is taught as part of an economics class rather than as a standalone course, adequate time would need to be invested in financial literacy instruction; and
- community support and a strong relationship with a legislative champion to get legislation passed will be essential.

Economics of the Racing Industry (10:31 a.m.)

Izzy Trejo, executive director, State Racing Commission, presented about the positive and negative things occurring in horse racing as the racing industry goes through a transition with online, offsite and offshore wagering competing for the gambling dollar. He stated that where horse racing used to be the "king of the gambling hill", it now faces increased competition and that the industry must embrace technology and get out of the dark ages since gambling has shifted 90% or more to mobile device platforms in certain states.

Mr. Trejo spoke about advanced deposit wagering and how it is being used to bet on New Mexico races by people in New York, Kentucky and elsewhere semi-legally but that New Mexicans cannot bet on New Mexico racetracks. He said that there is \$5 million at New Mexico's derby, indicating that there is still plenty of involvement and that the industry must keep the product at a high level and increase mobile accessibility. He added that people are sending signals and messages, and the commission and leaders must listen and adapt.

Mr. Trejo stated that the State Racing Commission has broad authority to regulate the industry for its best interest and that there are many different stakeholders, so he has found it difficult as a regulator to please them all. He said that he believes that New Mexico needs race horses, which requires having breeders and trainers, but the number of breeders and trainers has been declining over the years. Furthermore, he added that rules and regulations are needed to ensure the safety of jockeys.

Dave Dixon, Ph.D., senior lecturer, Department of Economics, University of New Mexico, presented on the economic impact of the horse racing industry, highlighting that statewide it produced \$677.5 million in 2016 despite a 24% drop from 2006 to 2016 and compared to the 12% decline nationwide since 2006. He discussed data that shows that horse breeding in New Mexico peaked in 2008 and that the number of foals bred has significantly declined since 2016. Mr. Dixon said that the average United States household spends 5.5% of their household income on entertainment and that there is increasing competition for that portion. Mr. Dixon stated that it is the breeders, owners, jockeys, labor, services and tracks that produce economic activity, not gambling. The presentation can be found here:

<https://www.nmlegis.gov/handouts/EDPC%20091422%20Item%206%20Horse%20Racing%20in%20New%20Mexico-%20Economic%20Trends.pdf>

Bill Belcher, general manager, Zia Park Casino, Hotel and Racetrack, spoke about the need for more avenues to generate revenue, specifically advanced deposit wagering. He discussed the \$12 billion wagered on horse racing per year nationwide, with 55% wagered by mobile device. He said that he believes it would be better to have more ways to generate money, such as allowing mobile wagering in New Mexico.

Tom Goncharoff, president, New Mexico Horse Breeders Association, and Mike Logan, vice president, New Mexico Horse Breeders Association, presented on the association, which is the registrar for New Mexico-bred horses and administers the legislative-mandated incentive fund that encourages the expansion of industry and improvement of performance quality. Mr. Goncharoff spoke about the excitement and economic development of racing, especially on Labor Day weekend, which he described as packed and full. He stated that there has been a 43% increase of horse sales since 2021 and that 2021 experienced record sales of New Mexico-bred horses. Mr. Goncharoff discussed the national focus on having fewer horses that are of higher quality, along with the resulting auction prices and demand on horses that are through the roof. According to Mr. Goncharoff, the horse racing industry involves significant agricultural components, such as hay and trailers. Mr. Goncharoff also expressed support for legalizing off-the-track betting in New Mexico. He stated that people can bid by phone on races all over the country, but that New Mexico law does not allow New Mexicans to bet on New Mexico races remotely. He opined that this loses money for the state and industry. The presentation can be found here:

<https://www.nmlegis.gov/handouts/EDPC%20091422%20Item%206%20NMHBA%20Facts.pdf>

Responding to questions from committee members, panelists stated that:

- the State Racing Commission cannot enter and stop unsanctioned races, so there is a need for law enforcement agencies to enforce the law and shut down unsanctioned races to prevent the loss of money and harm to horses;
- the State Racing Commission determines the number of race dates in the state and gets a set purse amount, so fewer races allow for a bigger purse per race, while more races would decrease the purse for each race's winner;
- the industry needs to allow more avenues of revenue;

- legislation needs to be flexible to accommodate the changing business climate;
- the industry needs adequate resources to provide for the welfare of race horses;
- infighting within the industry needs to stop; and
- advanced deposit wagering should be allowed in New Mexico.

