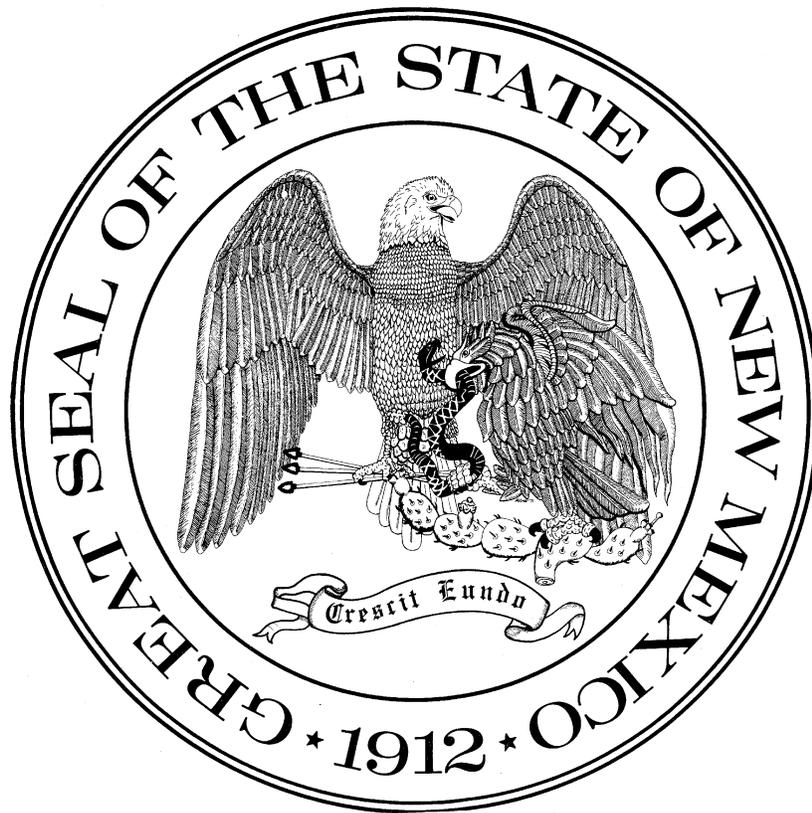


ECONOMIC AND RURAL DEVELOPMENT COMMITTEE

2014 INTERIM FINAL REPORT



**New Mexico Legislative Council Service
Santa Fe, New Mexico
January 2015**

**ECONOMIC AND RURAL DEVELOPMENT COMMITTEE
2014 INTERIM FINAL REPORT**

TABLE OF CONTENTS

1. Interim Summary
2. Approved Work Plan and Meeting Schedule
3. Agendas
 - June 20
 - July 7-9
 - September 2-3
 - October 2-3
 - November 24-25
4. Minutes
 - June 20
 - July 7-9
 - September 2-3
 - October 2-3
 - November 24-25
5. Committee-Endorsed Legislation

Interim Summary

ECONOMIC AND RURAL DEVELOPMENT COMMITTEE 2014 INTERIM SUMMARY

During the 2014 legislative interim, the Economic and Rural Development Committee (ERDC) met five times in several communities in the state. The committee traveled to Albuquerque, Taos and Las Cruces and heard presentations related to the state's economic and rural development needs and successes. The committee's work — through its work groups — focused on revisions to the Liquor Control Act, support of nonprofit organizations and the expansion of broadband infrastructure statewide.

The ERDC received several presentations from institutions of higher education regarding their work to support the economic growth and stability in the state. The University of New Mexico highlighted its technology and innovation-focused efforts that encourage and support entrepreneurs and students in New Mexico. New Mexico State University informed the committee of projects that focus on public infrastructure and sustainable energy. The secretary of economic development, Jon Barela, and the director of the New Mexico Film Office, Nick Maniatis, each reported to the committee on successful and prospective projects operated by the Economic Development Department.

Several community members and organizations made presentations to the committee about urban farming, child care, procurement reform, high-cost lending and asset development. The importance of agriculture to the state was emphasized by representatives of organizations that seek legislation to support farmers who grow vegetables for the state's children and those who want to cultivate agricultural hemp.

As in previous years, the ERDC received presentations from fellow legislators and community advocates who seek changes to the state's laws that would support economic or rural development. Several committee members took a lead role in developing and presenting legislation to the committee for its consideration and potential endorsement.

Senator Phil A. Griego urged the committee, and the committee agreed, to support greater cooperation among New Mexico, Texas and Mexico with respect to infrastructure in the Santa Teresa area, where much of the state's most successful economic development activity is currently taking place. The ERDC's Liquor Control Working Group developed legislation that revised provisions in the Liquor Control Act based on the input of community advocates. The committee endorsed a bill that makes changes to the Liquor Control Act that could have a significant impact on the state's liquor industry. The committee also showed its support for regional economic development efforts by endorsing an appropriation bill that seeks to provide additional funding to the state's economic development districts or councils of government for the work they undertake in their respective parts of the state. Finally, the committee again showed its support of New Mexico's farmers when it endorsed the request for additional funds to be appropriated to support the provision of New Mexico-grown fresh fruits and vegetables to the state's youths in schools and juvenile detention centers.

Approved Work Plan and Meeting Schedule

**2014 APPROVED
WORK PLAN AND MEETING SCHEDULE
for the
ECONOMIC AND RURAL DEVELOPMENT COMMITTEE**

Members

Rep. Debbie A. Rodella, Chair
Sen. Howie C. Morales, Vice Chair
Sen. Jacob R. Candelaria
Rep. Ernest H. Chavez
Rep. George Dodge, Jr.
Rep. Nora Espinoza
Rep. Mary Helen Garcia

Sen. Phil A. Griego
Sen. Ron Griggs
Rep. Dianne Miller Hamilton
Rep. Yvette Herrell
Sen. Richard C. Martinez
Sen. Michael Padilla
Sen. Pat Woods

Advisory Members

Sen. Craig W. Brandt
Rep. Zachary J. Cook
Sen. Lee S. Cotter
Rep. Sandra D. Jeff
Sen. Timothy M. Keller
Sen. Carroll H. Leavell
Rep. Georgene Louis
Rep. Patricia A. Lundstrom
Rep. James Roger Madalena

Sen. Mark Moores
Sen. Mary Kay Papen
Sen. John Pinto
Rep. William "Bill" R. Rehm
Rep. Patricia Roybal Caballero
Rep. Nick L. Salazar
Rep. James E. Smith
Rep. Thomas C. Taylor
Rep. Monica Youngblood

Work Plan

The Economic and Rural Development Committee (ERDC) was created by the New Mexico Legislative Council on May 5, 2014. The New Mexico Legislative Council has re-created the ERDC every year since 2007. As in past years, economic and rural development in New Mexico continues to be a significant area of concern and focus for the state. During the 2014 interim and as time permits, the ERDC proposes to receive presentations on the following subjects:

1. the current and proposed programs and legislative priorities of the Economic Development Department (EDD), including reports on Spaceport America, the work of the New Mexico Film Division of the EDD and the MainStreet program;
2. the current and proposed programs and legislative priorities of the Workforce Solutions Department;
3. the current and proposed programs and legislative priorities of the Tourism Department;

4. the Legislative Finance Committee's staff reports on economic and rural development and work force issues in New Mexico;
5. the Liquor Control Act and the recommendations of the Regulation and Licensing Department's Liquor Control Act Task Force;
6. food and farming systems in the state, including relationships between farming, health, markets and economic development;
7. the economic development opportunities in and around Santa Teresa, including updates on the New Mexico Borderplex and Union Pacific Corporation's rail and freight facilities;
8. broadband telecommunications availability in New Mexico and the work of the Department of Information Technology's New Mexico Broadband Working Group;
9. state contracting and procurement reform;
10. the Cumbres and Toltec Scenic Railroad, including presentations by local and railroad representatives;
11. the work of the New Mexico Mortgage Finance Authority's Task Force on Real Estate Contracts;
12. renewable energy industries in New Mexico and the state's renewable energy production tax credit;
13. residential foreclosures and the work of the state's foreclosure task force;
14. the relationship between breweries and community economic development, and related legislative proposals;
15. business incubation and economic development;
16. public television as an economic development tool;
17. an update from the Advisory Council on Workers' Compensation and Occupational Disease Disablement of the Workers' Compensation Administration;
18. housing in New Mexico, including affordable housing and housing availability;
19. Science, Technology, Engineering and Mathematics (STEM) education and the science early education program;

20. issues related to the state's high-tech industry work force and training;
21. oral health care in rural New Mexico;
22. state support for local economic development organizations;
23. proposed economic development-related legislation;
24. tax policies aimed at assisting low-income and working families;
25. agricultural tourism;
26. financial readiness; an assessment of federal funds received by New Mexico;
27. the Convention of States;
28. state regulation of sharing economies;
29. nontraditional approaches to economic development;
30. presentations on economic security, business development and fair lending;
31. the impacts of forest fires on the state's communities;
32. state support for nonprofit organizations;
33. business development opportunities for entrepreneurs;
34. economic development in the state's Native American communities;
35. air and rail transportation; and
36. additional issues affecting rural and economic development in the state.

**Economic and Rural Development Committee
2014 Approved Meeting Schedule**

<u>Date</u>	<u>Location</u>
June 20	Santa Fe
July 7-9	Albuquerque
September 2-3	Taos
*October 2-3	Las Cruces
November 24-25	Santa Fe

*Joint meeting with the Transportation Infrastructure Revenue Subcommittee on October 2.

AGENDAS

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

**June 20, 2014
Room 322, State Capitol
Santa Fe**

Friday, June 20

10:00 a.m. **Call to Order — Welcome — Interim Committee Procedures**
—Representative Debbie A. Rodella, Chair

10:15 a.m. (1) [2014 Legislation Summary](#)
—John Mitchell, Law Student Intern, Legislative Council Service (LCS)

10:45 a.m. (2) [Committee Work Plan and Meeting Schedule — Discussion](#)
—Monica Ewing, Staff Attorney, LCS

11:30 a.m. **Adjourn**

Revised: July 10, 2014

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

**July 7-9, 2014
Science and Technology Park Rotunda, University of New Mexico
Albuquerque, NM**

Monday, July 7

- 9:30 a.m. **Call to Order — Introductions — Approval of Minutes — Work Group Discussion**
—Representative Debbie A. Rodella, Chair
- 10:15 a.m. **Welcoming Remarks**
—Michael Dougher, Vice President for Research and Economic Development, University of New Mexico (UNM)
- 11:00 a.m. (1) **Public Television as an Economic Development Tool**
—Franz Joachim, General Manager and Chief Executive Officer, KNME-TV
—Glen T. Cerny, Executive Director, University Broadcasting, New Mexico State University
—Duane W. Ryan, Director of Broadcasting, KENW-TV, DT, FM and KMTH-FM
- 12:00 noon **Lunch**
- 1:00 p.m. (2) **Effects of Proposed Child Care Center Rule Changes**
—Joy Losey, President, New Mexico Child Care and Education Association
—Rebecca Dow, Founder and Chief Executive Officer, AppleTree Educational Center
- 2:30 p.m. (3) **Technology, Innovation and Entrepreneurship — InnovateABQ and UNM's Business Incubator**
—Lisa Kuutila, Chief Executive Officer, STC.UNM, UNM
- 3:30 p.m. **Tour of STC.UNM**
- 4:30 p.m. **Recess**

Tuesday, July 8

- 9:30 a.m. **Call to Order**
—Representative Debbie A. Rodella, Chair
- 9:35 a.m. (4) **Liquor Control Act — Recommendations of the Liquor Control Act Task Force**
—Mary Kay Root, Director, Alcohol and Gaming Division, Regulation and Licensing Department
- 10:45 a.m. (5) **The Role of Breweries in New Mexico's Economy**
—Chris Goblet, Executive Director, New Mexico Brewers Guild
- 11:45 a.m. **Lunch**
- 1:00 p.m. (6) **Foreclosure Task Force Update**
—Diana Dorn-Jones, Executive Director, United South Broadway Corporation
- 2:00 p.m. (7) **Job Creation Through Procurement Reform**
—Dr. Beverlee J. McClure, President and Chief Executive Officer, Association of Commerce and Industry
—Anthony D. Trujillo, President, Holman's USA, LLC
—Steve Schroeder, President and Chief Executive Officer, Real Time Solutions
- 3:30 p.m. (8) **New Mexico Broadband Working Group — Report and Strategic Plan**
—Gar Clarke, Program Manager, New Mexico Broadband Working Group
- 4:30 p.m. **Recess**

Wednesday, July 9

- 9:30 a.m. **Call to Order**
—Representative Debbie A. Rodella, Chair
- 9:35 a.m. (9) **Economic Development Department — Five-Year Strategic Plan and Film Office Update**
—Jon Barela, Secretary, Economic Development Department
—Nick Maniatis, Director, New Mexico Film Office
- 11:30 a.m. **Adjourn**

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

September 2-3, 2014
Bataan Hall, University of New Mexico-Taos
Taos

Tuesday, September 2

- 9:00 a.m. **Welcoming Remarks**
 —Representative Debbie A. Rodella, Chair
- 9:05 a.m. (1) **Committee Working Groups**
 —Liquor Control Act
 —Nonprofit Organizations
 —Telecommunications
- 10:15 a.m. (2) **New Mexico Partnership Update**
 —Steve Vierck, President and Chief Executive Officer, New Mexico
 Partnership
- 11:15 a.m. (3) **Renewable Taos — Legislative Proposals**
 —Jay Levine, Board Member, Renewable Taos
 —John Gusdorf, Board Member, Renewable Taos
- 12:00 noon (4) **New Mexico Film Office Update**
 —Nick Maniatis, Director, New Mexico Film Office
- 12:45 p.m. (5) **Working Lunch — New Mexico Voices for Children**
 —James C. Jimenez, Director of Policy, Research and Advocacy
 Integration, New Mexico Voices for Children
- 2:00 p.m. (6) **New Mexico Farm-to-Table and Farm-to-School Programs**
 —Pamela Roy, Executive Director, Farm to Table New Mexico
- 3:00 p.m. (7) **Local Telecommunications Services Concerns**
 —Linda Calhoun, Mayor, Red River
 —Snider Sloan, Utilities Director, Red River
- 4:00 p.m. **Recess**

Wednesday, September 3

- 9:30 a.m. **Call to Order — Approval of Minutes**
—Representative Debbie A. Rodella, Chair
- 9:45 a.m. (8) **Cumbres and Toltec Scenic Railroad, Local Economic Development**
—Billy Elbrock, Commissioner, Cumbres and Totlec Scenic Railroad
 (CTSRR)
—Randy Randall, Commissioner, CTSRR
—Kim Casford, Business Owner
—Scott Flury, Marketing Manager, Apache Nugget Corporation
- 10:45 a.m. (9) **Industrial Hemp and Economic Development**
—Jerry Fuentes, Member, New Mexico Industrial Hemp Coalition
—Ruth Fahrbach, Business Owner, Taos Hemp
- 11:45 a.m. (10) **New Mexico Association of Regional Councils — Statewide**
—Hubert Quintana, Executive Director, Southeastern New Mexico
 Economic Development District
- 12:45 p.m. (11) **Working Lunch — Convention of States**
- 2:00 p.m. **Adjourn**

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

**October 2, 2014
Santa Teresa High School
Santa Teresa**

**October 3, 2014
Dona Ana County Commission Chambers
Dona Ana County Government Center
Las Cruces**

Thursday, October 2 — Joint Meeting with the Transportation Infrastructure Revenue Subcommittee

- 9:00 a.m. **Call to Order**
—Representative Roberto "Bobby" J. Gonzales, Chair, Transportation Infrastructure Revenue Subcommittee
—Representative Debbie A. Rodella, Chair, Economic and Rural Development Committee
- 9:15 a.m. (1) **[Santa Teresa: A Potential Economic Powerhouse](#)**
—Jerry Pacheco, Founder and Vice President, Border Industrial Association
- 10:15 a.m. (2) **[New Residents, Commuters and Industry: Is the Road System in Dona Ana County up to the Challenge?](#)**
—Chuck McMahon, Assistant County Manager, Dona Ana County
—Homer Bernal, International Programs Manager, Department of Transportation (DOT)
—Claude Morelli, Advanced Project Manager, 2040 Statewide Long-Range Multimodal Transportation Plan, DOT
- 11:15 a.m. (3) **[Logistics for Community Growth: Public Infrastructure Requirements to Underpin Economic Expansion](#)**
—Dr. Kevin Boberg, Ph.D., Vice President for Economic Development, New Mexico State University (NMSU)
- 12:30 p.m. **Lunch (Provided for Legislators)**

1:30 p.m. **Tour of Santa Teresa Road System**

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

Friday, October 3

9:00 a.m. **Call to Order — Approval of Minutes**
—Representative Debbie A. Rodella, Chair

9:05 a.m. **Welcoming Remarks**
—Julia T. Brown, Esq., County Manager, Dona Ana County

9:15 a.m. (4) **Committee Working Groups**
—Liquor Control Act
—Nonprofit Organizations
—Telecommunications

10:15 a.m. (5) **Sustainable Energy — Smart Grid Epicenter at NMSU**
—Satish Ranade, Electrical and Computer Engineering Department,
NMSU

11:15 a.m. (6) **The State's Workers' Compensation System Challenges**
—Darin A. Childers, Director, Workers' Compensation Administration
—Kevin McGinley, Chair, Advisory Council on Workers' Compensation
and Occupational Disease Management
—James Magoffe, Vice Chair, Advisory Council on Workers'
Compensation and Occupational Disease Management

12:15 p.m. (7) **Working Lunch: New Mexico Association of Regional Councils —
Comprehensive Economic Development Strategy — Reach New
Mexico**
—Jeff Kiely, Executive Director, Northwest New Mexico Council of
Governments
—Tim Armer, Executive Director, North Central New Mexico Economic
Development District

1:30 p.m. **Public Comment**

2:00 p.m. **Adjourn**

Revised: November 20, 2014

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

**November 24-25, 2014
Room 322, State Capitol
Santa Fe**

Monday, November 24

- 9:30 a.m. **Call to Order**
—Representative Debbie A. Rodella, Chair
- 9:35 a.m. (1) **Committee Working Groups**
—Liquor Control Act
—Nonprofit Organizations
—Telecommunications
- 10:45 a.m. (2) **New Mexico Association of Counties 2015 Legislative Priorities**
• Amtrak Southwest Chief Funding
—Brian Moore, Lobbyist, New Mexico Association of Counties
• Revisions to the County Industrial Revenue Bond Act
—Mike Gallagher, Manager, Lea County, and Chair, New Mexico
Association of Counties Managers Affiliate
- 11:45 a.m. **Lunch**
- 1:15 p.m. (3) **Electric Cooperatives**
—Luis Reyes, Kit Carson Electric Cooperative
- 2:00 p.m. (4) **Gaia Gardens and Mil Abrazos Community Land Trust**
—Poki Piottin, Farmer and Co-Founder of Gaia Gardens and Mil
Abrazos Community Land Trust
—Gretchen Elsner, Counsel for Gaia Gardens and Mil Abrazos Community
Land Trust

- 3:00 p.m. (5) [Asset Development: Household and Community Economic Development Impact](#)
—Sharon Henderson, Senior Vice President, Prosperity Works
—Dr. Rodolfo Acosta-Perez, Director of Family Empowerment, Community Action Agency of Southern New Mexico
—Agiola Bejko, Manager of Coaching, Education and Outreach, Homewise, Inc.
—Zoe Otero-Martinez, Financial Literacy Program Coordinator, WESST Enterprise Center
—Ruth Hoffman, Executive Director, Lutheran Advocacy Ministry, Santa Fe
- 3:30 p.m. (6) [High-Cost Lending: A Major Drain on New Mexico's Economy](#)
—Former Senator Steve Fischmann, Co-Chair, New Mexico Fair Lending Coalition
—Ona Porter, President and Chief Executive Officer, Prosperity Works
—Marvin Ginn, Executive Director, Native Community Finance
- 4:00 p.m. (7) [MainStreet, Frontier Communities, Arts and Cultural Districts and Emerging Programs](#)
—Rich Williams, Director, New Mexico MainStreet Program
- 4:30 p.m. **Recess**

Tuesday, November 25

- 10:00 a.m. **Call to Order — Approval of Minutes**
—Representative Debbie A. Rodella, Chair
- 10:05 a.m. (8) [Dental Therapist Licensure](#)
—Pamela K. Blackwell, J.D., Project Director, Oral Health Access, Health Action New Mexico
—Mary Altenberg, M.S., C.H.E.S., Executive Director, Community Dental Services, Inc.
- 11:00 a.m. (9) [First Right to Construct Transmission Infrastructure](#)
—Varney Brandt, Manager, State Government Affairs-New Mexico, Xcel Energy
—Duane Ripperger, Manager, Regional Transmission Initiatives, Xcel Energy/Southwest Public Service
—Bill Grant, Director, Strategic Planning, Xcel Energy/Southwest Public Service

Discussion of Legislation for Committee Endorsement

- 12:00 noon (10) **Memorial — Cooperation Among Mexico, USA and New Mexico**
—Senator Phil A. Griego
- 12:30 p.m. **Lunch**
- 1:45 p.m. (11) **Economic and Rural Development Committee Liquor Control Act Working Group Bill**
—Representative Debbie A. Rodella, Chair
- 2:45 p.m. (12) **Research Gap Funding Bill**
—Senator Michael Padilla
—Representative Carl Trujillo
- 3:15 p.m. (13) **New Mexico Resident Business Set-Aside**
—Senator Michael Padilla
—Anthony Trujillo, President, Holman's USA, LLC
- 3:45 p.m. (14) **Appropriation — Economic Development Districts, Councils of Governments**
—Senator Howie C. Morales
—Priscilla Lucero, Executive Director, Southwest New Mexico Council of Governments
—Tim Armer, Executive Director, North Central New Mexico Economic Development District Council of Governments
- 4:15 p.m. (15) **Appropriation — New Mexico Fruits and Vegetables for School Meals**
—Pam Roy, Executive Director, Farm to Table New Mexico
- 4:30 p.m. **Adjourn**

MINUTES

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

**June 20, 2014
Room 322, State Capitol**

The first meeting of the Economic and Rural Development Committee (ERDC) for the 2014 interim was called to order by Representative Debbie A. Rodella, chair, on Friday, June 20, 2014, at 10:30 a.m. in Room 322 of the State Capitol in Santa Fe.

Present

Rep. Debbie A. Rodella, Chair
Sen. Howie C. Morales, Vice Chair
Rep. Ernest H. Chavez
Rep. Nora Espinoza
Rep. Mary Helen Garcia
Sen. Phil A. Griego
Sen. Richard C. Martinez
Sen. Michael Padilla

Absent

Sen. Jacob R. Candelaria
Rep. George Dodge, Jr.
Sen. Ron Griggs
Rep. Dianne Miller Hamilton
Rep. Yvette Herrell
Sen. Pat Woods

Advisory Members

Rep. Zachary J. Cook
Rep. Sandra D. Jeff
Rep. Georgene Louis
Rep. Patricia A. Lundstrom
Rep. Patricia Roybal Caballero
Rep. Nick L. Salazar

Sen. Craig W. Brandt
Sen. Lee S. Cotter
Sen. Timothy M. Keller
Sen. Carroll H. Leavell
Rep. James Roger Madalena
Sen. Mark Moores
Sen. Mary Kay Papen
Sen. John Pinto
Rep. William "Bill" R. Rehm
Rep. James E. Smith
Rep. Thomas C. Taylor
Rep. Monica Youngblood

Staff

Monica Ewing, Staff Attorney, Legislative Council Service (LCS)
Tessa Ryan, Staff Attorney, LCS
Mark Edwards, Staff Attorney, LCS
John Mitchell, Law Student Intern, LCS

Guests

The guest list is in the meeting file.

Handouts

Copies of all handouts are in the meeting file.

Friday, June 20**Call to Order**

Representative Rodella called the meeting to order at 10:30 a.m., welcomed the committee and the audience members and asked the committee members and staff to introduce themselves.

2014 Legislation Summary

Ms. Ewing and Mr. Mitchell gave a brief review of 2014 economic development-related legislation.

Mr. Mitchell noted that the ERDC endorsed three bills for the 2014 legislative session, and he provided a brief overview of those bills (House Bill 22, House Bill 237 and Senate Bill 15). He added that none of the committee's endorsed bills was signed into law. However, Ms. Ewing noted that although House Bill 22 — a bill seeking an appropriation of \$207,000 for an adult daycare center — did not pass, \$100,000 was appropriated in the General Appropriation Act of 2014 for the operation and maintenance of an adult daycare center.

Mr. Mitchell discussed two additional economic development-related bills in the 2014 session that were not considered or endorsed by the committee. House Bill 273, the Economic Development Grant Act, was passed and signed into law. He noted that the bill was, however, amended in committee to remove all appropriations from the bill. Senate Bill 9, the One-Stop Business Portal Act, was passed and signed into law.

Review and Adoption of the 2014 Interim Work Plan and Meeting Schedule

Ms. Ewing presented the proposed ERDC work plan to the committee. The committee discussed the work plan, approved all of the proposed items, expanded the scope of a few items to include additional presentations and agreed to add the examination of the following to the work plan:

- the impact of forest fires on the state's communities;
- state support for nonprofit organizations;
- business development opportunities for entrepreneurs;
- economic development in the state's Native American communities; and
- air and rail transportation issues.

The work plan for the 2014 interim was adopted, as amended, without objection.

The committee also discussed and agreed to meeting dates and locations. Ms. Ewing stated that the July 7-9 meeting will be held at the University of New Mexico in Albuquerque and that the October 2-3 meeting will be held in Las Cruces. Vicente Vargas, state director for government affairs at New Mexico State University (NMSU), extended an invitation to the committee to hold its October meeting at NMSU. Ms. Ewing explained that the October 2 meeting has been planned as a joint meeting with the Transportation Infrastructure Revenue Subcommittee.

The committee's discussion of the work plan included several requests and comments. A committee member requested a presentation at the July meeting on the recent changes to the Children, Youth and Families Department's rules relating to daycare centers. Another committee member requested a presentation concerning the conflict between White Sands Missile Range and the proposed SunZia project — the construction of a wind and solar power transmission line that will send two bi-directional extra-high-voltage electric transmission lines from Arizona and New Mexico to markets throughout the desert Southwest. Specifically, the committee member requested an update on the proposal to locate sections of the transmission line below ground to eliminate interference.

Another committee member asked that the ERDC extend an invitation to Rio Arriba County and to the City of Espanola to explain their recent food collaboration project.

Committee members discussed the potential impact of the recommendations made by the Regulation and Licensing Department's Liquor Control Act Task Force. Members noted the importance of this issue to the state's rural communities, and Ms. Ewing noted that the task force is tentatively scheduled to present its recommendations at the committee's July meeting.

A committee member asked that the committee focus on housing and infrastructure needs in the southeastern portion of New Mexico and suggested that the committee visit a location in that part of the state during the 2015 interim.

Finally, the committee discussed the creation of three working groups focused on telecommunications issues, nonprofit organizations and the Liquor Control Act.

Public Comment

Jerry Fuentes noted that there are 10 states with industrial hemp laws and that Kentucky's law could serve as a model for such a law in New Mexico.

Justin Green asked to make a presentation to the committee about liquor delivery when the Liquor Control Act Task Force is scheduled on the committee's agenda.

Mr. Vargas expressed NMSU's willingness to assist the committee specifically on issues related to rural health care, economic development incident to forest fires and agricultural tourism.

Adjournment

There being no further business before the committee, the first meeting of the ERDC adjourned at 11:17 a.m.

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

**July 7-9, 2014
Science and Technology Park Rotunda, University of New Mexico
Albuquerque**

The second meeting of the Economic and Rural Development Committee (ERDC) for the 2014 interim was called to order at 9:56 a.m. by Representative Debbie A. Rodella, chair, on Monday, July 7, 2014, at the Science and Technology Park Rotunda at the University of New Mexico (UNM) in Albuquerque.

Present

Rep. Debbie A. Rodella, Chair
Sen. Howie C. Morales, Vice Chair
Sen. Jacob R. Candelaria (July 8-9)
Rep. Ernest H. Chavez
Rep. Nora Espinoza
Rep. Mary Helen Garcia (July 8-9)
Sen. Phil A. Griego
Sen. Ron Griggs (July 8-9)
Rep. Yvette Herrell (July 7)
Sen. Richard C. Martinez
Sen. Michael Padilla

Advisory Members

Rep. Zachary J. Cook (July 7)
Sen. Lee S. Cotter (July 8-9)
Rep. Sandra D. Jeff (July 7, 9)
Rep. Georgene Louis (July 7-8)
Sen. Mary Kay Papen (July 8)
Rep. William "Bill" R. Rehm
Rep. James E. Smith (July 7-8)
Rep. Monica Youngblood (July 8-9)

Absent

Rep. George Dodge, Jr.
Rep. Dianne Miller Hamilton
Sen. Pat Woods

Sen. Craig W. Brandt
Sen. Timothy M. Keller
Sen. Carroll H. Leavell
Rep. Patricia A. Lundstrom
Rep. James Roger Madalena
Sen. Mark Moores
Sen. John Pinto
Rep. Patricia Roybal Caballero
Rep. Nick L. Salazar
Rep. Thomas C. Taylor

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

Staff

Monica Ewing, Staff Attorney, Legislative Council Service (LCS)

Caela Baker, Staff Attorney, LCS

Randy Taylor, Law Student Intern, LCS

John L. Mitchell, Law Student Intern, LCS

Guests

The guest list is in the meeting file.

Handouts

Copies of all handouts are in the meeting file.

Monday, July 7

Representative Rodella welcomed committee and members of the audience. She reminded committee members that the committee will form three working groups to focus on revisions to the Liquor Control Act, telecommunications issues and nonprofit organizations. The working groups will meet at the start of the committee's September meeting.

The minutes for the ERDC's June meeting were approved without objection.

Welcoming Remarks

Michael Dougher, vice president for research and economic development at UNM, welcomed the committee and presented an overview of research initiatives at UNM. Part of UNM's mission is to generate information through research, and discovery and dissemination of information is critical to any university's success. Data show that undergraduate students who participate in research graduate, on average, in four to five years, and graduate students are critical to research universities like UNM. UNM trains more Hispanic and minority students in science-, technology-, engineering- and mathematics-related fields than any other institution in the United States. Mr. Dougher also noted that the Carnegie Foundation for the Advancement of Teaching classifies UNM as having the highest level of university research activity. Regarding efforts to support research partnerships between faculty and students, Mr. Dougher said that UNM has developed an application that matches faculty researchers with qualified students who have similar research interests.

Mr. Dougher highlighted the significant economic impact that UNM has on the state. In 2009, UNM was responsible for \$620 million in economic output. UNM is one of the top three quantum information analysis institutions in the country. UNM also ranks fifty-sixth in the country for patent generation among universities, private businesses and private research institutions.

Mr. Dougher noted that federal funding has been significantly cut, which increases competition for remaining funding and affects UNM's research activities. Still, UNM has been

successful in securing funding for its research. Nationally, on average, one out of every 10 research proposals is funded, while UNM's funding rate is 33%.

Mr. Dougher stated that UNM's competitiveness as a research institution is enhanced through its collaboration with the state's national laboratories. He expressed the importance of improving collaboration with the laboratories. In 2014, UNM finalized the hiring process of the first joint university-national laboratory employee, and it has two additional joint hires planned for the coming year. UNM and the participating laboratory will each pay one-half of the new employee's salary. This kind of partnership will enable UNM to offer more competitive salaries when hiring faculty.

Mr. Dougher informed the committee that the university's infrastructure is in need of improvement. He said that it is difficult to attract the best candidates for faculty if the university's buildings and technology are out of date.

Questions

A committee member asked whether UNM receives research or patent assistance requests from local businesses. Mr. Dougher said that the UNM corporate alliance provides assistance to local businesses that approach the organization. He added that part of the mission of STC.UNM (formerly known as the Science & Technology Corporation @ UNM) is to help businesses to navigate the patent process.

In response to a question about UNM's competitive status among universities, Mr. Dougher stated that UNM has hired a lobbying firm to help enhance UNM's national presence. He said that he works closely with the Washington, D.C., firm in its lobbying efforts.

A committee member asked whether UNM receives less state funding because of the federal funding that it receives. Mr. Dougher explained that the federal funding that UNM receives is already allocated to various projects and that it is not used to cover UNM's \$12 million in annual operating costs, which are covered by state funding.

Mr. Dougher discussed cyber-security and related programs at UNM. He said that cyber-security is a fast-growing sector that is in high demand. The national laboratories are interested in the field, and UNM's goal is to make significant investments in cyber-security programs.

Public Television as an Economic Development Tool

Franz Joachim, general manager and chief executive officer (CEO), KNME-TV, Glen T. Cerny, executive director of university broadcasting, New Mexico State University, and Duane W. Ryan, director of broadcasting, KENW-TV, each gave an overview of their respective programs and discussed infrastructure concerns related to public television.

The presenters noted that their primary concerns relate to a shift in the television industry from tape recordings to digital files. Previously, prerecorded tapes were played on the air

according to a schedule; however, today, digital files of recordings must be made. Digital files allow programs to be broadcast in multiple media formats. Further, broadcasting has been automated and requires new, sophisticated technology and equipment.

In order to modernize and increase the efficiency of public television broadcasting in New Mexico, the presenters requested \$750,000 for each television station. The funding, the presenters stated, would be used to update and replace the stations' current operating systems, which are approximately 10 years old.

Questions

In response to a question regarding steps taken by each station to accommodate changes in technology and viewer habits, the presenters stated that public television stations in the state currently offer video on demand for multiple shows. In addition, many television programs are available for viewing by viewer request at www.pbs.org. They added that research indicates that almost 80% of public television viewers continue to access the programs on television.

Committee members inquired how public television programming affects economic development. The presenters indicated that each of the stations works closely with local chambers of commerce and that they strive to educate the public on issues relating to the state's economy, including, for example, solar power and agricultural issues. This kind of education helps increase awareness and can encourage creative business development initiatives. The stations also offer programming that educates viewers on health care, local employment opportunities and other issues important to local rural areas.

A committee member asked whether public television collaborates with schools. The presenters explained that, locally, public television has a strong relationship with the Albuquerque Public Schools and that, overall, public television is closely related to educational opportunities and provides many programs, lesson plans and other curriculum materials for classroom use at www.pbslearningmedia.org.

In response to committee members' questions about information that might be disseminated via public television stations, the presenters stated that the stations strive to be as thorough as possible in their programming and that they frequently entertain requests for distribution of information via the stations. They encouraged committee members to contact their stations with any specific requests for programs or information distribution.

Effects of Proposed Child Care Center Rule Changes

Rebecca Dow, founder and CEO of the AppleTree Educational Center, and Joy Losey, president, New Mexico Child Care and Education Association, discussed the effects of recent changes to the Children, Youth and Families Department's (CYFD's) child care center rules and the CYFD's adoption of new child care center accreditation standards.

Ms. Dow explained that there are 700 daycare centers, 300 group homes and 3,100 individual care providers in New Mexico. According to New Mexico Kids Count, there are approximately 145,000 children under six years of age in the state. Approximately 17,500 of those children receive child care assistance through CYFD programs that provide financial assistance through federal and state subsidies to offset the cost of child care.