A Market Perspective on Oil and Gas (1:10 p.m.)

Janie Chermak, professor and chair, Department of Economics, University of New Mexico, presented a market perspective on the oil and gas industries and how they impact the state. She discussed the expansion toward a global world market and various challenges, such as supply chain issues and the impact of Russia's invasion of Ukraine. Ms. Chermak examined the gross domestic product's relation to the consumption of oil and gas, supply and demand and production of crude oil, as well as the Organization of the Petroleum Exporting Countries' role as price leader and its actions to influence the world oil market. The presentation can be found here:

<https://www.nmlegis.gov/handouts/EDPC%20091422%20Item%207%20Market%20Perspective%20on%20Oil%20and%20Gas.pdf>.

Quality of Life in the Permian and the Effects on Economic Development (2:00 p.m.)

Steve Aldridge, mayor, City of Jal, presented on the quality of life in Jal and highlighted some of Jal's economic developments, such as a stocked lake, green spaces and parks, a golf course, a library, recreation facilities and other economic producers. Mike Gallagher, manager, Lea County, presented an overview of Lea County, its population growth, quality of life, growth in gross domestic product, airport expansion, roadway construction, housing, health care and recreation. Mr. Cobb discussed Hobbs' economic development, focusing on four areas: housing, recreation, health care and education. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=EDPC&Date=9/14/2022&ItemNumber=8>.

Economic Development Tax Discussion (3:01 p.m.)

Mr. Cobb and Toby Spears, C.P.A., finance director, City of Hobbs, presented on Hobbs' tax rate structure, the impact of House Bill 6 (2021) on Hobbs and Lea County, gross receipt tax comparisons and the impact on rig counts and various area vendors.

Public Comment

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

Recess

The meeting recessed at 3:44 p.m.

Friday, September 16 — Artesia

Reconvene

Representative Maestas reconvened the meeting at 10:08 a.m. and welcomed committee members and the public.

Welcome to Artesia (10:10 a.m.)

Jon Henry, mayor, City of Artesia, welcomed the committee.

Report on Eddy County Tax Study (10:45 a.m.)

Al Davis, manager, Eddy County, spoke about Eddy County's population, high growth rate and significant economic contributions to the state largely via oil, gas, mining, nuclear power and agriculture. He discussed the diverse range of industries, their role as a strong economic engine for the state and the importance of bolstering this success by reinvesting in Eddy County businesses. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=EDPC&Date=9/14/2022&ItemNumber=10>.

Approval of Minutes (11:31 a.m.)

Upon a motion duly made and seconded, the minutes of the May 26, 2022 and July 14-15, 2022 meetings were approved without changes.

Education and the Economy (11:45 a.m.)

Thad Phipps, superintendent, Artesia Public School District, presented on the state of the school district and recent developments and goals of the district, especially regarding professional development and career pathways to meet the needs of the students and community. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=EDPC&Date=9/14/2022&ItemNumber=11>.

Public Comment

There was no public comment.

Adjournment

There being no further business before the committee, the meeting adjourned at 12:15 p.m.

Revised: October 13, 2022

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

**October 12, 2022
Event Space at D.H. Lescombes Winery and Tasting Room
7075 Highway 549 SE
Deming**

**October 13, 2022
War Eagles Air Museum
8012 Airport Road
Santa Teresa**

**October 14, 2022
Spaceport America
County Road A021
Truth or Consequences**

Wednesday, October 12 — Deming

- 10:00 a.m. **Call to Order**
—Representative Antonio Maestas, Chair
- 10:05 a.m. **Welcome**
—Brandon Young, Chief Executive Officer, Lescombes Family Vineyards
—Benny Jasso, Mayor, City of Deming
- 10:15 a.m. (1) **[Copper Mining in New Mexico: New Mexico Copper Corporation](#)**
—Jeff Smith, Chief Operating Officer, New Mexico Copper Corporation
- 11:00 a.m. (2) **[Education and the Economy: The Importance of Research and Development](#)**
—Dr. Joseph Shepard, President, Western New Mexico University
—Matthew Gallegos, Executive Director, Tech Transfer Collaborative Office, New Mexico Institute of Mining and Technology
—David Hanson, Ph.D., Assistant Vice President for Research, University of New Mexico
—Ganesh Balakrishnan, Director, New Mexico Established Program to Stimulate Competitive Research
- 12:00 noon **Lunch**

1:00 p.m. (3) [Developing New Mexico's Geothermal Economy](#)
—Senator Gerald Ortiz y Pino (remote)
—Tom Solomon, Electrical Engineer and Facilitator, Geothermal Development Working Group; Co-Coordinator, 350 New Mexico (remote)
—Shari Kelley, Ph.D., Senior Geophysicist and Field Geologist, Bureau of Geology and Mineral Resources, New Mexico Institute of Mining and Technology (remote)
—Olga Lavrova, Ph.D., Associate Professor, College of Engineering, New Mexico State University (remote)

2:00 p.m. (4) [Workforce and Livability: A Strategic Approach to Recruit, Retain and Expand Opportunities in Rural New Mexico](#)
—Aaron Sera, City Administrator, City of Deming
—Cassie Arias-Ward, Economic and Tourism Development Coordinator, City of Deming
—Kerena Barron, Area Manager, Workforce Solutions Department

3:00 p.m. (5) [Benefits of Daylight Saving Time](#)
—Senator Cliff R. Pirtle
—Scott Yates, Founder, #LocktheClock (remote)

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

4:30 p.m. **Recess**

Thursday, October 13 — Santa Teresa

9:30 a.m. **Welcome**
—Javier Perea, Mayor, City of Sunland Park
—Mario Juarez-Infante, Interim City Manager, City of Anthony; Acting City Manager, City of Sunland Park

11:00 a.m. (6) [International Trade in New Mexico](#)
—Jerry Pacheco, President, Border Industrial Association; Executive Director, New Mexico International Business Accelerator
—Joshua Orozco, International Business Specialist, New Mexico International Business Accelerator
—Joseph De La Rosa, Special Projects Manager, Department of Transportation

12:00 noon **Lunch**

- 1:00 p.m. (7) [Union Pacific Update on Investments in Santa Teresa](#)
—Raquel Espinoza, Senior Director of Public Relations, Union Pacific
—J.D. Bullington, Lobbyist, Union Pacific
- 2:00 p.m. (8) [Building the Border Economy: Update from the Border Authority and the Border Industrial Association](#)
—Marco A. Grajeda, Executive Director, Border Authority
—Jerry Pacheco, President, Border Industrial Association; Executive Director, New Mexico International Business Accelerator
- 3:00 p.m. **Public Comment**
- 3:30 p.m. **Tour of Border Industrial Association (Legislators Only)**
- 5:00 p.m. **Recess**

Friday, October 14 — Truth or Consequences

- 10:00 a.m. **Welcome**
—Travis Day, Commissioner, District 2, Sierra County Board of County Commissioners
- 10:15 a.m. (9) [The Economics of the Mescalero Apache Tribe](#)
—Sarah Kazhe, Director of Marketing, Inn of the Mountain Gods Resort and Casino
—Nelva Cervantes, General Counsel, Mescalero Apache Tribe
—Adrena Orosco, Secretary and Councilwoman, Mescalero Apache Tribe
- 11:15 a.m. (10) [Update from Spaceport America](#)
—Scott McLaughlin, Executive Director, Spaceport America
- 12:00 noon **Lunch**
- 1:00 p.m. **Tour of Virgin Galactic (Legislators Only)**
- 3:00 p.m. **Adjourn**

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

**October 12, 2022
Event Space at D.H. Lescombes Winery and Tasting Room
7075 Highway 549 SE
Deming**

**October 13, 2022
War Eagles Air Museum
8012 Airport Road
Santa Teresa**

**October 14, 2022
Spaceport America
County Road A021
Truth or Consequences**

The fifth meeting of the Economic Development and Policy Committee was called to order by Representative Antonio Maestas, chair, on October 12, 2022 at 10:06 a.m. at the Event Space at D.H. Lescombes Winery and Tasting Room in Deming.

Present

Rep. Antonio Maestas, Chair
Sen. Carrie Hamblen, Vice Chair (10/12, 10/13)
Sen. Ron Griggs (10/12, 10/13)
Rep. Raymundo Lara (10/12, 10/13)
Rep. Tara L. Lujan
Sen. Michael Padilla (10/12)
Rep. Jane E. Powdrell-Culbert (10/12, 10/13)
Rep. Patricia Roybal Caballero
Rep. Linda Serrato (10/13, 10/14)
Sen. Benny Shendo, Jr. (10/12, 10/13)

Absent

Rep. Meredith A. Dixon
Rep. Kelly K. Fajardo
Rep. Joshua N. Hernandez
Sen. Leo Jaramillo
Rep. Georgene Louis
Rep. Willie D. Madrid
Rep. Kristina Ortez
Sen. Pat Woods