Ms. Dow and Ms. Losey stated that they would like to see the eligibility level for a child care subsidy increased from 150% to 200% of the federal poverty level. They also expressed the importance of setting reimbursement rates for qualifying children at 100% of the cost of the child's care. Ms. Dow stated that if the subsidy eligibility level was increased to 200% of the federal poverty level, two working parents who earn minimum wage would be able to qualify for a child care subsidy.

Regarding the child care center rating system (FOCUS), Ms. Dow noted that the implementation of the FOCUS standards would make it difficult for centers to maintain a "star-5" rating without making expensive changes to its operations. She added that if student-provider ratios are lowered, many centers will be unable to find funding to hire additional staff members and could be forced to cease operations.

Ms. Losey expressed concerns about the new requirement that a center be accredited by the National Association for the Education of Young Children (NAEYC) if a center wishes to be rated a "quality center". She stated that student outcomes should be the basis for rating the quality of centers and that many non-NAEYC accredited schools, including Montessori, are producing good student outcomes.

Steve Hendrix, the director of the CYFD's Early Childhood Services, explained that the recent changes that affect child care centers were made as an incentive for providers to improve operations and service. He added that the higher reimbursement rates provided for by the rule changes could encourage increased quality of service. He clarified that centers may be accredited by four different bodies, including the NAEYC and two faith-based accrediting bodies.

Mr. Hendrix discussed the FOCUS rating system and emphasized that a center's decision to use the system is voluntary and not required by department rule. He added that providers who participate in the FOCUS program will provide valuable feedback to the CYFD, which will in turn help with development of the rating system program. The goal of the FOCUS program is to foster program leadership, cultivate teacher quality and support positive outcomes for all children. He stated that the CYFD is allowing centers to work to meet the new FOCUS standards by December 2017 in order for those centers to take advantage of benefits related to the FOCUS program.

Questions

A committee member expressed concern that the public could be misled into believing that a center with a FOCUS Star 5 rating provides the greatest academic outcomes for children.

The member added that the FOCUS pilot program has been in existence for a year and a half and of the 100 participants, 94 are at a FOCUS Star 2 level and six are at a FOCUS Star 3 level.

Mr. Hendrix explained that there would be upcoming public meetings to discuss the criteria for achieving a FOCUS Star 4 or FOCUS Star 5 rating. He added that the FOCUS program is based on 10 years of research and studies, the results of which also support the use of NAEYC accreditation standards.

Mr. Hendrix stated that the CYFD provides child care assistance for families that earn up to 150% of the federal poverty level and that the CYFD is increasing reimbursement levels for providers to encourage increased quality of services.

Ms. Dow, Ms. Losey and several committee members expressed concern about the lack of cooperation and communication between child care providers and the CYFD.

The committee voted in support of a motion to send a letter to the CYFD requesting that the department discontinue the use of FOCUS standards until further studies are completed and more collaboration with providers has occurred.

Technology, Innovation and Entrepreneurship — InnovateABQ and UNM's Business Incubator

Lisa Kuuttilla, CEO of STC.UNM, presented an overview of technology- and innovation-related programs at UNM. STC.UNM is a nonprofit corporation formed and owned entirely by the UNM Board of Regents. The corporation is a 501(c)(3) nonprofit corporation with an independent board of directors. STC.UNM collaborates with researchers at the state's two national laboratories, and one of its goals is to nurture innovation and economic development for the UNM community.

STC.UNM has assisted 90 start-up companies since 1995, 48 of which are still in business today.

Ms. Kuuttilla described the recent activities of InnovateABQ — a project designed to inspire innovation and job creation. InnovateABQ recently purchased property for a new location, at which the project will continue to function like a business incubator, but it will also have dorms, restaurants, coffee shops, classrooms and more.

UNM plans to create an "Innovation Academy" to go along with InnovateABQ. The Academy will include an Innovation Design Clinic, which will be part of the UNM Honors College. A national innovate web application competition may be developed that will be part of a massive open online course. A student entrepreneurial pilot program may also be a part of the academy. The program will offer students a low-risk opportunity to start a business during their summer break from school.

Questions

A committee member asked for clarification on the ownership of patents for innovations developed with STC.UNM. Ms. Kuuttala explained that the relationship between companies and STC. UNM often provides for STC.UNM to assist with the application for the patent, and then STC.UNM transfers successful patents to the company that developed the innovation and then receives royalties from the companies.

Recess

The committee recessed for the day at 4:30 p.m.

Tuesday, July 8

The ERDC reconvened at 9:43 a.m.

Liquor Control Act — Recommendations of the Liquor Control Act Task Force

Mary Kay Root, director, Alcohol and Gaming Division, Regulation and Licensing Department, presented an overview of the recommendations developed by the Liquor Control Act Task Force. Ms. Root also invited a number of speakers to present their views on the task force's recommendations.

Ms. Root explained the process by which the task force developed its recommendations. The task force met together and in subcommittees to discuss and vote on several proposed recommendations for revisions to the Liquor Control Act. The task force subcommittees focus on current quota liquor license holders, economic development, trade practices and public safety and enforcement.

Ms. Root presented a list of all proposals that were considered and voted on by the full task force. She also provided copies of ballots on the various proposals as appendices to her presentation material. She summarized recommendations that were approved by the task force and discussed some of the concerns that arose during task force discussion.

Regarding public safety, the task force was concerned that predatory pricing, particularly selling liquor below cost, could lead to overconsumption. Another concern focused on powdered and frozen alcohol, neither of which is currently regulated by the Liquor Control Act but both of which are subject to abuse.

Ms. Root explained that many of the task force-approved recommendations will allow license holders to have increased flexibility to help them meet market demand. She reviewed the task force recommendations that were passed and those that failed the task force balloting process. She noted that a few of the recommendations that were adopted were aimed specifically at rural economic development.

Marie Claire Voorhees, director of communication at the Santa Fe Prevention Alliance, explained the prevention community's opposition to certain task force recommendations. She stated that statistics show that economic development that is focused on the alcohol industry leads to public health problems. She emphasized the community's objection to recommendations that increase service hours, increase the density of licenses in communities and relax restrictions on serving minors or intoxicated persons.

She explained her opposition to allowing liquor license transfers out of rural communities and into communities with license numbers in excess of those communities' quotas. The transfers create a negative impact on both types of communities. The over-quota areas would have an increased density of licensees, and the rural areas would suffer from increased driving while intoxicated (DWI) rates. Finally, Ms. Voorhees stated that the prevention community opposes the recommendations to change tasting permits because the recommended changes would not hold licensees accountable for violations that occurred during tastings.

Alex Ocheltree of Billy's BBQ in Silver City spoke in favor of certain recommendations that the task force rejected, specifically the creation of new, limited liquor licenses that could encourage rural economic development. He stated that Silver City's historic downtown attracts tourists, but none of the downtown businesses holds a liquor license because they are too expensive. Less expensive licenses with a limited scope, such as wine, tavern or limited-spirits licenses, he suggested, could help encourage economic development.

Justin Greene, owner of Dashing Delivery, a food delivery service in Santa Fe, encouraged support for home delivery of alcohol in New Mexico. He said that home delivery of alcohol is already occurring in two ways — out-of-state retailers may legally ship alcohol to homes in New Mexico, and some in-state merchants are illegally delivering alcohol to homes by using taxi services. He explained that many potential home-delivery customers would benefit from this change in the law, including the elderly, ill or otherwise homebound and inebriated people who would rather not leave home to drive somewhere for a drink. He explained that delivery drivers could be required to complete alcohol server training and to undergo performance reviews to ensure their ability to distinguish valid from false identification cards. Additional protective measures could be implemented, including prohibition on cash sales, required quarterly reporting, required general liability insurance and a prohibition on delivery to school campuses.

Mark Rhodes, an attorney representing equity firms, addressed the need for revising the Liquor Control Act's fingerprinting requirement. He said that the provision, which requires fingerprinting of those persons who have a direct or indirect interest in a licensed establishment, has created a significant barrier to investment in New Mexico's economy. Large equity firms have begun investing in the restaurant and tourism business, and the fingerprinting requirement discourages investment by firms.

Enrique Cardiel, a community activist, encouraged the committee to consider the evidence of how alcohol sales affect communities, including increased disease, accidents and deaths.

Patricia Lincoln of New Mexico DWI Prevention Advocates raised a number of concerns. She stated that task force membership should include more members from the prevention community. She also asked that the state's DWI ranking be considered when changes are made to the Liquor Control Act.

Maurice Bonal stated that the need to balance public safety and health with economic development in rural areas should be a focus for discussion. The quota system has not met its intended goal, and although the Liquor Control Act prescribes a quota of one license per 2,000 people, the current rate is actually closer to one license per 900 people. Further, the state does not regulate or count the numerous licensed facilities on tribal land. Mr. Bonal said that allowing current license holders to retire their licenses and allowing the development of new licenses would better serve New Mexico's needs.

Jolene Aguilar from the Partnership for Community Action stated that the task force is heavily weighted with industry representation, and economic development should not take priority over human lives.

Questions and Comments

A committee member suggested that cultural choices may influence alcohol abuse in New Mexico. Another legislator commented that people should not be allowed to carry driver's licenses after multiple DWI convictions.

A committee member commented that some local option districts are over quota because the Liquor Control Act allows districts to permit more licenses to come into the district, even if it is over quota.

A committee member requested that the committee consider the value of allowing "corking" at restaurants, a practice that allows a customer to take a bottle of wine to a restaurant and then allows the restaurant to open and serve that bottle, resealing the bottle if it is unfinished.

A committee member asked Mr. Bonal for clarification on his suggestion for a new lottery license system for liquor licenses. Mr. Bonal stated that such a system would be a fair way to reallocate licenses without increasing the total number of licenses already issued. The lottery licenses would be state-issued dispenser licenses that would replace licenses that are currently unable to be transferred out of a local option district because the district has a status as being under quota. The lottery system would allow stranded license-holders to sell their licenses, but the system could also diminish the value of currently held liquor licenses.

Another committee member asked Ms. Root to clarify the task force's process. Ms. Root said that the task force met six times, beginning in December 2013, and each task force subcommittee met about once per month. The subcommittees voted on recommendations, which were then voted on by the task force as a whole. The subcommittee meetings were not publicly announced.

Several committee members expressed the need for limited licenses so that smaller communities might have greater economic development opportunities.

Laura Tomedi, alcohol epidemiologist for the Department of Health, stated that public safety concerns are focused on density of licenses in local option districts. Although New Mexico is one of the few states that require alcohol server training, alcohol outlet density and serving hours have a statistically significant negative impact on public health.

The Role of Breweries in New Mexico's Economy

Chris Goblet, executive director of the New Mexico Brewers Guild, presented information on the craft brewing industry in New Mexico and related state and national legislative initiatives.

Mr. Goblet stated that New Mexico's total craft beer production in 2012 was just under 60,000 barrels from 31 craft brewers. In 2013, the craft brewing industry employed 557 full-time employees and 607 part-time employees. As of April 2014, there were 27 active brew pubs in New Mexico, 17 brew pubs in the process of opening or in planning stages and five packaging breweries, which produce craft brewing products for sale mostly outside of New Mexico.

Mr. Goblet asked the ERDC to consider a number of legislative initiatives. He explained that in New Mexico, wineries are allowed to have three off-premises locations at which to sell their products, while craft breweries are allowed just two. The New Mexico Brewers Guild would like to see changes in the law to create equity between wineries and breweries. The New Mexico Brewers Guild also supports a statute governing growlers, which are generally glass or stainless steel containers designed to transport up to a half-gallon of draft beer. Growlers account for between 2% and 20% of craft breweries' sales in New Mexico, and the guild believes a law governing growlers is important.

Mr. Goblet reviewed materials he provided to the committee members and responded to questions from the committee.

Several committee members raised the issue of equity between wineries and breweries under the law. Mr. Goblet explained that now that the brewery industry is growing, it is time to bring the laws up to date as they relate to wineries, breweries and distilleries to create equity among the industries.

In response to a question about craft breweries' business in the state, Mr. Goblet told the committee that most components for brewing and bottling or canning beer are purchased from out of state; however, one of the New Mexico Brewers Guild's initiatives is to develop barley and hop farming in New Mexico.

Foreclosure Task Force Update

Diana Dorn-Jones, executive director, United South Broadway Corporation (USBC), Scott Cameron, USBC Fair Lending Center, and Senator Padilla presented a report on the work of the Foreclosure Task Force. Senator Padilla stated that the areas in the state with the highest foreclosure rates are the same areas with the highest percentages of children on free or reduced-fee lunches and the highest percentages of Title I schools. He emphasized that when children have a consistent place to sleep, stay and live, they have better educational outcomes.

Ms. Dorn-Jones summarized the memorial that led to the task force's creation. The memorial calls for measures to prevent unnecessary foreclosures, invites the Center For Responsible Lending to participate and requires that the task force's final report be given to appropriate legislative committees. The memorial also emphasizes the importance of good-faith negotiations. Ms. Dorn-Jones highlighted that, after three meetings, no one has left the task force and all are still involved in the task force's work.

Ms. Dorn-Jones stated that while New Mexico has some of the strongest antipredatory lending statutes in the country, mortgage violations are still occurring, including failures to process loans in a timely manner and the loss of paperwork. She stated that very few housing counselors in New Mexico are certified by the United States Department of Housing and Urban Development, which results in families being ill-equipped to deal with home refinancing.

In response to a committee member's question, Ms. Dorn-Jones said the task force has been primarily concerned with loan servicing. She cited failures by loan-service companies to adequately notify mortgagees or to process loans in a timely manner. She told the committee that interested parties are invited to attend the task force meetings.

Job Creation Through Procurement Reform

Dr. Beverlee J. McClure, president and CEO, Association of Commerce and Industry (ACI), and Anthony D. Trujillo, president, Holman's USA, LLC, presented recommendations to the committee regarding support of small New Mexico businesses through Procurement Code reform. Dr. McClure stated that her association's goal is to ensure that New Mexico tax dollars lead to New Mexico jobs, and she pointed out that New Mexico is one of the only states that continues to lose jobs post-recession. The ACI believes that part of the problem is the state's Procurement Code.

Dr. McClure stated that the collective economic impact of in-state businesses should be taken into account when contracts are awarded. Local businesses recirculate an average of 37%

of their revenue into the local economy, while out-of-state businesses recirculate only 12% of revenue back into the local economy.

The former state purchasing agent presented an overview of the Procurement Code, which can be found in Chapter 13, Article 1, Sections 28 through 199 NMSA 1978. He stated that the purpose of the Procurement Code is to ensure equity and to maximize public funds, equity and integrity. He added that there are several home-rule communities in New Mexico, and each of these communities has adopted its own procurement code. In addition to state law and home-rule community codes, the Anti-Donation Clause of the Constitution of New Mexico and the Governmental Conduct Act govern procurement in New Mexico. He explained that preferences in procurement can be helpful tools for encouraging development in the state. New Mexico's Procurement Code provides a preference for small businesses that boosts scores on those businesses' bids.

Mr. Trujillo presented his perspective on procurement in the state as a New Mexico small business owner. He stated that Holman's USA, LLC is a \$43-million-a-year company that is headquartered in Albuquerque and that contracts with the federal Department of Energy. He said that when the state went to a price-dominant contract for procurement, he lost \$3 million annually, amounting to six full-time jobs that his business had to eliminate. The Procurement Code should be a vehicle for creating employment within the state, and he requested consideration of the ACI's recommendation that the state require that 30% of its annual spending go to small New Mexico businesses.

Larry Maxwell, state purchasing agent, General Services Department, stated that the Procurement Code Task Force is currently meeting and working to find ways to improve and simplify the Procurement Code. In addition to the state and home-rule community codes, Mr. Maxwell pointed out that school districts have their own procurement codes. He said that reporting the amount of money that state agencies spend on contracts with in-state versus out-of-state companies requires tracking at the agency level or tracking by the Department of Finance and Administration.

Committee members raised concerns that although 15% of a bid's score must be based on price, subjective values by bid evaluators still skew the procurement process and have the potential to fail to protect taxpayer dollars. Dr. McClure responded that the ACI's specific concern is that extra and unnecessary requirements are being included in requests for proposals, and those requirements are designed to favor certain bidders — often non-New Mexico businesses. She directed the committee to a copy of a Tourism Department request for proposal that was included in the ACI's presentation materials. That request required bidders to be certified to do business with the federal Department of Defense, which seemed unnecessary and could prevent New Mexico businesses from qualifying.

Another committee member noted concern over the numerous exemptions to the Procurement Code.

The ACI also recommended creating an independent process for appealing contract awards. Mr. Maxwell explained that these appeals are an administrative process that can ultimately be appealed to a district court, but the district court would have jurisdiction only over issues raised by the parties themselves. Dr. McClure clarified that the ACI's concern is that businesses may not appeal issues because the appellate authority is the same party that denied the contract award.

New Mexico Broadband Working Group — Report and Strategic Plan

Gar Clarke, program manager, New Mexico Broadband Working Group, updated the committee on the working group's progress. He informed the committee that New Mexico ranks fortieth in the United States for broadband speeds, which the working group is attempting to improve.

Mr. Clarke emphasized that the working group's total budget is \$6 million, \$4.8 million of which is federal funding with a \$1.2 million state match. All of the work of the group is contracted out, so there is no governmental growth as a result of the project.

Mr. Clarke stated that most of the group's work has been the mapping of the state's broadband capability. The map that has been developed displays the type of technology present in each area, the relevant service providers and related resource speeds. He discussed several tools developed by the working group, including a community master plan guidebook, broadband map galleries and a community anchor site assessment, which is a map of all facilities within a community that require broadband access.

Mr. Clarke stated that the group has a regional focus for developing broadband access. Pursuant to that focus, the group has developed regional broadband implementation pilots and regional rural collaborative focus groups to identify regions that require internet access, to assess current infrastructure and needs and to engage the telecommunications industry in developing service. Mr. Clarke recommended developing plans for three specific areas: education, health care and economic development.

A committee member agreed that good public health, education and infrastructure are necessary to foster economic development, and internet access is increasingly necessary for that development. Mr. Clarke was asked about public school readiness to allow students to take standardized tests that require internet access, and he said there are approximately 30 schools that cannot provide a method for students to take tests electronically using the internet and that data must be stored and physically transported.

In response to a question about how the state can attract larger providers to rural areas, Mr. Clarke responded that building schools seems to attract telecommunications providers, given the connection between education and economic output. Mr. Clarke stated the working group's first effort is always to encourage the industry to improve service in underserved areas.

Recess

The committee recessed for the day at 4:30 p.m.

Wednesday, July 9

The ERDC reconvened at 9:55 a.m.

Economic Development Department — Five-Year Strategic Plan and Film Office Update

Nick Maniatis, director of the New Mexico Film Office, gave an update of the film office's work in 2014. He stated that there are 22 movies and five television productions scheduled for production in New Mexico during 2014, and two additional television productions are in process and could begin production in 2014.

Mr. Maniatis said that New Mexico hosted the annual Film and Media Conference — the largest conference to date — in Albuquerque in May 2014. He also discussed the New Mexico Stars Program and the Digital Media Accelerator, which is a privately held company that acts like a business incubator to help video game and application developers.

Jon Barela, secretary of economic development, briefed the committee on the status of the Economic Development Department (EDD). He enumerated the EDD's eight priorities and described the department's economic development planning process.

Secretary Barela explained that the EDD currently has five business incubators, and despite their high success rate, the incubators are underfunded. Secretary Barela also discussed the department's food kitchen initiatives. The kitchens, he said, are similar to business incubators, have incredible potential and should be replicated throughout the state. He said that the goal is to establish 12 kitchens.

Secretary Barela described the rural renaissance of New Mexico. The EDD MainStreet Program was ranked as one of the four best programs in the United States. The EDD also developed the successful Native American MainStreet Program and the Historic Movie Theater Renovation Program. Finally, he explained that trade in Mexico is at historically high levels, and the country has forecast a gross domestic product growth rate of 4% per year. He emphasized that New Mexico should take advantage of its proximity to Mexico. The growth of New Mexico's border towns has led to United Airlines requesting to include New Mexico's economic growth in its seat-back *Hemispheres Magazine*.

Questions

In response to a committee member's question about jobs in New Mexico, Secretary Barela said that the private sector job growth in New Mexico is 2%, but federal job loss in the state is approximately 10%. New Mexico is highly dependent on federal jobs, and the state should shift to a focus on job growth in the private sector.

Secretary Barela updated the committee on the status of New Mexico's bid to become home to the proposed Tesla Gigafactory. He said that New Mexico has done as much as it can and is still in the running for the factory. He emphasized that Tesla has a time line, and New Mexico is aggressively pursuing the business.

Another committee member requested data that quantify the return on investment of each of the state's job-creation incentives. Wade Jackson, EDD general counsel, said that certain tax information is protected by law and can only be provided by the Taxation and Revenue Department, which makes reporting the requested data difficult.

A committee member asked what the current funding is for the food kitchens. Secretary Barela answered that the current funding level is \$130,000, but an estimated \$1 million would be necessary to expand the program.

Adjournment

There being no further business before the committee, the committee adjourned at 11:51 a.m.

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

September 2-3, 2014
Bataan Hall, University of New Mexico-Taos
Taos

The third meeting of the Economic and Rural Development Committee (ERDC) for the 2014 interim was called to order by Representative Debbie A. Rodella, chair, on Tuesday, September 2, 2014, at 9:28 a.m. at Bataan Hall of the downtown campus of the University of New Mexico in Taos, New Mexico.

Present

Rep. Debbie A. Rodella, Chair
Sen. Howie C. Morales, Vice Chair
Rep. Ernest H. Chavez
Rep. Nora Espinoza
Sen. Phil A. Griego
Sen. Ron Griggs
Rep. Yvette Herrell
Sen. Richard C. Martinez
Sen. Michael Padilla

Advisory Members

Sen. Craig W. Brandt
Rep. Zachary J. Cook
Sen. Lee S. Cotter
Rep. Georgene Louis (9/3)
Rep. Patricia A. Lundstrom
Rep. James Roger Madalena (9/2)
Rep. William "Bill" R. Rehm
Rep. Patricia Roybal Caballero
Rep. Nick L. Salazar
Rep. James E. Smith (9/2)
Rep. Monica Youngblood

Guest Legislator

Rep. Roberto "Bobby" J. Gonzales

Absent

Sen. Jacob R. Candelaria
Rep. George Dodge, Jr.
Rep. Mary Helen Garcia
Rep. Dianne Miller Hamilton
Sen. Pat Woods

Rep. Sandra D. Jeff
Sen. Timothy M. Keller
Sen. Carroll H. Leavell
Sen. Mark Moores
Sen. Mary Kay Papen
Sen. John Pinto
Rep. Thomas C. Taylor

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

Staff

Monica Ewing, Staff Attorney, Legislative Council Service (LCS)
Tessa Ryan, Staff Attorney, LCS
Carolyn Peck, Student Intern, LCS

Guests

The guest list is in the meeting file.

Handouts

Copies of all handouts are in the meeting file.

Tuesday, September 2**Call to Order**

Representative Rodella called the meeting to order, and Dr. Kate O'Neill, executive director of the University of New Mexico-Taos, welcomed the committee.

Committee Working Groups

The committee divided into three working groups to discuss issues related to the Liquor Control Act, nonprofit organizations and telecommunications.

Nonprofit Organizations Working Group

Representative Roybal Caballero, Representative Herrell, Senator Morales and Senator Brandt, along with community members, participated in the working group. The group discussed the fact that nonprofit organizations are a big part of New Mexico's economy, paying \$468 million in wages and salary and providing 17,000 jobs across the state. Nonprofit organizations also provide services that are not otherwise provided by the public or private sectors. The economic downturn in the state has significantly affected nonprofit organizations, and it will be important to develop effective, efficient and innovative strategies to support the nonprofit sector, using innovative service models, partnerships and collaboration among nonprofit organizations.

The working group discussed a shared-services model in which nonprofit organizations may operate more efficiently and effectively by using well-trained professionals to manage operations, which allows program staff to focus on the organizations' missions. Nonprofit organizations could also share administrative staff with other organizations. Ideally, nonprofit organizations, through improved operations, would be able to provide services and reduce costs.

Susan Wilger, a representative of the nonprofit community in Silver City, stated that her organization participates in a shared-services model of operation by assisting three other organizations.

The working group decided that House Bill 311 from the 2014 legislative session would be used as a foundation for the coming session's legislative proposal, and Ms. Wilger agreed to

provide research and recommendations for the committee and the working group at the committee's next meeting.

Liquor Control Act Working Group

The Liquor Control Act working group met to discuss the work of the Liquor Control Act Task Force and to discuss possible legislative solutions to concerns regarding the Liquor Control Act. The following legislators and community members participated in the working group: Senator Martinez, Senator Griggs, Representative Rodella, Representative Espinoza, Senator Cotter, Senator Griego, Representative Cook, Justin Greene, Maurice Bernal, Debra Lopez, Ruben Baca, Mary Kay Root and John Thompson.

Ms. Root, director, Alcohol and Gaming Division, Regulation and Licensing Department, described the Liquor Control Act Task Force's progress during its all-day meeting on August 25, 2014. She stated that new community representatives from advocacy organizations attended the meeting and that the group discussed 10 of the items on which the task force originally voted on June 4, 2014.

Regarding the review of applications for liquor licenses by the state's local option districts (LODs), several working group members expressed a preference for LODs retaining that responsibility.

Ms. Root reviewed each of the 10 items that the task force discussed at its June 4, 2014 meeting, along with any subsequent action taken by the task force at its August 25, 2014 meeting.

1. "Amend Section 60-6B-12 by eliminating 60-6B-12A(4). This would allow licenses to transfer into LODs which are over quota." **

Ms. Root stated that the task force discussed the following concerns: whether LODs that vote against the transfer of liquor licenses into their districts could be overruled; community economic development based on alcohol consumption and sales; increased crime; and increasing the number of licenses in communities that already have a significant number of licenses. The task force did not reach a consensus on this issue, and the task force plans to re-vote on this item.

The working group members raised concerns about allowing liquor licenses to transfer out of small communities and about the difficulty small communities face in trying to bring licenses into their districts.

2. "Amend NMSA section 60-6B-4 D(1) to require 30 days' notice of a license hearing in newspapers and on the LOD's website. Current law requires 15 days' notice in a newspaper of general circulation." **

Ms. Root stated that the task force, by consensus, arrived at a compromise that proposes to change the law to require 30 days' notice and publication of the notice only two times and to

allow for concurrent electronic publication of the notice on the LOD's web site when such a site is available and such publication is practicable.

3. "Expand SID's [the Special Investigations Division of the Department of Public Safety] scope of authority to allow SID to partner with community organizations." **

Ms. Root stated that the task force agreed that the opportunity for these partnerships is already authorized under the current law.

4. "Make changes to the Tasting Permit authorized by current law to be conducted on a licensed premise. The Tasting Permit would be subject to appropriately enhanced administrative penalties independent of the permit holder's primary license, including suspension and revocation of the permit. A third violation within the period of one year would operate as a citation against the primary license of the permit holder." **

Ms. Root stated that the task force reached consensus on this item and agreed that it supports related public safety concerns by limiting the number of liquor samples offered and by allowing only for sampling and not for the purchase or service of full beverages. A working group member noted concerns with liabilities associated with this type of license. Ms. Root added that the change to the law would necessitate changes to administrative rules related to tasting permits.

5. "Make changes to the Special Dispenser's Permits authorized by current law, allowing them to be issued on a county wide basis. The SDPs would be subject to appropriately enhanced administrative penalties independent of the permit holder's primary license, including suspension and revocation of the permit. A third violation within the period of one year would operate as a citation against the primary license of the permit holder." **

Ms. Root stated that this proposed change would affect what are commonly referred to as "picnic licenses", which provide for extending licenses to remote locations for a given day or event. She noted that community advocates expressed concerns because the permit would allow for the sale of full-sized drinks. The task force did not reach consensus on this item and will re-vote on the issue.

6. "Extend restaurant beer & wine license hours until midnight on Friday and Saturday nights. Current law requires alcohol sales to cease at 11pm."**

Ms. Root stated that the task force did not reach a consensus on this item and will re-vote on it. Concerns were expressed at the task force's meeting that this proposed change would allow all restaurants to operate like bars. A suggested alternative would be to allow LODs to decide whether to adopt a rule allowing beer and wine service in restaurants after 11:00 p.m. A legislator requested information on how many of the beer and wine licenses would be affected by

this rule change. Another legislator noted that the 11:00 p.m. restriction on service by restaurants was a compromise that was reached when the law was originally passed.

7. "Add language to NMSA section 60-6B-4 F to allow LODs to disapprove the issuance or transfer of a license based on factors such as type of license, proximity to other licenses, occupancy load/square footage of licensed premises, pricing, service of food, etc. Current law allows LODs to disapprove license applications under LCA guidelines, but case law obligates the AGD Director to disregard LOD disapprovals that are not supported by substantial evidence." **

Ms. Root noted that this item failed to pass when the task force voted on it in June and that the task force did not reach consensus at its August 25 meeting but would be re-voting on the issue. She said that there is no definition for "substantial evidence" in the law or related rules, and case law is used to determine when an LOD lacks substantial evidence for denying a license application. A legislator stated that the process would be more fair if applicants were able to appeal denied applications to the state. Another legislator opined that it could be helpful if the appeals process and substantial-evidence standard were more clearly defined in the law. Finally, a community member informed the working group that the community member believes that, sometimes, applications are denied for improper reasons, so an appeals process is important.

8. "Allow for home delivery of alcohol, making sure to check IDs at the time of delivery and include other specific language to deal with underage issues." **

Ms. Root stated that this item failed when it was originally voted on in June and that consensus was not reached at the task force's August 25 meeting. The task force did not agree to re-vote on the issue. This license could be considered a "rider" to an existing license. Deliveries to schools and deliveries before 12:00 noon and after 10:00 p.m., along with deliveries to persons on probation for driving while under the influence, would be prohibited. She added that an LOD would be able to determine whether it would allow liquor deliveries. She added that liquor delivery is already legal in 31 states. A community member noted that direct shipments of alcohol from out of state to residences in New Mexico are currently allowed under the law, and this proposal would help create equity for in-state merchants.

9. "Allow the rural dispenser liquor licenses to be able to transfer county-wide." **

Ms. Root noted that this item was approved by the task force's original vote, but community advocates wished to bring additional concerns to the group's attention, so it was reconsidered at the August 25 meeting. Consensus was not reached on any of the additional issues discussed, and the task force did not decide to re-vote on the issue.

10. "Create a new state license classified as a "tavern license" that allows for on-site consumption and package sales of craft beer, wine & spirits. This license would be non-transferable." **

Ms. Root stated that the task force did not reach consensus on this issue, which originally failed to pass when the task force voted on it in June. The task force considered a tiered system that would provide for specificity in issuing licenses to various kinds of taverns.

For the next meeting, drafted legislation will be presented to the committee, Ms. Root said. Representative Rodella made the point that there is still an opportunity for advocacy groups to participate if they wish.

** See Appendix 2 to the Liquor Control Act Task Force Recommendations Ballot, presented to the ERDC at its July 7-9, 2014 meeting.

Telecommunications Working Group

Representative Gonzales, Representative Smith, Senator Padilla and community member Leo Baca participated in the telecommunications working group. The discussion focused on the following topics: the size of telecommunications carriers in New Mexico; appropriate regulation to allow extended basic service across the state; and how to work with companies like CenturyLink to incentivize investment in New Mexico.

New Mexico Partnership Update

Steve Vierck, president and chief executive officer, New Mexico Partnership, presented updates on the partnership's activities. The partnership was created in 2003 to assist with the location and expansion of businesses in New Mexico. It has helped to recruit more than 70 companies to the state, including Fidelity Investments, Allstate Insurance Company, ReelzChannel, Union Pacific Railroad, Joule Unlimited, Inc., Sitel and PreCheck, Inc. To augment its efforts, the partnership has raised over \$200,000 of its \$250,000 private contribution goal. The partnership's board's three new members are Senator Clemente Sanchez from Grants, Rebecca Romero Rainey from Taos and Mike Espiritu from Alamogordo.

Mr. Vierck stated that the significant improvement of the tax climate in New Mexico has made the state more appealing to companies that are considering coming to New Mexico. He said that there are several very active employment sectors in the state, including manufacturing and logistics; back office operations, data centers and information technology; value-added agriculture and food processing; and aerospace.

In response to a committee member's question, Mr. Vierck stated that the partnership was established by the legislature. A committee member requested information about the 70 companies that the partnership recruited over the last 10 years, and Mr. Vierck stated that the information would be available in the next few months. In response to another member's question, Mr. Vierck stated that the partnership's board consists of seven Democrats, seven Republicans and one Independent.

Renewable Taos — Legislative Proposals

Jay Levine and John Gusdorf, board members, Renewable Taos, informed the committee about Renewable Taos, a program focused on providing access to renewable energy. A shared renewable-energy facility (SREF) is a facility that generates renewable energy and allows individuals or businesses to purchase subscriptions to it. These facilities may consist of solar panels, wind turbines, biomass-fueled generators and other renewable-electricity-generating equipment and combinations of any of these. A subscription to a SREF provides the owner with a percentage of the facility's monthly production, which is subtracted from the owner's monthly electric bill. Advantages of SREFs are that they make renewable energy available to those who cannot have equipment on their own property, or cannot afford to have it, and the facilities take advantage of economies of scale.

The first SREF in New Mexico is located behind the Taos Charter School in Taos, New Mexico. The project allows a customer or member of the Kit Carson Electric Cooperative (KCEC) to buy one or more panels, up to the number of panels that will supply a customer's or member's annual electricity use. The electricity produced by the panels is subtracted from the owner's bill every month, and the panels and other equipment will be maintained or replaced for a 50-year period.

The presenters emphasized that legislation is needed for SREFs because, currently, Tri-State Generation and Transmission Association, Inc., limits the amount of electricity that its member cooperatives may generate to 5% of their total sales, and that limit currently applies to SREFs. Also, investor-owned utilities (IOUs) are not required to allow SREFs in their service areas. At least one IOU has prevented the construction of a facility that had strong community support. The KCEC is very close to reaching its 5% limit, which means that Tri-State could prevent the construction of any additional large renewable-energy facilities, including construction of more SREFs.

Legislative proposals are to modify the Public Utility Act to allow for SREFs to be treated exactly like facilities on a host's site. Proposals would also require IOUs to allow SREFs generating up to two megawatts to be built in the IOUs' service areas, where feasible, and would allow cooperatives to permit SREFs on a voluntary basis. So far, Renewable Taos has collected more than 250 signatures supporting its legislative proposals.

A committee member asked whether IOUs and cooperatives are supportive of the proposals, and the presenters responded that the KCEC is supportive of the effort. Another committee member asked who profits from the sale of the individual solar panels, and the presenters stated that a collective headquartered in Colorado makes those profits.

In response to a committee member's question, the presenters stated that panels are maintained by a general electric company under a contract that is paid for using purchaser surcharges. Mr. Levine and Mr. Gusdorf also stated that they would be seeking endorsement from the Science, Technology and Telecommunications Committee for the proposed legislation.

New Mexico Film Office Update

Nick Maniatis, director, New Mexico Film Office, directed the committee to a film industry study that was recently completed. The study shows the industry's impact in New Mexico over five years. A committee member asked whether the film industry is growing in the state, and Mr. Maniatis replied that it has and that, currently, six television series are being filmed in the state.