Advisory Members

Rep. Eliseo Lee Alcon (10/12, 10/13)
Sen. Crystal R. Diamond
Rep. Rebecca Dow (10/14)
Rep. Pamela Herndon (10/14)
Sen. Cliff R. Pirtle (10/12)
Sen. Joshua A. Sanchez (10/14)
Rep. Candie G. Sweetser

Rep. Anthony Allison
Rep. Gail Armstrong
Sen. Jacob R. Candelaria
Rep. Ambrose Castellano
Rep. Christine Chandler
Sen. Katy M. Duhigg
Rep. Doreen Y. Gallegos
Rep. Joy Garratt

Sen. Siah Correa Hemphill
Rep. Susan K. Herrera
Rep. Derrick J. Lente
Rep. Patricia A. Lundstrom
Rep. Rod Montoya
Rep. William "Bill" R. Rehm
Rep. Andrea Romero
Rep. Nathan P. Small
Sen. Elizabeth "Liz" Stefanics
Sen. Bill Tallman
Rep. Luis M. Terrazas

(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
Grecia Duarte, 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 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 12 — Deming

Welcome and Introductions (10:06 a.m.)

Representative Maestas welcomed the committee, and committee members introduced themselves. Brandon Young, chief executive officer, Lescombes Family Vineyards, welcomed the committee and shared information about the vineyard. Benny Jasso, mayor, City of Deming, welcomed the committee and shared some of Deming's history with the committee.

Copper Mining in New Mexico: New Mexico Copper Corporation (10:35 a.m.)

Jeff Smith, chief operating officer, New Mexico Copper Corporation, presented information about society's changing resource needs, which is driving the demand for copper

higher. He also discussed the Copper Flat Project and its benefits to New Mexico. The presentation can be found here:

<https://www.nmlegis.gov/handouts/EDPC%20101222%20Item%201%20The%20Copper%20Flat%20Project.pdf>.

Education and the Economy: The Importance of Research and Development (11:27 a.m.)

Dr. Joseph Shepard, president, Western New Mexico University, discussed the economic importance of educational research and development and the expected return on investment from these endeavors. Matthew Gallegos, executive director, Tech Transfer Collaborative Office, New Mexico Institute of Mining and Technology, spoke about the key economic development indicators of research expenditures and graduate degrees conferred in New Mexico. Ganesh Balakrishnan, director, New Mexico Established Program to Stimulate Competitive Research (EPSCoR), spoke about the EPSCoR's various programs, including its Sustainable Modular Adaptive Resilient Transactive Grid Center and its funding programs for research and cyber infrastructure and science, technology, engineering and mathematics (STEM) workforce development. David Hanson, Ph.D., assistant vice president for research, University of New Mexico, discussed using research to drive economic development, focusing on clean water, clean energy and meeting the needs of indigenous and rural communities. The presentation can be found here:

<https://www.nmlegis.gov/handouts/EDPC%20101222%20Item%202%20Impact%20of%20Research%20and%20Development.pdf>.

Developing New Mexico's Geothermal Economy (1:24 p.m.)

Senator Gerald Ortiz y Pino provided an overview of geothermal heat as a clean, zero-emission source of heat and electricity, and he emphasized the need to amend New Mexico's statutes to promote geothermal development and resources. Tom Solomon, electrical engineer and facilitator, Geothermal Development Working Group, and co-coordinator, 350 New Mexico, spoke about the need to pass legislation that supports a two-phase geothermal development to expand geothermal resources and promote long-term development of geothermal electricity. He also discussed geothermal technology, opportunities, funding and developments. Shari Kelley, Ph.D., senior geophysicist and field geologist, Bureau of Geology and Mineral Resources, New Mexico Institute of Mining and Technology, presented information on the current state of geothermal resources in the United States and in New Mexico. Olga Lavrova, Ph.D., associate professor, College of Engineering, New Mexico State University (NMSU), spoke about the NMSU Campus Geothermal Project that constructed geothermal infrastructure to provide hot water and space heat to campus buildings and facilities. The presentation can be found here:

<https://www.nmlegis.gov/handouts/EDPC%20101222%20Item%203%20Geothermal%20Electricity.pdf>.

Workforce and Livability: A Strategic Approach to Recruit, Retain and Expand Opportunities in Rural New Mexico (2:36 p.m.)