A committee member expressed concern over the dwindling number of movie theaters in the state's smaller communities and asked what could be done about that. Mr. Maniatis agreed that it is an important issue, and he said that related conversations are ongoing within the film and entertainment industries, as well as within the state. Mr. Maniatis stated that his office could provide some information on the economic impact of the film industry in rural parts of the state. In response to a committee member's question about film incentives, Mr. Maniatis stated that he has not observed a reduction in film opportunities for New Mexico because of changes made to the state's film incentives.

New Mexico Voices for Children

James C. Jimenez, director, Policy, Research and Advocacy Integration, New Mexico Voices for Children, spoke about strengthening New Mexico's work force through a program called Career Pathways. Career Pathways is an integrated approach to developing a skilled work force from workers who currently have low levels of education and skills. New Mexico's current work force has lower education and skill training when compared with the work forces of other states, and New Mexico continues to struggle with job creation. Career Pathways focuses on educating currently working adults to create more middle-skill-level workers.

Kristen Krell, grant manager, Center for Learning Excellence, Santa Fe Community College (SFCC), discussed New Mexico's Integrated Basic Education and Skills Training (I-BEST) Program, which was implemented in 2011 at six community colleges, including SFCC. The program assists adults with transitioning to college-level courses. Classes in the program are co-taught by adult education instructors and career or technical instructors and include courses in nursing, electrical trades, wind energy and early childhood education. Preliminary data on 840 I-BEST students show that 51% of I-BEST students completed the program and earned credentials, and 32% are still participating in the program. Ms. Krell emphasized the importance of receiving additional funding for the I-BEST Program and stated that without additional funding, the program would be unable to continue beyond the next 18 months. She added that during the last legislative session, a bill that would have provided funding for I-BEST was passed by the legislature but vetoed by the governor.

A committee member asked whether the I-BEST Program targets the needs of growing industries, and Ms. Krell stated that it does. The presenters noted, in response to a committee member's question, that the program also receives funding from the private sector. Another committee member asked what role employers play in the Career Pathways program. Ms. Krell said that because the program is very new, it has not yet worked with employers to develop the

program; however, she said, working with employers will be a necessary part of I-BEST's success.

Ms. Krell stated in response to a committee member's concern that young mothers in rural communities are the types of workers and program participants that I-BEST aims to assist. The presenters noted that an online course-sharing program is being developed, which will allow colleges from around the state to share their certificate program courses. SFCC and Eastern New Mexico University in Roswell have begun participating in the program, and the potential exists to expand the program across the state. Eleven states have seen great success with online course-sharing programs.

New Mexico Farm-to-Table and Farm-to-School Programs

Pamela Roy, executive director, Farm to Table New Mexico, and Erin Ortigoza and Mari Ann McCann presented information on the farm-to-table and farm-to-school programs in the state. The presentation emphasized the importance of providing school-aged children with local produce and emphasized how the current farm programs can be supported. Ms. Roy discussed the number of New Mexico children who currently receive produce from local farms. Many school districts in the state now provide New Mexico produce to 60% of the children in New Mexico's schools. The program is working to identify additional farmland that can be used to produce fresh food for New Mexicans.

Ms. Ortigoza spoke about her experience as a farmer in Vallecitos, New Mexico. She said that she supports her family through farming, and she explained how she learned the farming skills she needed, found farm land and developed her family's farm over the years. She currently sells produce to the Santa Fe Public School District, the Santa Fe Farmers Market and the Food Depot.

Ms. McCann stated that during certain times of the year, farmers have an overabundance of produce, and it would be helpful to farmers to have a consistent market for produce to be sold to the schools and other public institutions. She said that current regulations prevent the schools from buying produce from farmers directly, and she emphasized the need for collaboration among the state, farmers, businesses, agencies and state and federal programs.

A committee member asked how many producers are involved in the farm-to-school program, and the presenters responded that there are 20 to 25 producers participating. Another member asked whether it costs more for school districts to buy produce from local growers rather than from outside sources. Ms. Roy stated that the cost difference varies by product. The presenters closed by emphasizing the water-saving methods they employ in farming, such as drip irrigation, in order to save the state's water resources.

Local Telecommunications Services Concerns

Leo Baca, a representative of CenturyLink, stated that through the federal Connect America Fund, CenturyLink will be expanding its service in the state by increasing download

speeds from four megabits per second (MBPS) to 10 MBPS and by increasing its service area in the state.

Snider Sloan, utilities director, Red River, and Linda Calhoun, mayor, Red River, spoke to the committee about telecommunications issues in Red River. They reported that internet service in the Red River area has been very slow and in some cases, depending on use and traffic, nonexistent. The problem has had negative effects on local and seasonal residents and on tourists visiting Red River. Businesses, they said, will have to close if they have no internet access, and hotel owners in Red River have reported that guests have checked out early because of the lack of service in the area. The losses incurred from this internet problem are having a significant impact on the local economy.

The committee voted to send a letter to the relevant service providers to request that they work with the town to find a solution to issues with internet access and to report to the ERDC when a resolution is reached.

Recess

The meeting recessed at 3:34 p.m.

Wednesday, September 3

Reconvene

The meeting was reconvened by Representative Rodella at 9:30 a.m.

Cumbres and Toltec Scenic Railroad; Local Economic Development

Billy Elbrock and Randy Randall, commissioners, Cumbres and Toltec Scenic Railroad, gave a presentation about recent developments with the Cumbres and Toltec Scenic Railroad. Mr. Elbrock provided a summary of the direct and secondary economic impacts of the railroad on the state. The direct economic impact of the railroad, he said, is over \$10 million, and the secondary economic impact of the railroad is over \$4 million. He added that the railroad has created 147 jobs. In 2013, 37,060 passengers rode the Cumbres and Toltec Scenic Railroad.

Mr. Randall stated that the railroad is unable to cover all of its operational costs and that it is seeking funding from the legislatures in Colorado and New Mexico. He also discussed the fact that the railroad is operated by a commission now, and it no longer uses a third-party operator.

A committee member noted that local retail shop owners and the Cumbres and Toltec Scenic Railroad organization have had some issues related to sales of gift items. The member said that the railroad recently opened a gift shop and that the local retailers were concerned that the railroad gift shop would diminish the local shops' sales. Shop owners and railroad representatives met to discuss their concerns, and the railroad agreed to remove all non-railroad logo items from the railroad gift shop by July 4, 2014. The presenters stated that the gift shop

was opened in an effort to increase the railroad's revenue because the railroad is required to generate revenue in order to receive state funding. Mr. Elbrock stated that the railroad and local merchants may hold another meeting in October, and Mr. Elbrock agreed to notify committee members when the meeting is scheduled.

Industrial Hemp and Economic Development

Jerry Fuentes, New Mexico Industrial Hemp Coalition, and Ruth Fahrbach, business owner, Taos Hemp, presented an overview of how industrial hemp could affect New Mexico's economy. Industrial hemp, they said, is a versatile plant that is used worldwide in approximately 25,000 different products, including food, animal feed, body care products, specialty oils, biofuels, automobile parts, plastics, paper, home construction and clothing. The Hemp Industries Association estimates that the total retail value of hemp products sold in 2012 was more than \$500 million. The retail value of hemp-based foods and supplements was approximately \$170 million in 2012. Industrial hemp grows in many climates and requires very little water, which has made it an appealing crop to grow. Industrial hemp nets approximately \$200 to \$400 per acre in Canada, compared to soy and corn, which net approximately \$160 per acre in the United States.

The 2014 federal farm bill legalized hemp production for research purposes in states that have authorizing legislation. So far, 10 states have begun industrial hemp pilot programs pursuant to that federal law. The New Mexico Industrial Hemp Coalition will seek support for legislation during the 2015 legislative session that will legalize the farming of industrial hemp in New Mexico. A professor from New Mexico State University stated that he is one of many scientists who are willing to examine and research hemp as a crop, as long as the proper legal framework is in place.

A committee member asked about the amount of tetrahydrocannabinol (THC) that is present in the industrial hemp plant. The presenters said that industrial hemp plants have very low levels of THC that are not comparable to the level of THC present in marijuana. Another member commented that land on which hemp is grown can be seized by the federal government if the crop is not grown in compliance with federal law.

The presenters emphasized the importance of developing the best hemp seed to be used for farming in the United States. Ms. Fahrbach stated that the National Farmers Union supports the removal of industrial hemp from the federal Controlled Substances Act. She noted that the coalition wishes to further the research and development of hemp as a potential industry in New Mexico and in the United States. A committee member asked whether surveys in the state have shown that public opinion in New Mexico supports industrial hemp production, and the presenters stated that their coalition continues to struggle with clarifying the difference between industrial hemp and marijuana for the public; however, they recently collected approximately 1,500 signatures in support of the legalization of industrial hemp.

Convention of States

Representative Herrell and David Walker made an informational presentation to the committee about the Convention of States. The Convention of States is based on Article 5 of the United States Constitution, which states that two-thirds of state legislatures call for a Convention of States to propose amendments to the United States Constitution. Some of the motivation for Mr. Walker's organization to support calling for a Convention of States are: increased spending and federal debt; federal regulations that have influenced poverty; the use of federal grants to influence states and state sovereignty; and actions of decision-makers in Washington, D.C.

Mr. Walker's organization plans to seek support to call for a convention based on a particular subject rather than on a particular proposed amendment. The convention would be called for the purpose of trying to limit the power and jurisdiction of the federal government. Once the convention has been successfully called, delegates from the states would be able to debate and consider how to prevent misuse of governmental power. Mr. Walker noted that another government shutdown could be very detrimental for the country, and the work of states at the Convention of States could produce solutions to prevent a shutdown. He said that Georgia, Florida and Alaska have introduced legislation supporting a Convention of States.

A committee member expressed concern over the language of the proposed legislation, particularly because Mr. Walker stated that the language of Convention of States legislation that passes in each state would have to pass without amendment in each state. Because amending bills is a significant part of the legislative process, the committee member noted that it could be difficult for states to pass the same legislation. Another committee member stated that there may be methods of addressing Mr. Walker's organization's concerns through elected federal officials.

Adjournment

There being no further business before the committee, the third meeting of the ERDC adjourned at 12:08 p.m.

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

**October 2, 2014
Santa Teresa**

**October 3, 2014
Las Cruces**

The fourth meeting of the Economic and Rural Development Committee (ERDC) for the 2014 interim, a joint meeting with the Transportation Infrastructure Revenue Subcommittee (TIRS), was called to order by Representative Roberto "Bobby" J. Gonzales, chair, TIRS, and Senator Howie C. Morales, vice chair, ERDC, on October 2, 2014 at 9:14 a.m. at Santa Teresa High School in Santa Teresa.

Present

Sen. Howie C. Morales, Vice Chair
Rep. Ernest H. Chavez
Rep. Mary Helen Garcia
Sen. Phil A. Griego
Sen. Ron Griggs (10/2)
Rep. Dianne Miller Hamilton (10/3)
Rep. Yvette Herrell
Sen. Pat Woods

Advisory Members

Sen. Craig W. Brandt
Sen. Lee S. Cotter
Rep. Georgene Louis
Rep. Patricia A. Lundstrom (10/2)
Sen. Mary Kay Papen
Rep. Monica Youngblood

Absent

Rep. Debbie A. Rodella, Chair
Sen. Jacob R. Candelaria
Rep. George Dodge, Jr.
Rep. Nora Espinoza
Sen. Richard C. Martinez
Sen. Michael Padilla

Rep. Zachary J. Cook
Rep. Sandra D. Jeff
Sen. Timothy M. Keller
Sen. Carroll H. Leavell
Rep. James Roger Madalena
Sen. Mark Moores
Sen. John Pinto
Rep. William "Bill" R. Rehm
Rep. Patricia Roybal Caballero
Rep. Nick L. Salazar
Rep. James E. Smith
Rep. Thomas C. Taylor

Guest Legislators

Sen. Joseph Cervantes
Rep. Nathan "Nate" Cote
Rep. Anna M. Crook
Rep. Roberto "Bobby" J. Gonzales
Rep. Dona G. Irwin
Rep. Larry A. Larrañaga
Rep. Jane E. Powdrell-Culbert
Rep. Dennis J. Roch
Sen. John Arthur Smith

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

Staff

Monica Ewing, Staff Attorney, Legislative Council Service (LCS)
Tessa Ryan, Staff Attorney, LCS
Carolyn Peck, LCS Intern

Guests

The guest list is in the meeting file.

Handouts

Handouts and other written testimony are in the meeting file.

Thursday, October 2

The meeting began with introductions from members of the ERDC and TIRS.

Santa Teresa: A Potential Economic Powerhouse

Jerry Pacheco, founder and vice president, Border Industrial Association (BIA), provided an overview of the industrial growth and development in the Santa Teresa area and a brief history of the association and its role in the area's economic development. He told the members that the BIA mission is to recruit companies to New Mexico's port-of-entry areas with Mexico. The BIA was formed in 2009 and is composed of more than 100 members involved in industrial operations. He stated that the association's member businesses have invested millions of dollars, which has resulted in billions of dollars in annual production and approximately 3,000 jobs for New Mexico residents.

Mr. Pacheco went on to explain that Mexico is one of the United States' largest trading partners and is New Mexico's largest trading partner. He stated that in 2012, New Mexico led the nation in percentage growth of exports. Emphasizing the importance of trade with Mexico, Mr. Pacheco noted that while the state experienced a net decrease in total exports in 2013, New Mexico's exports to Mexico alone grew by 33%. He said that over half of all of New Mexico

exports to Mexico originate in southern Doña Ana County. Expanding on the potential for this market, he stated that two international investment firms, Goldman Sachs and Nomura, predict that the Mexican economy will enter the top 10 largest economies in the world by 2020.

Mr. Pacheco said that Santa Teresa is considered a part of the El Paso metropolitan area, with more than \$1 billion to \$1.5 billion of products crossing the Santa Teresa port of entry every month. He emphasized that there is still room for improvement concerning trade between the United States and Mexico. He suggested that the state focus on developing a stronger supplier base to the Mexican maquiladora industry, which in turn would create more production jobs within the state. Maquiladoras are primarily plants that assemble pre-made components, referred to as "production inputs". Maquiladoras import approximately 95% of the production inputs of Mexico's manufacturing industry. Production inputs, such as plastic injection components, metal parts, resin and packaging, are already supplied by U.S. firms primarily located in the Midwest. However, component manufacturers are under some pressure to place their firms closer to Mexican buyers. The demand to be closer to the border presents an opportunity for New Mexico to recruit maquiladora suppliers to the state.

Highlighting the Union Pacific Railroad's (UP) role in the economic growth in Santa Teresa, Mr. Pacheco stated that the UP railyard has added \$500 million to the New Mexico economy. The facility provided 3,000 jobs during the construction phase, and 600 additional jobs are projected in the future.

Turning to New Mexico's ability to meet expected demand, Mr. Pacheco referred to two key elements, industrial space and transportation. With regard to industrial space, he said that the current industrial parks in Santa Teresa have a 99% occupancy rate, and he indicated that new park space is planned. However, Mr. Pacheco expressed concerns for the road system in Santa Teresa and its possible hindrance of further economic development. In addition, he asked for an extension of the current overweight border commercial zone. The overweight zone currently allows carriers to carry up to 96,000 pounds of a reducible load within a six-mile radius of the Santa Teresa and Columbus ports of entry. The overweight zone in Santa Teresa extends from the port of entry to the Santa Teresa Intermodal Park. He said that the BIA is requesting the legislature to extend the overweight zone to accommodate industrial space up to 12 miles from the port of entry.

Finally, Mr. Pacheco noted the initiative for a binational community composed of Santa Teresa, New Mexico, and San Jerónimo and Ciudad Juárez in Chihuahua, Mexico. A joint initiative between Governor Susana Martinez and Chihuahua Governor César Duarte contemplates a master-planned community around the border crossing. In 2013, Governors Martinez and Duarte signed a bilateral agreement to begin promotion of the concept. This project would be the first of its kind. The Santa Teresa-San Jerónimo area has more than 70,000 acres of land available for industrial, commercial and residential development with 2,000 acres of rail-served industrial land.

Motion

Representative Lundstrom made a motion to have staff draft a bill to extend the overweight zone. The motion was approved without objection.

The members then moved into a general discussion about economic development factors in the Santa Teresa region. Topics raised included the labor force needed for business growth, the real estate market in the area and the balance of property tax rates versus amenities that the area offers. A particular concern was raised by a member concerning the cross-border used car market. That market often results in abandoned cars being left along the roadside leading to the port of entry, creating a hindrance to trucking shipments and to recruitment of new businesses to the area. Staff was requested to research whether additional law enforcement authority at the state level would be needed to alleviate the problem.

New Residents, Commuters and Industry: Is the Road System in Doña Ana County up to the Challenge?

Chuck McMahon, assistant county manager, Doña Ana County, Homer Bernal, international programs planner, New Mexico Department of Transportation (DOT), and Claude Morelli, advanced project manager, 2040 Statewide Long-Range Multimodal Transportation Plan (SLRP), DOT, gave a presentation on growth in the border communities in Doña Ana County and the state of the road system serving those communities.

Mr. McMahon said that there is room for Santa Teresa to grow and develop. Noting that some of the area's labor force currently lives in El Paso, he said that an affordable housing plan is expected to allow more workers to become New Mexico residents. He also emphasized the advantage of the foreign trade zone (FTZ), which was established by the Foreign Trade Zones Board of the U.S. Department of Commerce in 1993. The FTZ allows delayed or reduced duty payments on foreign merchandise as an incentive for local economic development and business opportunities.

Mr. McMahon then went on to provide a brief overview of the Doña Ana County International Jetport at Santa Teresa. The airport was originally constructed to relieve business at the El Paso International Airport as well as to support the commercial and industrial growth of southern Doña Ana County. Currently, the airport is constructing a facility to allow for direct international flights. It is also remodeling the entrance road to accommodate larger fuel and delivery trucks. The airport will also serve as the home to the Amigo AirSho, an annual air show that attracts tens of thousands of people. It is anticipated that the Amigo AirSho will foster additional growth for the airport.