Aaron Sera, city administrator, City of Deming, welcomed the committee members and spoke about Deming's prioritization of outdoor recreation and recent construction of Trees Lake. Cassie Arias-Ward, economic and tourism development coordinator, City of Deming, gave an overview of Deming's economic development, including its strengths, opportunities and challenges. The presentation can be found here:

<https://www.nmlegis.gov/handouts/EDPC%20101222%20Item%204%20Deming%20Workforce%20and%20Livability.pdf>.

Benefits of Daylight Saving Time (3:00 p.m.)

Senator Pirtle spoke about the history and effects of a permanent daylight saving time statute. Scott Yates, founder, #LocktheClock, discussed the main benefits of such a law, including reducing the incidence of strokes, traffic and work accidents, deaths and crime.

Public Comment

There was no public comment.

Recess

The meeting recessed at 3:56 p.m.

Thursday, October 13 — Santa Teresa

Welcome and Introductions (9:39 a.m.)

Representative Maestas welcomed the committee, and committee members introduced themselves. Javier Perea, mayor, City of Sunland Park, welcomed the committee and provided a brief history of Sunland Park. Mario Juarez-Infante, interim city manager, City of Anthony, and acting city manager, City of Sunland Park, spoke about Sunland Park's efforts to capitalize on its natural resources and environment, especially through parks, trails, a new sports complex, entertainment district development and the port of entry. He also spoke about the City of Anthony's recent economic developments. Elva Flores, mayor pro tempore, City of Anthony, introduced herself and welcomed the committee. John Harris, chief executive officer, Memorial Medical Center, spoke about developing the health center. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=EDPC&Date=10/12/2022&ItemNumber=0>.

International Trade in New Mexico (10:51 a.m.)

Jerry Pacheco, president, Border Industrial Association, and executive director, New Mexico International Business Accelerator, spoke about his organizations' work. Joshua Orozco, international business specialist, New Mexico International Business Accelerator, presented information about New Mexico's exports and the effects exports have on the economy. Joseph

De La Rosa, special projects manager, Department of Transportation, discussed the information and communication technology and electronic vehicle industries forming in the states near the Mexico border. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=EDPC&Date=10/12/2022&ItemNumber=6>.

Union Pacific Update on Investments in Santa Teresa (1:01 p.m.)

Raquel Espinoza, senior director of public relations, Union Pacific, presented information on Union Pacific's operations, its impact on the economy, recent developments and the advantages of train transportation. J.D. Bullington, lobbyist, Union Pacific, emphasized the points Ms. Espinoza made. The presentation can be found here:

<https://www.nmlegis.gov/handouts/EDPC%20101222%20Item%207%20Union%20Pacific%20Santa%20Teresa%20Update.pdf>.

Building the Border Economy: Border Industrial Association (2:09 p.m.)

Marco A. Grajeda, executive director, Border Authority, presented information on the Border Authority's recent successes with funding, projects, capital and increased revenue. He also detailed the current and future projects of the Border Authority. Mr. Pacheco spoke about Santa Teresa as a rail hub and detailed its infrastructure and assets. He provided updates on various projects in Santa Teresa. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=EDPC&Date=10/12/2022&ItemNumber=8>.

Public Comment

There was no public comment.

Tour of Border Industrial Association (3:30 p.m.)

Recess

The meeting recessed at 5:00 p.m.

Friday, October 14 — Truth or Consequences

Welcome (10:30 a.m.)

Travis Day, commissioner, District 2, Sierra County Board of County Commissioners, welcomed the committee and highlighted the expected economic benefits and opportunities of Spaceport America and improved broadband access.

The Economics of the Mescalero Apache Tribe (10:41 a.m.)

Adrena Orosco, secretary and councilwoman, Mescalero Apache Tribe, and Nelva Cervantes, general counsel, Mescalero Apache Tribe, introduced the tribe, spoke about its history and highlighted the tribe's economic development efforts and future projects. Sarah

Kazhe, director of marketing, Inn of the Mountain Gods Resort and Casino, discussed the amenities and projects of the inn. The presentation can be found here:

<https://www.nmlegis.gov/handouts/EDPC%20101222%20Item%209%20Mescalero%20Apache%20Tribe.pdf>.

Update from Spaceport America (11:55 a.m.)

Scott McLaughlin, executive director, Spaceport America, spoke about Spaceport America's recent activities, budget, capital improvements, business development and growth strategy, highlighting the Spaceport America Cup 2022 and STEM-related activities. The presentation can be found here:

<https://www.nmlegis.gov/handouts/EDPC%20101222%20Item%2010%20Spaceport%20America.pdf>.

Tour of Virgin Galactic (1:00 p.m.)

Adjournment

There being no further business before the committee, the meeting adjourned at 3:45 p.m.

Revised: November 23, 2022

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

**November 28-29, 2022
State Capitol, Room 307
Santa Fe**

Monday, November 28

- 10:00 a.m. **Call to Order**
—Senator Carrie Hamblen, Vice Chair
- 10:05 a.m. (1) **[Report from the Paid Family and Medical Leave Task Force on Senate Memorial 1 \(2022\)](#)**
—Representative Linda Serrato
—Tracy McDaniel, Policy Advocate, Southwest Women's Law Center
—Suzan Reagan, Senior Program Manager, Data Bank, Bureau of Business and Economic Research, University of New Mexico
- 11:00 a.m. (2) **[Financial Literacy Education](#)**
—Chad Cooper, President, National Association of Insurance and Financial Advisors-New Mexico (NAIFA-NM), Gateway Financial Advisors
—Michael McCaffrey, Vice President of Advocacy, NAIFA-NM, New York Life
—Edward Dunn, Chair, Government Relations, NAIFA-NM, State Farm
- 12:00 noon **Lunch**
- 1:30 p.m. (3) **[Opportunities for Innovation in New Mexico's Gaming Industry](#)**
—Fred Heinrich, General Counsel and Compliance Officer, Sunland Park Racetrack and Casino
—Patrick Garrett, Chair, Gaming Control Board
- 2:30 p.m. (4) **[Economics of New Mexico's Restaurant and Hospitality Industries](#)**
—Kathy Komoll, Chief Executive Officer (CEO), New Mexico Hospitality Association
—Carol Wight, CEO, New Mexico Restaurant Association
- 3:30 p.m. **Discussion of Legislative Priorities for 2023**
- 3:45 p.m. **Public Comment**

4:00 p.m. **Recess**

Tuesday, November 29

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

9:05 a.m. (5) **[Climateconomics: Economic Consequences and Opportunities Created by Changes to the Climate](#)**
—Bob Keefe, Executive Director, E2

10:30 a.m. (6) **[Horseracing in New Mexico: An Opportunity for Improvement](#)**
—Richard Erhard, Executive Director, New Mexico Horsemen's Association (NMHA)
—Shannon Gilliland, Certified Public Accountant, Taylor Roth and Company
—Paul Jenson, Doctor of Veterinary Medicine, President, NMHA
—Gary C. Mitchell, Attorney at Law

11:45 a.m. **Lunch**

1:00 p.m. (7) **[Update from the Economic Development Department \(EDD\) on Legislative Priorities and International Trade](#)**
—Alicia J. Keyes, Secretary, EDD (remote)
—Jon Clark, Deputy Secretary, EDD

2:00 p.m. (8) **[Opportunities for Economic Growth in New Mexico](#)**
—Dale R. Dekker, Architect and Founder, Dekker/Perich/Sabatini

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

**MINUTES
of the
SIXTH MEETING
of the
ECONOMIC DEVELOPMENT AND POLICY COMMITTEE**

**November 28-29, 2022
State Capitol, Room 307
Santa Fe**

The sixth meeting of the Economic Development and Policy Committee was called to order by Senator Carrie Hamblen, vice chair, on November 28, 2022 at 10:10 a.m. in Room 307 of the State Capitol in Santa Fe.

Present

Sen. Carrie Hamblen, Vice Chair
Rep. Eliseo Lee Alcon* (11/28)
Rep. Kelly K. Fajardo (11/28)
Rep. Joy Garratt*
Rep. Joshua N. Hernandez
Rep. Pamela Herndon*
Rep. Tara L. Lujan (11/28)
Rep. Jane E. Powdrell-Culbert
Rep. Linda Serrato
Sen. Benny Shendo, Jr. (11/28)

Advisory Members

Sen. Crystal R. Diamond (11/28)
Rep. Rebecca Dow
Sen. Antonio Maestas
Rep. Rod Montoya (11/29)
Rep. Andrea Romero
Sen. Bill Tallman

Absent

Rep. Meredith A. Dixon
Sen. Ron Griggs
Sen. Leo Jaramillo
Rep. Raymundo Lara
Rep. Georgene Louis
Rep. Willie D. Madrid
Rep. Kristina Ortez
Sen. Michael Padilla
Rep. Patricia Roybal Caballero
Sen. Pat Woods