Mr. McMahon also discussed future plans for Airport Road and Industrial Drive. Airport Road provides access to the Santa Teresa Industrial Park, the Doña Ana County International Jetport, the UP facility and the National Weather Service station. The complete reconstruction of Airport Road to accommodate current and future projected traffic is expected to cost approximately \$7.2 million. Industrial Drive connects Airport Road to Strauss Road and serves

as a critical connection between railroad tracks and two major industrial parks. The proposed plan is to completely reconstruct the roadway and provide more extensive road structure, wider lanes, storm drains and lighting. The approximate cost to reconstruct Industrial Drive is \$2.3 million. Mr. McMahon also spoke about the need to extend the overweight zone. He noted that the overweight zone serves to connect the intermodal yards to the main highways.

Mr. Bernal spoke about the infrastructure planning for the Santa Teresa region. He elaborated on the current condition of Airport Road and emphasized the importance of New Mexico Highway 136 ("Pete Domenici Highway"), which is vital for international trade and industrial development. He also highlighted a need to improve access to Interstate 10 in order to accommodate growing industrial, commercial and residential development and international traffic. He also noted that infrastructure projects must be approved and included within the SLRP and by the local metropolitan planning organizations or rural transportation planning organizations.

Mr. Bernal stated that the Santa Teresa port of entry may need to seek an expansion. If the local economy continues to grow, the proposal is to construct a "sub-port" that will include new inspection facilities, connecting roads and support infrastructure with an estimated cost of \$60 million. The DOT is currently developing a border master plan and a priority projects list for each of the New Mexico ports of entry.

Mr. Morelli gave a presentation on multimodal transportation issues in Doña Ana County. Mr. Morelli gave background information on statewide and other planning processes. The SLRP is the key framework for the DOT to prioritize projects and programs on a statewide basis. The ranking is performance-based. The DOT must be able to show how projects and programs contribute to meet federal and state transportation goals.

Mr. Morelli also listed other interrelated planning processes currently under way, including the following: development of a New Mexico-Chihuahua border master plan; a localized Santa Teresa border strategic plan; a cross-border rail feasibility study; and the El Paso and Mesilla Valley metropolitan transportation plans.

Mr. Morelli stated that the DOT has received proposals for several commerce corridors in the border region, including: the reconstruction of New Mexico Highway 136 and Airport Road that serve Santa Teresa; the reconstruction of New Mexico Highway 9 that serves the port of entry at Columbus; and enhancements to Interstate 10. He noted that the DOT received a large number of comments from residents regarding public transportation and the environmental impact of transportation additions. He said there was a high public demand for a commuter rail and bus transit in the southern part of the state between Las Cruces and El Paso. Mr. Morelli noted that in addition to road improvements, the DOT has also considered non-motorized "active" transportation modes and air transportation opportunities in the area. Mr. Morelli gave an opinion that Santa Teresa has strong potential for expanded air freight and executive travel.

Mr. Morelli testified that the key challenge to all of these projects is funding. He suggested that shifting toward a "life cycle" approach to estimating and reporting project costs may help alleviate some of the funding challenges. The life cycle approach takes into account not only initial costs to construct the road, but also includes costs for ongoing maintenance, operation and eventual replacement.

Members then entered into a general discussion. Topics raised during the discussion included:

- the availability and use of federal Transportation Investment Generating Economic Recovery (TIGER) grants;
- how New Mexico should approach the binational transportation infrastructure needs of the Santa Teresa-San Jerónimo-Ciudad Juárez area, including whether there would need to be a formal international agreement on infrastructure repairs and whether a memorial by the New Mexico Legislature encouraging joint funding would help promote the binational community; and
- road construction questions, including the need for an additional access point to Interstate 10 and the balance of benefits and costs of building concrete roads, which last longer than asphalt roads.

Logistics for Community Growth: Public Infrastructure Requirements to Underpin Economic Expansion

Dr. Kevin Boberg, vice president for economic development, New Mexico State University (NMSU), gave a presentation on inland ports, production to market logistics and economic development. In the early 1990s, Dr. Boberg toured inland ports in Laredo, Texas, Otay Mesa, California, and Alliance, Texas. His study of these communities helped inform the legislature when it adopted the Border Development Act in 1992, which authorized the creation of the Border Authority.

Dr. Boberg then defined the characteristics of an inland port as including:

- market proximity to at least three million people within 200 miles;
- a major, direct connection to an American seaport via a Class I railroad;
- FTZ status and privileges;
- an abundance of reasonably priced labor and commercial real estate;
- an overall governing body; and
- support from state and local governments.

Dr. Boberg talked more extensively about the town of Alliance, which he called a pioneer in the history of inland ports. Alliance is located between the juncture of rail lines and Interstate 35 in an area served by industrial aviation. Alliance has attracted more than 243 companies, which include 50 Fortune 500 firms. It is also considered the fastest growing area of the nation's fastest growing metropolitan city.

Using Alliance as a model and referring to the definition of an inland port, Dr. Boberg argued that the entire state of New Mexico should be viewed as an inland port and not simply a location for various ports of entry. He further argued that New Mexico's export trade qualifies it as a global port and that the state's policies should be channeled to maximize its potential as such. Dr. Boberg then went on to emphasize the importance of academics and the role of academics in capturing the economic potential of being a global port. He explained that the long logistic chains required by the global marketplace create a unique opportunity for port locations, noting that these long chains create a delay between product development and production on one end and the end user or sale on the other. He stated that this often means that market demand has changed before the product reaches the market.

Dr. Boberg said that being in the mid-point of the supply chain gives New Mexico an opportunity. If the state can provide technical and production abilities to modify products in transit, Dr. Boberg believes the state can market that ability to numerous companies, thus creating a local product adaptation industry. He indicated that a foundational element to create this industry would be to develop and promote an adaptive and technically flexible education sector at academic institutions.

Members then entered into a general discussion in which they delved into particular aspects of Dr. Boberg's argument. Two intertwined aspects that garnered the most attention were the definition of "added value" and relative importance of locally initiated production versus adding value to products initially produced elsewhere.

Tour of Santa Teresa Road System

Following the meeting, members toured the road system of Santa Teresa. The tour ended at 4:30 p.m.

Friday, October 3

The ERDC reconvened in the County Commission Chambers of the Doña Ana County Government Center.

Call to Order and Welcoming Remarks

Senator Morales welcomed the committee and audience members, and he thanked Doña Ana County for hosting the meeting.

Julia Brown, county manager of Doña Ana County, said she was happy to have the committee in Doña Ana County, and she offered to arrange a tour for the committee in the future.

Committee Working Groups

Nonprofit Organizations

Senator Morales, Senator Brandt, Representative Louis and Susan Wilger participated in the Nonprofit Organizations Working Group. Ms. Wilger summarized the group's work at the last committee meeting and said that the group discussed ways to improve the nonprofit system's efficiency. Ms. Wilger informed the group that she recently attended a meeting of 25 nonprofit organizations where the organizations' needs were discussed. She reported that the organizations want greater integration and efficiency among for-profit and nonprofit organizations and the private sector. A committee member recalled that during the 2014 session and in response to a nonprofit organization-focused bill, legislators asked why legal requirements were necessary to ensure that nonprofit organizations operate efficiently. A member of the working group said that if the bill is reintroduced, its supporters should be able to answer that question.

The legislators in the working group decided that the group should investigate the use of a shared services model and how the model could provide insight into the issues addressed by the legislation.

Telecommunications

Senator Woods, Representative Roch, Wayne Hancock, Drew Setter and Ken Giove discussed the fact that the State Rural Universal Service Fund is used by rural carriers to subsidize broadband service, which is critical for schools, hospitals, first responders and rural communities. Without the funding, there will be insufficient resources for infrastructure to ensure service in rural areas.

Liquor Control Act

The following legislators and members, agency representatives and members of the public participated in the Liquor Control Act Working Group: Alex Ocheltree, Ruben Baca, Oscar Andrade, Debra Lopez, Mary Kay Root, Representative Hamilton, Senator Papen, Senator Cotter, Representative Herrell, Representative Irwin, Representative Mary Helen Garcia, Gene Valdez and Representative Youngblood.

Ms. Root, director of the Alcohol and Gaming Division (AGD) of the Regulation and Licensing Department, provided a brief summary of the Liquor Control Act Task Force's work over the past year. She noted that the task force reconvened to re-vote on certain legislative proposals because of concerns raised by public health and safety advocates. Legislators in the working group noted that the advocates who pursued a second vote were not present at the working group's meeting.

A legislator asked what issues were identified with respect to "picnic licenses", and Ms. Root said that licensees are concerned that citations issued at events at which alcohol is served pursuant to a licensee's permit are counted against the license, putting the license in jeopardy.

Some licensees wish to see only third and subsequent permit citations counted against the license.

Mr. Andrade said that because of the concerns with picnic licenses, smaller licensees such as himself have difficulty competing with larger license holders, like NMSU, which he believes are more insulated from citations.

The working group discussed whether the director of the AGD should retain the right to overturn a local public body's decision to deny a liquor license. One person argued that the AGD director is unbiased and should decide whether the local public body's decision is supported by substantial evidence, to eliminate the possibility of licenses being withheld without sufficient reason.

A licensee said that allowing a new tavern license would enhance rural economic development in the state.

The working group agreed that it would consider legislation that incorporated the measures approved by the task force at the next ERDC meeting in November.

Sustainable Energy — Smart Grid Epicenter at NMSU

Satish Ranade, a professor in the Electrical and Computer Engineering Department at NMSU, discussed the Smart Grid Epicenter at NMSU. Jay Misra, Steve Bukouski and Jose Tabares joined Mr. Ranade in his presentation. Mr. Ranade said that the current energy grid uses very few generation facilities, serves many customers and is not friendly to the environment. These issues cannot be sustainably resolved by simply building electric generation facilities to meet energy needs during customers' peak demand, but the presenters believe the smart grids they are developing could be a solution. Smart grid technology seeks to integrate renewable resources and energy storage into the existing energy grids, which will reduce the need for nonrenewable energy sources. The presenters said that New Mexico has work force demands in the areas related to smart grid technologies that are unmet, and there is a potential for approximately 280,000 new jobs.

NMSU is currently performing foundational research in the areas of electrical and computer engineering, computer science and economics to aid with developing smart grids. The Interdisciplinary Center of Research Excellence in Design of Intelligent Technologies for Smart Grids, or iCREDITS, was created as an epicenter of research and training in smart grids at NMSU. The goal of iCREDITS is to further the science and technology necessary for the design and development of smart grid frameworks that will be intelligent, efficient, robust, self-sustaining and resilient against service failures.

Mr. Tabares, a doctoral student at NMSU, told the committee about how he came to be involved in developing smart grid technology. He emphasized the career possibilities offered in

this area of technology, and he said that there are many students in the state who are eager to participate.

A committee member asked whether the smart grid technology is in the experimental stages or if it is ready to be used. Mr. Ranade said that certain aspects of smart grid technology are ready for demonstration to the industry and implementation, but it is not ready for full implementation. Another member asked if work on smart grid technology is being performed at the federal level. Mr. Ranade replied that studies are being performed at a federal level and said that NMSU is cooperating with Sandia National Laboratories in its smart grid work.

A member asked how smart grids and iCREDITS are incorporated into NMSU's Vision 2020. Mr. Ranade said that the iCREDITS program helps to increase graduation rates because when students are involved in research, they are more focused and they are mentored.

The State's Workers' Compensation System Challenges

Darin Childers, director, Workers' Compensation Administration, Kevin McGinley, chair, Advisory Council on Workers' Compensation and Occupational Disease Disablement (ACWCODD), and Rachel Bailis informed the committee that the mission of the workers' compensation system is to ensure the quick and efficient delivery of indemnity and medical benefits to injured workers at a reasonable cost to employers. It also aims to ensure that every person who suffers a compensable injury with a resulting disability is provided with the opportunity to return to gainful employment as soon as possible.

The ACWCODD monitors the performance of the workers' compensation and occupational disease disablement systems and makes recommendations to the governor, the legislature, regulatory agencies and participating industries regarding the adoption of rules and legislation.

The presenters noted that the workers' compensation system faces challenges, including a lack of clarity in the law and the fact that incentives for return to work have been eroded. They suggested possible legislation to resolve some of the concerns. The law could be clarified to establish what takes place when drug or alcohol use is involved in a workplace injury. An appellate court decision found that the relevant statutory provisions are currently confusing and unworkable. Clarification is also needed with respect to the time and other limitations on payment for temporary disability, as well as the standards surrounding an injured employee's return to work.

The presenters said that outcomes are much better when workers are able to return to work with the employer at whose place of business the injury occurred and that they return within an average of 34 days. When workers return to work with a different employer, statistics show that it takes an average of 478 days for them to return to work.

A member said that the makeup of the ACWCODD was a concern in previous years and added that it is encouraging to see that the council is functioning smoothly. The member asked whether the council has voted on any of the proposed legislative changes yet, and Mr. Childers replied that the council has voted on the issues.

A member asked whether the return-to-work time line would be better resolved by the legislature or the judiciary, and Mr. Childers responded that either route could work. He added that the council will provide specific guidance to the legislature with respect to any legislation.

A member asked how the workers' compensation system would address a hypothetical injury sustained while a person was under the influence of legalized recreational marijuana. Mr. McGinley said that recreational marijuana would most likely be treated much like alcohol is currently treated by the workers' compensation system. Even if it is legal, it could still be a safety concern. He also stated that states such as Colorado and Washington, which have already legalized recreational marijuana, would likely create measurable standards for the hypothetical situation the member used.

Betty Rodriguez Bishop, a meeting attendee, informed the committee about her experience with workers' compensation as an employer. She said that one of her roofing company's employees fell through a hole in a skylight while on the job and while under the influence of methamphetamine. She informed the committee that clarity is needed in the law with respect to employees who are injured while under the influence because business insurance ratings are based in part on on-the-job injuries.

Approval of Minutes

The committee approved the minutes from its July and September meetings without objection.

New Mexico Association of Regional Councils — Comprehensive Economic Development Strategy — Reach New Mexico

Jeff Kiely and Tim Armer from the New Mexico Association of Regional Councils (NewMARC) informed the committee about NewMARC's RISTRA project, which aims to increase collaboration among the various economic development groups throughout the state. Economic development efforts need to be measurable so that business owners can identify their obstacles to success. In other states such as Florida, Maine, North Carolina and Alabama, systems have been developed to allow coordination among service agencies. In New Mexico, the RISTRA project will use "capture, coordinate and communicate" as its approach. The project will map economic development efforts throughout the state and create a database using that information. The NewMARC hopes to have the project fully completed by September 2015, with the first two phases being implemented in late 2014 and mid-2015.

A member asked how RISTRA will be accessible once it is finished. The presenters responded that the goal is for the project to be accessible through a web site and that efforts will

be made to protect confidential information, but most of the information will be for public access.

A member asked how the web site will provide information about the many economic incentives offered in New Mexico. The presenters agreed that the incentives should be advertised and said that the web site will include information on the incentives.

Another member asked how the legislature can assist with making RISTRA a success. The presenters responded that NewMARC will need long-term funding and staff across the state and that it will request funding during the 2016 legislative session.

Adjournment

There being no further business before the committee, the fourth meeting of the ERDC for the 2014 interim adjourned at 1:30 p.m.

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

**November 24-25, 2014
Room 322, State Capitol
Santa Fe**

The fifth meeting of the Economic and Rural Development Committee (ERDC) was called to order by Representative Debbie A. Rodella, chair, on November 24, 2014 at 9:43 a.m. in Room 322 of the State Capitol.

Present

Rep. Debbie A. Rodella, Chair
Sen. Howie C. Morales, Vice Chair (11/25)
Rep. Ernest H. Chavez
Rep. Nora Espinoza (11/24)
Rep. Mary Helen Garcia
Sen. Phil A. Griego
Sen. Ron Griggs
Rep. Dianne Miller Hamilton
Sen. Richard C. Martinez
Sen. Michael Padilla
Sen. Pat Woods (11/24)

Advisory Members

Sen. Craig W. Brandt
Sen. Lee S. Cotter
Sen. Timothy M. Keller
Rep. Georgene Louis
Rep. Patricia A. Lundstrom
Sen. Mary Kay Papen
Sen. John Pinto
Rep. Patricia Roybal Caballero
Rep. Nick L. Salazar
Rep. James E. Smith

Guest Legislator

Sen. Carlos R. Cisneros

Absent

Sen. Jacob R. Candelaria
Rep. George Dodge, Jr.
Rep. Yvette Herrell

Rep. Zachary J. Cook
Rep. Sandra D. Jeff
Sen. Carroll H. Leavell
Rep. James Roger Madalena
Sen. Mark Moores
Rep. William "Bill" R. Rehm
Rep. Thomas C. Taylor
Rep. Monica Youngblood

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

Staff

Type names Monica Ewing, Staff Attorney, Legislative Council Service (LCS)
Tessa Ryan, Staff Attorney, LCS
Carolyn Peck, Intern, 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.

Monday, November 24

Thursday, July 26 - bold and underscored Welcoming Remarks

Representative Rodella announced that the committee would break up into three working groups for the first part of the meeting.

Committee Working Groups

Nonprofit Organizations Working Group

Susan Wilger and Representative Roybal Caballero participated in the Nonprofit Organizations Working Group. Ms. Wilger provided a summary of legislation that could be proposed for endorsement by the committee.

Liquor Control Act Working Group

The Liquor Control Act Working Group reviewed a draft bill that included all of the revisions to the Liquor Control Act that were approved by the Liquor Control Act Task Force. The working group agreed to remove certain sections from the draft and reconsider a revised version of the bill for endorsement on November 25.

Telecommunications Working Group

The Telecommunications Working Group discussed the possibility of proposing legislation to expand broadband coverage across the state.