Rep. Anthony Allison
Rep. Gail Armstrong
Rep. Ambrose Castellano
Rep. Christine Chandler
Sen. Katy M. Duhigg
Rep. Doreen Y. Gallegos
Sen. Siah Correa Hemphill
Rep. Susan K. Herrera
Rep. Derrick J. Lente
Rep. Patricia A. Lundstrom
Sen. Cliff R. Pirtle
Rep. William "Bill" R. Rehm
Sen. Joshua A. Sanchez
Rep. Nathan P. Small
Sen. Elizabeth "Liz" Stefanics
Rep. Candie G. Sweetser
Rep. Luis M. Terrazas

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

*Appointed by the speaker of the house of representatives as a voting member for this meeting only.

Staff

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

Monday, November 28**Welcome and Introductions (10:10 a.m.)**

Senator Hamblen welcomed everyone to the meeting and committee members introduced themselves.

Report from the Paid Family and Medical Leave Task Force (PFML) on Senate Memorial 1 (2022) (10:14 a.m.)

Representative Serrato; Tracy McDaniel, policy advocate, Southwest Women's Law Center; and Suzanne Reagan, senior program manager, Data Bank, Bureau of Business and Economic Research, University of New Mexico, provided an overview of the findings and recommendations of the PFML. Following a brief review of the historical and current leave policies of a sample of employers, the composition and decision-making strategy of the PFML was summarized. The implementation time line, expected implementation costs and cost models for businesses of various sizes — based on the number of employees — were presented. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=EDPC&Date=11/28/2022&ItemNumber=1>.

Approval of Minutes (11:37 a.m.)

Upon motions made and seconded, the minutes of the September 14-16, 2022 and October 12-14, 2022 meetings were approved.

Financial Literacy Education (11:39 a.m.)

Chad Cooper, president, National Association of Insurance and Financial Advisors-New Mexico (NAIFA-NM), Gateway Financial Advisors, and Michael McCaffrey, vice president of advocacy, NAIFA-NM, New York Life, discussed the importance of teaching New Mexico high school students fundamental concepts of financial literacy. They advocated for teaching financial literacy by emphasizing financial concepts as opposed to teaching financial literacy as a purely mathematical endeavor. A summary of Mr. Cooper's remarks can be found here:

<https://www.nmlegis.gov/handouts/EDPC%20112822%20Item%202%20Cooper%20Testimony.pdf>.

Opportunities for Innovation in New Mexico's Gaming Industry (1:32 p.m.)

Fred Heinrich, general counsel and compliance officer, Sunland Park Racetrack and Casino, and Patrick Garrett, chair, Gaming Control Board, discussed the current state of the national gaming industry and the implications of gaming trends on New Mexico. They highlighted, based on national data, that 2022 has seen a dramatic increase in sports and internet gaming. Noting that neighboring states of Arizona, Colorado and Oklahoma allow sports betting, they suggested that customer gambling preferences are changing and that New Mexico is falling behind in providing in-demand gambling products. Both Mr. Heinrich and Mr. Garrett advocated for the appointment of a group of gaming industry stakeholders to consider the legislation and regulation needed to allow sports betting, internet gaming and advanced deposit wagering in order to remain competitive with neighboring states and to make New Mexico a gambling destination. The presentation can be found here:

<https://www.nmlegis.gov/handouts/EDPC%20112822%20Item%203%20Heinrich%20Testimony.pdf>.

Economics of New Mexico's Restaurant and Hospitality Industries (2:23 p.m.)

Kathy Komoll, chief executive officer (CEO), New Mexico Hospitality Association, and Carol Wight, CEO, New Mexico Restaurant Association, presented an overview of the impacts of the COVID-19 pandemic on and the current economic needs of the New Mexico hospitality and restaurant industries. Ms. Komoll provided hospitality industry policy priorities, which include supporting a robust Tourism Department, developing and funding programs to assist local communities with marketing and event development, developing and supporting existing programs to bring staffing levels back to pre-pandemic levels and establishing tax incentives and deferrals to help businesses address a looming debt crisis.

Ms. Wight discussed the continued impact of the COVID-19 pandemic and inflation on the restaurant industry. Citing supply chain problems, labor shortages and inflation coupled with loan debt acquired during the pandemic, she advocated for New Mexico to provide financial

assistance to restaurants through a proposed New Mexico Restaurant Revitalization Fund. She suggested that funds be prioritized for restaurants that did not receive aid from the federal Restaurant Revitalization Fund and outlined potential application procedures for the proposed state fund. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=EDPC&Date=11/28/2022&ItemNumber=4>.

Discussion of Legislative Priorities for 2023 (3:30 p.m.)

Senator Maestas suggested that committee members consider their priorities for appropriating funds to support economic development. After a brief discussion, Senator Hamblen informed the committee that she would email them questions regarding their priorities and thoughts on the committee's work and would compile their responses with the help of Ms. Bond.

Public Comment

There was no public comment.

Recess

The meeting recessed at 3:38 p.m.

Tuesday, November 29

Welcome and Introductions (9:14 a.m.)

Senator Hamblen welcomed everyone to the meeting and committee members introduced themselves.

Climatenomics: Economic Consequences and Opportunities Created by Changes to the Climate (9:16 a.m.)

Bob Keefe, executive director, E2, presented a summary of climate-related financial impacts on New Mexico. Mr. Keefe addressed recent federal legislation, such as the Infrastructure Investment and Jobs Act and the Inflation Reduction Act of 2022, as it relates to funding clean energy efforts. He concluded his presentation with an overview of how tax credits, energy savings, energy investments, clean energy jobs and clean energy job wages can potentially benefit New Mexico residents. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=EDPC&Date=11/28/2022&ItemNumber=5>.

Horseracing in New Mexico: An Opportunity for Improvement (10:17 a.m.)

Richard Erhard, executive director, New Mexico Horsemen's Association (NMHA); Shannon Gilliland, certified public accountant, Taylor Roth and Company; Dr. Paul Jensen, president, NMHA; and Gary C. Mitchell, attorney at law, discussed the current state of and potential improvements to horseracing in New Mexico. An overview and brief history of the

NMHA structure and purpose was provided before addressing current issues concerning the association's financial relationship with corporate racinos and the State Racing Commission. Mr. Erhard argued that horseracing and training schedules must be year-long and that horsemen need increased representation and input with the Gaming Control Board and racinos to maintain their livelihood.

Dr. Jenson provided a summary of recent collaboration attempts with and contentions between the NMHA and the State Racing Commission. Ms. Gilliland provided a recent audit report of the NMHA and reviewed the association's finances. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=EDPC&Date=11/28/2022&ItemNumber=6>.

Update from the Economic Development Department (EDD) on Legislative Priorities and International Trade (1:12 p.m.)

Alicia J. Keyes, secretary, EDD, and Jon Clark, deputy secretary, EDD, summarized the department's recent efforts to promote job creation and business in New Mexico. Citing the EDD's recent success in job creation, growth in the New Mexico Film Division, an increase in federal grant awards and the department's New Mexico Outdoor Recreation Division, the EDD requested an additional full-time employee for grant management, additional funding for targeted marketing, additional funds for the Next Generation Media Academy and increased funding for job training and professionalization of local economic development organizations. In addition, a review of New Mexico's involvement in global trade was provided. The presentation can be found here:

<https://www.nmlegis.gov/handouts/EDPC%20112822%20Item%207%20Update%20from%20EDD.pdf>.

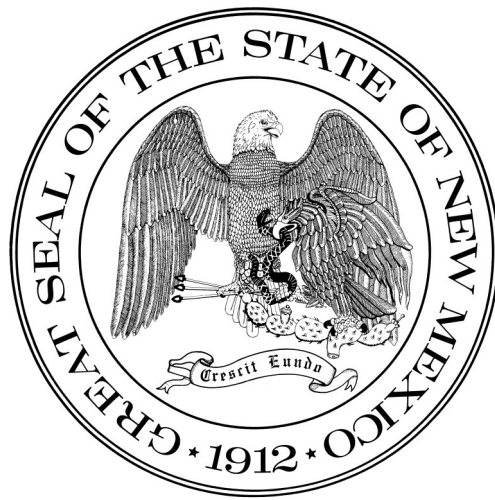
Opportunities for Economic Growth in New Mexico (2:10 p.m.)

Dale R. Dekker, architect and founder, Dekker/Perich/Sabatini, provided an assortment of suggestions for providing long-term stability and growth for the New Mexico economy. The presentation can be found here:

<https://www.nmlegis.gov/handouts/EDPC%20112822%20Item%208%20Dekker%20presentation.pdf>.

Adjournment

Senator Hamblen thanked the committee and staff and acknowledged the work of departing committee members. There being no further business before the committee, the meeting adjourned at 3:00 p.m.



LEGISLATIVE COUNCIL SERVICE
SANTA FE, NEW MEXICO