New Mexico Association of Counties 2015 Legislative Priorities

Brian Moore, Patricia Gonzales and Mike Gallagher presented the New Mexico Association of Counties' legislative priorities. Amtrak's agreement with Burlington Northern Santa Fe Railway (BNSF) expires in January 2016, and Amtrak will need to identify new sources of funding to continue operations on its current route. The federal government has declined to

provide additional funding to pay for annual maintenance in New Mexico, Colorado and Kansas, so those states are supporting the Southwest Chief train and are seeking state and congressional support for additional funding.

Amtrak wants the Southwest Chief to be able to continue operating along its current, historical route and will pursue legislation to request that a Southwest Chief rail service fund or an alternative funding mechanism be created and that the state's congressional delegation support the maintenance of the Southwest Chief on its current route.

Bill Sauble, vice chair of the Colfax County Commission, stressed the importance of the Amtrak Southwest Chief's continued operations to Colfax County and northern New Mexico. He told the committee that Amtrak originally requested that BNSF, Amtrak and Kansas, Colorado and New Mexico each contribute \$4 million per year for 10 years starting in 2016 but that the request may have been recently revised.

Electric Cooperatives

Luis Reyes gave a presentation to the committee about the Kit Carson Electric Cooperative. In 2010, the cooperative applied for the fiber-to-home project, worth \$64 million, and received the award. This award is the largest amount awarded to any electric cooperative in the United States. Today, the cooperative has 82 percent to 85 percent of the project built and completed, and the project has reached the Pueblo of Taos.

Mr. Reyes said that Kit Carson has partnered with the University of New Mexico at Taos to train workers with the intention of making northern New Mexico more competitive in the workplace.

A member asked whether retention of employees in New Mexico is a problem, and Mr. Reyes said that it has been problematic, but retaining local employees has helped to stabilize the company.

In response to a question, Mr. Reyes said that the average outage time is approximately one hour per customer per year.

Gaia Gardens and Mil Abrazos Community Land Trust

Gretchen Elsner and Poki Piottin gave a presentation to the committee about the Gaia Gardens and Mil Abrazos Community Land Trust project. Gaia Gardens is an urban farm located near Yucca Road and Zia Road in Santa Fe that seeks to include the community in its operations. Property records show that the land on which Gaia Gardens sits was cultivated during the 1950s and 1960s, and it was one of the first hydroponic facilities.

Santa Fe's zoning codes do not clearly provide for urban farms, so Gaia Gardens' operations have met some obstacles. The farm's goal is to raise enough money to purchase the property where the farm is located. Mr. Piottin explained that purchasing the farm will be a good

investment because the farm currently earns \$60,000 per acre per year. He added that the farm will need to raise \$400,000 to purchase the land.

Committee members thanked the presenters for the information about the farm and offered suggestions for possible funding sources to purchase the farm land.

Asset Development: Household and Community Economic Impact

Sharon Henderson gave a presentation to the committee about asset development and individual development accounts (IDAs). IDAs provide a way for a person to save money for large purchases, such as the purchase of a home or a business. Ms. Henderson explained that participants in the program receive a four-to-one match on their money. Participants are required to take part in a certain amount of training before they receive matching funds.

Dr. Rodolfo Acosta-Perez, director of family empowerment with the Community Action Agency of Southern New Mexico, explained that the program has a 74 percent success rate. A benefit of the program is that it provides low-income young adults with skills and education about saving money and that it helps participants to become self-sufficient.

Agiola Bejko, manager of coaching, education and outreach with Homewise, Inc., spoke in support of the program. She said that the program helps New Mexicans to become homeowners and added that the mortgage delinquency rate for program participants is much lower than that of other borrowers.

Zoe Otero-Martinez, financial literacy program coordinator for WESST Enterprise Center, also spoke in support of the program. She said that participants who want to start a business learn financial literacy skills through the program to help them manage money efficiently and keep their businesses operating successfully. Over 13,000 hours of financial literacy training have already been delivered.

Ruth Hoffman from the Lutheran Advocacy Ministry informed the committee that the presenters would be seeking \$200,000 for the project during the 2015 legislative session.

A committee member asked how participants learn about the program, and the presenters replied that they give presentations in communities and that they try to include speakers who can relate to the people they are trying to reach.

A committee member suggested that the presenters consider a public-private partnership for this project, and the presenters informed the committee that they are currently part of a public-private partnership with Sandia Area Federal Credit Union and are open to the possibility of additional partnerships.

High-Cost Lending: A Major Drain on New Mexico's Economy

Karen Meyers, Dianne Sandoval and Ona Porter gave a presentation to the committee about high-cost lending. While working to build assets, low-income families have to increase income, decrease cost or do both. Storefront lending has become a barrier that prevents borrowers from building assets. These lenders charge an average of 350 percent interest, and borrowers in New Mexico paid \$105 million in loan fees in 2013. Storefront lenders advertise short-term loans, but most of the loans are eventually extended by borrowers. Independent studies have shown that storefront lending is harmful to borrowers and that low-income New Mexicans need laws to protect them from harmful lending practices. Additionally, most of the lending companies are based out of state, so their profits are leaving the state and not contributing to the state's economy.

Marvine Ginne's work as executive director of Native Community Finance involves refinancing high-interest loans, and she recently worked with a woman who had paid 750 percent interest on a \$700, 18-month loan. She said that some borrowers will take out loans that are not possible to pay back because of the loan's terms.

Dianne Sandoval from Guadalupe Credit Union gave a presentation about a recent program that was implemented as an alternative to a payday loan. The program is currently a pilot program, but it is promising because \$.24 per dollar made through the program stays in the state's economy.

The presenters said that one of the most effective measures to stop predatory lending is to create definitions and rules about how loan terms are presented to borrowers.

New Mexico Main Street, Frontier Communities, Arts and Cultural Districts and Emerging Programs

Rich Williams, director of the New Mexico MainStreet Program, said that the program works to revitalize the state's communities through historic preservation and asset-based economic development. He highlighted the new and emerging MainStreet communities that were established during fiscal years 2014 and 2015 in Barelvas, Gallup, Harding County and Albuquerque's South Valley. Another MainStreet community will be announced in December 2014. There are also nine state-authorized arts and cultural districts in New Mexico: Silver City; Las Vegas; Los Alamos; downtown Albuquerque; Taos; Raton; Artesia; Gallup; and Mora. Several frontier communities have been created through the 2012 amendment to the Main Street Act. In 2013, these communities were in Columbus, Hurley, Madrid, Carrizozo, Moriarty Rt. 66, Santa Clara Village, Wagon Mound and Lordsburg. In 2014, frontier communities were created in Tularosa, Questa, Carrizozo, Aztec, Galisteo, Anton Chico, Edgewood Rt. 66 and Magdalena.

Tuesday, November 25

The committee approved the minutes from its fourth meeting without objection.

Dental Therapist Licensure

Pamela K. Blackwell, project director of oral health access for Health Action New Mexico, gave a presentation to the committee about dental therapist licensure. She emphasized that many people in New Mexico do not have access to basic dental services, which leads to health and economic concerns. Several schools in New Mexico are interested in creating dental therapist training programs to help train dental therapists to fill some of the gaps in dental coverage in the state. So far, more than 50 organizations support the organization's proposed legislation to create the program. Alaska, Minnesota and Maine have all implemented dental therapy programs. Ms. Blackwell added that establishing a dental therapy program will help to create many new jobs in New Mexico. When Alaska passed the legislation, 19 practicing therapists and 76 new jobs were added to the economy there.

Ms. Blackwell informed the committee that the proposed legislation, which has been endorsed by the Legislative Health and Human Services Committee, is an authorization bill to which no appropriations are attached.

Regarding dental therapy licensure, Ms. Blackwell said that the education is dental-hygienist-based, and students are required to hold at least an associates degree. The program will include restrictions to ensure that dental therapists practice only in shortage areas, and 15 percent of the therapists' patients must be Medicaid recipients. Dental therapists will not have prescriptive authority, but they will be able to administer and dispense medication with a dentist's authority.

A dentist spoke in favor of the dental therapist legislation. She said that she has spent her career giving back to her community, and she has seen the benefits of dental therapy firsthand as a dentist in Alaska.

Joseph Gallegos, Pat Jackson, Michael Bird, Tim Reid, Linda Hudson, Katherine Bultovak-Sovereign and Dave Kirby spoke in support of dental therapy.

First Right to Construct Transmission Infrastructure

Bill Grant, Duane Ripperger and Varney Brandt gave a presentation to the committee about the first right to construct transmission infrastructure. They provided a copy of legislation that they plan to pursue in the 2015 legislative session and said that it provides for the State of New Mexico to decide who can construct transmission infrastructure in the state.

Memorial — Cooperation Among Mexico, the United States and New Mexico

Senator Griego asked the committee to consider endorsing a memorial to encourage cooperation among Mexico, the United States and New Mexico with respect to infrastructure along the southern New Mexico border. He said that during the committee's meeting in Santa Teresa, there was discussion about the lack of funding for road improvements and this memorial asks the three parties to coordinate efforts to improve infrastructure. He said that more than \$1 million in products cross the United States/Mexico border each month, so this type of

cooperation would benefit the economies of all three parties. Several members expressed their support for the memorial, and it was endorsed by the committee.

ERDC Liquor Control Act Working Group Bill

Representative Rodella presented a revised and pared-down version of the bill discussed by the working group the previous day. The bill provided for several changes aimed at improving the Liquor Control Act. After discussion and input from stakeholders from the community, the committee endorsed a version of the bill that included only those provisions with which no committee members or community stakeholders took issue.

Research Gap Funding Bill

Senator Padilla presented his bill to the committee but did not request the committee's endorsement. The bill creates a fund to help support technology-related innovations developed by students. The fund would provide for "gap funding" to help students and other innovators develop their ideas into a business in which the state would become part-owner. He said that the fund will help to encourage entrepreneurs to remain in the state and start businesses.

A committee member expressed concern because of the state's lack of funding. Other committee members commented on the importance of keeping the state's entrepreneurs in the state to support the state's economy.

New Mexico Resident Business Set-Aside

Senator Padilla and Jason Espinoza presented this bill but did not seek the committee's endorsement. The bill is intended to support New Mexico's small resident businesses in obtaining contracts with the state by establishing a goal of 33 percent of agency contracts being awarded to locally owned businesses. The presenters noted that the General Services Department has not taken a position on this legislation.

Appropriation — Economic Development Districts, Councils of Governments

Tim Armer presented an appropriation bill to the committee. Members inquired about how the state collaborates with the economic development districts that would benefit from the appropriation, and Mr. Armer said that the state's economic development districts and councils of governments work together with the state through outreach efforts aimed at improving the economy of the state through regional efforts. The committee endorsed the appropriation bill.

Appropriation — New Mexico Fruits and Vegetables for School Meals

After a short discussion about an appropriation to provide New Mexico-grown fresh fruits and vegetables to the state's children in schools and juvenile detention facilities, the committee endorsed the appropriation.

Adjournment

There being no further business before the committee, the fifth meeting of the ERDC for the 2014 interim adjourned at 3:30 p.m.

Committee-Endorsed Legislation

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

HOUSE BILL

52ND LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2015

INTRODUCED BY

FOR THE ECONOMIC AND RURAL DEVELOPMENT COMMITTEE

AN ACT

RELATING TO LIQUOR CONTROL; REVISING THE DEFINITION OF
"ALCOHOLIC BEVERAGE" TO INCLUDE FROZEN AND POWDERED ALCOHOL;
ADDING A DEFINITION FOR "GROWLER"; REVISING PROVISIONS RELATING
TO LIQUOR LICENSE APPLICATION REQUIREMENTS, PUBLIC HEARINGS,
THE SERVICE, SALE AND PRODUCTION OF ALCOHOLIC BEVERAGES AND THE
TRANSFER OF LICENSES; RECONCILING CONFLICTING AMENDMENTS TO THE
SAME SECTION OF LAW BY REPEALING LAWS 2001, CHAPTER 248,
SECTION 2.

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

SECTION 1. Section 60-3A-1 NMSA 1978 (being Laws 1981,
Chapter 39, Section 1, as amended) is amended to read:

"60-3A-1. SHORT TITLE.--Chapter 60, Articles 3A, 4B, [4E]
5A, 6A, 6B, 6C, 6E, 7A, 7B and 8A [~~of Chapter 60~~] NMSA 1978 may
be cited as the "Liquor Control Act"."

.197520.5

underscored material = new
[bracketed material] = delete

underscored material = new
[bracketed material] = delete

1 SECTION 2. Section 60-3A-3 NMSA 1978 (being Laws 1981,
2 Chapter 39, Section 3, as amended) is amended to read:

3 "60-3A-3. DEFINITIONS.--As used in the Liquor Control
4 Act:

5 A. "alcoholic beverages" means distilled or
6 rectified spirits, potable alcohol, powdered alcohol, frozen or
7 freeze-dried alcohol, brandy, whiskey, rum, gin and aromatic
8 bitters bearing the federal internal revenue strip stamps or
9 any similar alcoholic beverage, including blended or fermented
10 beverages, dilutions or mixtures of one or more of the
11 foregoing containing more than one-half percent alcohol, but
12 excluding medicinal bitters;

13 B. "beer" means an alcoholic beverage obtained by
14 the fermentation of any infusion or decoction of barley, malt
15 and hops or other cereals in water, and includes porter, beer,
16 ale and stout;

17 C. "brewer" means a person who owns or operates a
18 business for the manufacture of beer;

19 D. "club" means:
20 (1) any nonprofit group, including an
21 auxiliary or subsidiary group, organized and operated under the
22 laws of this state, with a membership of not less than fifty
23 members who pay membership dues at the rate of not less than
24 five dollars (\$5.00) per year and who, under the constitution
25 and bylaws of the club, have all voting rights and full

.197520.5

underscoring material = new
~~[bracketed material] = delete~~

1 membership privileges, and which group is the owner, lessee or
2 occupant of premises used exclusively for club purposes and
3 which group the director finds:

4 (a) is operated solely for recreation,
5 social, patriotic, political, benevolent or athletic purposes;
6 and

7 (b) has been granted an exemption by the
8 United States from the payment of the federal income tax as a
9 club under the provisions of Section 501(a) of the Internal
10 Revenue Code of 1986, as amended, or, if the applicant has not
11 operated as a club for a sufficient time to be eligible for the
12 income tax exemption, it must execute and file with the
13 director a sworn letter of intent declaring that it will, in
14 good faith, apply for an income tax exemption as soon as it is
15 eligible; or

16 (2) an airline passenger membership club
17 operated by an air common carrier that maintains or operates a
18 clubroom at an international airport terminal. As used in this
19 paragraph, "air common carrier" means a person engaged in
20 regularly scheduled air transportation between fixed termini
21 under a certificate of public convenience and necessity issued
22 by the federal aviation administration;

23 E. "commission" means the secretary of public
24 safety when the term is used in reference to the enforcement
25 and investigatory provisions of the Liquor Control Act and

.197520.5

underscoring material = new
~~[bracketed material] = delete~~

1 means the superintendent of regulation and licensing when the
2 term is used in reference to the licensing provisions of the
3 Liquor Control Act;

4 F. "department" means the special investigations
5 division of the department of public safety when the term is
6 used in reference to the enforcement and investigatory
7 provisions of the Liquor Control Act and means the director of
8 the alcohol and gaming division of the regulation and licensing
9 department when the term is used in reference to the licensing
10 provisions of the Liquor Control Act;

11 G. "director" means the director of the special
12 investigations division of the department of public safety
13 when the term is used in reference to the enforcement and
14 investigatory provisions of the Liquor Control Act and means
15 the director of the alcohol and gaming division of the
16 regulation and licensing department when the term is used in
17 reference to the licensing provisions of the Liquor Control
18 Act;

19 H. "dispenser" means a person licensed under the
20 provisions of the Liquor Control Act selling, offering for sale
21 or having in the person's possession with the intent to sell
22 alcoholic beverages both by the drink for consumption on the
23 licensed premises and in unbroken packages for consumption and
24 not for resale off the licensed premises;

25 I. "distiller" means a person engaged in

.197520.5

underscoring material = new
[bracketed material] = delete

1 manufacturing spirituous liquors;

2 J. "golf course" means a tract of land and
3 facilities used for playing golf and other recreational
4 activities that includes tees, fairways, greens, hazards,
5 putting greens, driving ranges, recreational facilities,
6 patios, pro shops, cart paths and public and private roads that
7 are located within the tract of land;

8 K. "governing body" means the board of county
9 commissioners of a county or the city council or city
10 commissioners of a municipality;

11 L. "growler" means a clean, refillable, resealable
12 container that has a liquid capacity that does not exceed one
13 gallon and that is intended and used for the sale of beer, wine
14 or cider for consumption off premises;

15 [~~H.~~] M. "hotel" means an establishment or complex
16 having a resident of New Mexico as a proprietor or manager and
17 where, in consideration of payment, meals and lodging are
18 regularly furnished to the general public. The establishment
19 or complex must maintain for the use of its guests a minimum of
20 twenty-five sleeping rooms;

21 [~~M.~~] N. "licensed premises" means the contiguous
22 areas or areas connected by indoor passageways of a structure
23 and the outside dining, recreation and lounge areas of the
24 structure and the grounds and vineyards of a structure that is
25 a winery that are under the direct control of the licensee and

.197520.5

underscoring material = new
[bracketed material] = delete

1 from which the licensee is authorized to sell, serve or allow
2 the consumption of alcoholic beverages under the provisions of
3 its license; provided that in the case of a restaurant,
4 "licensed premises" includes a restaurant that has operated
5 continuously in two separate structures since July 1, 1987 and
6 that is located in a local option district that has voted to
7 disapprove the transfer of liquor licenses into that local
8 option district, hotel, golf course or racetrack and all public
9 and private rooms, facilities and areas in which alcoholic
10 beverages are sold or served in the customary operating
11 procedures of the restaurant, hotel, golf course or racetrack.
12 "Licensed premises" also includes rural dispenser licenses
13 located in the unincorporated areas of a county with a
14 population of less than thirty thousand, located in buildings
15 in existence as of January 1, 2012, that are within one hundred
16 fifty feet of one another and that are under the direct control
17 of the license holder;

18 ~~[N.]~~ O. "local option district" means a county that
19 has voted to approve the sale, serving or public consumption of
20 alcoholic beverages, or an incorporated municipality that falls
21 within a county that has voted to approve the sale, serving or
22 public consumption of alcoholic beverages, or an incorporated
23 municipality of over five thousand population that has
24 independently voted to approve the sale, serving or public
25 consumption of alcoholic beverages under the terms of the

.197520.5

underscoring material = new
~~[bracketed material] = delete~~

1 Liquor Control Act or any former act;

2 ~~[P-]~~ P. "manufacturer" means a distiller,
3 rectifier, brewer or winer;

4 ~~[P-]~~ Q. "minor" means a person under twenty-one
5 years of age;

6 ~~[Q-]~~ R. "package" means an immediate container of
7 alcoholic beverages that is filled or packed by a manufacturer
8 or wine bottler for sale by the manufacturer or wine bottler to
9 wholesalers;

10 ~~[R-]~~ S. "person" means an individual, corporation,
11 firm, partnership, copartnership, association or other legal
12 entity;

13 ~~[S-]~~ T. "rectifier" means a person who blends,
14 mixes or distills alcohol with other liquids or substances for
15 the purpose of making an alcoholic beverage for the purpose of
16 sale other than to the consumer by the drink, and includes all
17 bottlers of spirituous liquors;

18 ~~[T-]~~ U. "restaurant" means an establishment having
19 a New Mexico resident as a proprietor or manager that is held
20 out to the public as a place where meals are prepared and
21 served primarily for on-premises consumption to the general
22 public in consideration of payment and that has a dining room,
23 a kitchen and the employees necessary for preparing, cooking
24 and serving meals; provided that "restaurant" does not include
25 establishments as defined in rules promulgated by the director

.197520.5

underscored material = new
[bracketed material] = delete

1 serving only hamburgers, sandwiches, salads and other fast
2 foods;

3 [U-] V. "retailer" means a person licensed under
4 the provisions of the Liquor Control Act selling, offering for
5 sale or having in the person's possession with the intent to
6 sell alcoholic beverages in unbroken packages for consumption
7 and not for resale off the licensed premises;

8 [V-] W. "spirituous liquors" means alcoholic
9 beverages as defined in Subsection A of this section except
10 fermented beverages such as wine, beer and ale;

11 [W-] X. "wholesaler" means a person whose place of
12 business is located in New Mexico and who sells, offers for
13 sale or possesses for the purpose of sale any alcoholic
14 beverages for resale by the purchaser;

15 [X-] Y. "wine" includes the words "fruit juices"
16 and means alcoholic beverages obtained by the fermentation of
17 the natural sugar contained in fruit or other agricultural
18 products, with or without the addition of sugar or other
19 products, that do not contain less than one-half percent nor
20 more than twenty-one percent alcohol by volume;

21 [Y-] Z. "wine bottler" means a New Mexico
22 wholesaler who is licensed to sell wine at wholesale for resale
23 only and who buys wine in bulk and bottles it for wholesale
24 resale;

25 [Z-] AA. "winegrower" means a person who owns or

underscoring material = new
[bracketed material] = delete

1 operates a business for the manufacture of wine;

2 ~~[AA.]~~ BB. "winer" means a winegrower; and

3 ~~[BB.]~~ CC. "winery" means a facility in which a
4 winegrower manufactures and stores wine."

5 SECTION 3. Section 60-6A-6.1 NMSA 1978 (being Laws 2011,
6 Chapter 110, Section 3) is amended to read:

7 "60-6A-6.1. CRAFT DISTILLER'S LICENSE.--

8 A. In any local option district, a person qualified
9 ~~[under]~~ pursuant to the provisions of the Liquor Control Act,
10 except as otherwise provided in the Domestic Winery, Small
11 Brewery and Craft Distillery Act, may apply for and be issued a
12 craft distiller's license subject to the following conditions:

13 (1) the applicant submits evidence to the
14 department that the applicant has a valid and appropriate
15 permit issued by the federal government to be a craft
16 distiller;

17 (2) renewal of the license shall be
18 conditioned upon:

19 (a) no less than sixty percent of the
20 gross receipts from the sale of spirituous liquors for the
21 preceding twelve months of the licensee's operation being
22 derived from the sale of spirituous liquors produced by the
23 licensee;

24 (b) the manufacture of no less than one
25 thousand proof gallons of spirituous liquors per license year

.197520.5

underscoring material = new
~~[bracketed material] = delete~~

1 at the licensee's premises; and

2 (c) submission to the department by the
3 licensee of a report showing the number of proof gallons of
4 spirituous liquors manufactured by the licensee at the
5 licensee's premises and the annual gross receipts from the sale
6 of spirituous liquors produced by the licensee and from the
7 licensee's sale of distilled spirituous liquors produced by
8 other New Mexico licensed craft distillers;

9 (3) a craft distiller's license shall not be
10 transferred from person to person or from one location to
11 another;

12 (4) the provisions of Section 60-6A-18 NMSA
13 1978 shall not apply to a craft distiller's license; and

14 (5) nothing in this section shall prevent a
15 craft distiller from receiving other licenses pursuant to the
16 Liquor Control Act.

17 B. A person to whom a craft distiller's license is
18 issued pursuant to this section may do any of the following:

19 (1) manufacture or produce spirituous liquors,
20 including aging, filtering, blending, mixing, flavoring,
21 coloring, bottling and labeling;

22 (2) store, transport, import or export
23 spirituous liquors;

24 (3) sell only spirituous liquors that are
25 packaged by or for the craft distiller to a person holding a

.197520.5

underscored material = new
[bracketed material] = delete

1 wholesaler's license, a craft distiller's license or a
2 manufacturer's license;

3 (4) deal in warehouse receipts for spirituous
4 liquors;

5 (5) buy spirituous liquors from other persons,
6 including licensees and permittees under the Liquor Control
7 Act, for use in blending, flavoring, mixing or bottling of
8 spirituous liquors;

9 (6) be deemed a manufacturer for purposes of
10 the Gross Receipts and Compensating Tax Act;

11 (7) conduct spirituous liquor tastings and
12 sell, by the glass or by the bottle, or in unbroken packages
13 for consumption off the premises but not for resale, spirituous
14 liquors of the craft distiller's own production or spirituous
15 liquors produced by another New Mexico craft distiller or New
16 Mexico manufacturer on the craft distiller's premises; and

17 (8) at no more than [~~two~~] three other
18 locations off the craft distiller's premises, after the craft
19 distiller has paid the applicable fee for a craft distiller's
20 off-premises permit, after the director has determined that the
21 off-premises locations meet the requirements of the Liquor
22 Control Act and department rules for new liquor license
23 locations and after the director has issued a craft distiller's
24 off-premises permit for each off-premises location, conduct
25 spirituous liquor tastings and sell by the glass, or in

.197520.5

underscored material = new
~~[bracketed material] = delete~~

1 unbroken packages for consumption and not for resale,
2 spirituous liquors produced and bottled by or for the craft
3 distiller or spirituous liquors produced and bottled by or for
4 another New Mexico craft distiller or manufacturer.

5 C. For a public celebration off the craft
6 distiller's premises in any local option district permitting
7 the sale of alcoholic beverages, a craft distiller shall pay
8 ten dollars (\$10.00) to the department for a "craft distiller's
9 public celebration permit" to be issued under rules adopted by
10 the director. Upon request, the department may issue to a
11 craft distiller a public celebration permit for a location at
12 the public celebration that is to be shared with other craft
13 distillers, small brewers and winegrowers. As used in this
14 subsection, "public celebration" includes any state or county
15 fair, community fiesta, cultural or artistic event, sporting
16 competition of a seasonal nature or other activity held on an
17 intermittent basis.

18 D. Sales and tastings of spirituous liquors
19 authorized in this section shall be permitted during the hours
20 set forth in Subsection A of Section 60-7A-1 NMSA 1978 and
21 between the hours of noon and midnight on Sunday and shall
22 conform to the limitations regarding Christmas day sales and
23 the expansion of Sunday sales hours to 2:00 a.m. on January 1,
24 when December 31 falls on a Sunday as set forth in Section
25 60-7A-1 NMSA 1978."

.197520.5

underscoring material = new
[bracketed material] = delete

1 SECTION 4. Section 60-6A-11 NMSA 1978 (being Laws 1981,
2 Chapter 39, Section 28, as amended) is amended to read:

3 "60-6A-11. WINEGROWER'S LICENSE.--

4 A. A person in this state who produces wine is
5 exempt from the procurement of any other license pursuant to
6 the terms of the Liquor Control Act, but not from the
7 procurement of a winegrower's license [~~is a person in this~~
8 ~~state who produces wine~~]. Except during periods of shortage or
9 reduced availability, at least fifty percent of a winegrower's
10 overall annual production of wine shall be produced from grapes
11 or other agricultural products grown in this state pursuant to
12 rules adopted by the director; provided, however, that, for
13 purposes of determining annual production and compliance with
14 the fifty percent New Mexico grown provision of this
15 subsection, the calculation of a winegrower's overall annual
16 production of wine shall not include the winegrower's
17 production of wine for out-of-state wine producer license
18 holders.

19 B. A person issued a winegrower's license pursuant
20 to this section may do any of the following:

21 (1) manufacture or produce wine, including
22 blending, mixing, flavoring, coloring, bottling and labeling,
23 whether the wine is manufactured or produced for a winegrower
24 or an out-of-state wine producer holding a permit issued by the
25 federal alcohol tax unit of the internal revenue service and a

.197520.5

underscoring material = new
~~[bracketed material] = delete~~

1 valid license in a state that authorizes the wine producer to
2 manufacture, produce, store or sell wine;

3 (2) store, transport, import or export wines;

4 (3) sell wines to a holder of a New Mexico
5 winegrower's, wine wholesaler's, wholesaler's or wine
6 exporter's license or to a winegrower's agent;

7 (4) transport not more than two hundred cases
8 of wine in a calendar year to another location within New
9 Mexico by common carrier;

10 (5) deal in warehouse receipts for wine;

11 (6) sell wines in other states or foreign
12 jurisdictions to the holders of a license issued under the
13 authority of that state or foreign jurisdiction authorizing
14 the purchase of wine;

15 (7) buy wine or distilled wine products from
16 other persons, including licensees and permittees under the
17 Liquor Control Act, for use in blending, mixing or bottling of
18 wines;

19 (8) conduct wine tastings and sell, by the
20 glass or by the bottle or sell in unbroken packages for
21 consumption off the premises but not for resale, wine of the
22 winegrower's own production or wine produced by another New
23 Mexico winegrower on the winegrower's premises;

24 (9) at no more than three off-premises
25 locations, conduct wine tastings, sell by the glass and sell in

.197520.5

underscored material = new
[bracketed material] = delete

1 unbroken packages for consumption off premises, but not for
2 resale, wine of the winegrower's own production or wine
3 produced by another New Mexico winegrower after the director
4 has determined that the off-premises locations meet the
5 requirements of the Liquor Control Act and the department rules
6 for new liquor license locations;

7 (10) be deemed a manufacturer for purposes of
8 the Gross Receipts and Compensating Tax Act; ~~and~~

9 (11) at public celebrations on or off the
10 winegrower's premises, after the winegrower has paid the
11 applicable fees and been issued the appropriate permit, to
12 conduct wine tastings, sell by the glass or the bottle or sell
13 in unbroken packages, for consumption off premises but not for
14 resale, wine produced by or for the winegrower; and

15 (12) sell wine or cider in a growler for
16 consumption off premises.

17 C. Sales of wine as provided for in this section
18 shall be permitted between the hours of 7:00 a.m. and midnight
19 Monday through Saturday, and the holder of a winegrower's
20 license or public celebration permit may conduct wine tastings
21 and sell, by the glass or bottle or in unbroken packages for
22 consumption off premises but not for resale, wine of the
23 winegrower's own production on the winegrower's premises
24 between the hours of 12:00 noon and midnight on Sunday.

25 D. At public celebrations off the winegrower's

.197520.5

underscored material = new
~~[bracketed material] = delete~~

1 premises in any local option district permitting the sale of
2 alcoholic beverages, the holder of a winegrower's license shall
3 pay ten dollars (\$10.00) to the alcohol and gaming division of
4 the regulation and licensing department for a "winegrower's
5 public celebration permit" to be issued under rules adopted by
6 the director. Upon request, the alcohol and gaming division of
7 the regulation and licensing department may issue to a holder
8 of a winegrower's license a public celebration permit for a
9 location at the public celebration that is to be shared with
10 other winegrowers and small brewers. As used in this
11 subsection, "public celebration" includes any state or county
12 fair, community fiesta, cultural or artistic event, sporting
13 competition of a seasonal nature or activities held on an
14 intermittent basis.

15 E. Every application for the issuance or annual
16 renewal of a winegrower's license shall be on a form prescribed
17 by the director and accompanied by a license fee to be computed
18 as follows on the basis of total annual wine produced or
19 blended:

20 (1) less than five thousand gallons per year,
21 twenty-five dollars (\$25.00) per year;

22 (2) between five thousand and one hundred
23 thousand gallons per year, one hundred dollars (\$100) per year;
24 and

25 (3) over one hundred thousand gallons per

.197520.5

underscored material = new
[bracketed material] = delete

1 year, two hundred fifty dollars (\$250) per year."

2 SECTION 5. Section 60-6A-26.1 NMSA 1978 (being Laws 1985,
3 Chapter 217, Section 5, as amended by Laws 2001, Chapter 248,
4 Section 2 and by Laws 2001, Chapter 260, Section 2) is amended
5 to read:

6 "60-6A-26.1. SMALL BREWER'S LICENSE.--

7 A. In ~~[any]~~ a local option district, a person
8 qualified ~~[under]~~ pursuant to the provisions of the Liquor
9 Control Act, except as otherwise provided in the Domestic
10 Winery, ~~[and]~~ Small Brewery and Craft Distillery Act, may
11 apply for and be issued a small brewer's license.

12 B. A small brewer's license authorizes the person
13 to whom it is issued to:

14 (1) ~~[become a manufacturer or producer of]~~
15 manufacture or produce beer;

16 (2) package, label and export beer, whether
17 manufactured, bottled or produced by ~~[him]~~ the licensee or any
18 other person;

19 (3) sell only beer that is packaged by or for
20 ~~[him]~~ the licensee to a person holding a wholesaler's license
21 or a small brewer's license;

22 (4) deal in warehouse receipts for beer;

23 (5) conduct beer tastings and sell for
24 consumption on or off premises, but not for resale, beer
25 produced and bottled by, or produced and packaged for, the

.197520.5

underscored material = new
[bracketed material] = delete

1 licensee or produced and bottled by or for another New Mexico
2 small brewer on the small brewer's premises;

3 (6) be deemed a manufacturer for purposes of
4 the Gross Receipts and Compensating Tax Act;

5 (7) at public celebrations off the small
6 brewer's premises, after the small brewer has paid the
7 applicable fee for a small brewer's public celebration permit,
8 conduct tastings and sell by the glass or in unbroken packages,
9 but not for resale, beer produced and bottled by or for the
10 small brewer;

11 (8) at no more than [~~two~~] three other
12 locations off the small brewer's premises, after the small
13 brewer has paid the applicable fee for a small brewer's off-
14 premises permit, after the director has determined that the
15 off-premises locations meet the requirements of the Liquor
16 Control Act and department rules for new liquor license
17 locations and after the director has issued a small brewer's
18 off-premises permit for each off-premises location, conduct
19 beer tastings and sell by the glass or in unbroken packages for
20 consumption off the small brewer's off-premises location, but
21 not for resale, beer produced and bottled by or for the small
22 brewer or beer produced and bottled by or for another New
23 Mexico small brewer; [~~and~~]

24 (9) allow members of the public, on the
25 licensed premises and under the direct supervision of the

.197520.5

underscoring material = new
[bracketed material] = delete

1 licensee, to manufacture beer for personal consumption and not
2 for resale using the licensee's equipment and ingredients; and
3 (10) sell beer in a growler for consumption
4 off premises.

5 C. At public celebrations off the small brewer's
6 premises in ~~[any]~~ a local option district permitting the sale
7 of alcoholic beverages, the holder of a small brewer's license
8 shall pay ten dollars (\$10.00) to the alcohol and gaming
9 division of the regulation and licensing department for a
10 "small brewer's public celebration permit" to be issued under
11 rules adopted by the director. Upon request, the alcohol and
12 gaming division of the regulation and licensing department may
13 issue to a holder of a small brewer's license a public
14 celebration permit for a location at the public celebration
15 that is to be shared with other small brewers and winegrowers.
16 As used in this subsection, "public celebration" includes ~~[any]~~
17 a state or county fair, community fiesta, cultural or artistic
18 event, sporting competition of a seasonal nature or activities
19 held on an intermittent basis.

20 D. Sales and tastings of beer authorized in this
21 section shall be permitted during the hours set forth in
22 Subsection A of Section 60-7A-1 NMSA 1978 and between the hours
23 of noon and midnight on Sunday and shall conform to the
24 limitations regarding Christmas and voting-day sales found in
25 Section 60-7A-1 NMSA 1978 and the expansion of Sunday sales

.197520.5

underscored material = new
[bracketed material] = delete

1 hours to 2:00 a.m. on January 1, when December 31 falls on a
2 Sunday."

3 SECTION 6. Section 60-6B-4 NMSA 1978 (being Laws 1981,
4 Chapter 39, Section 40) is amended to read:

5 "60-6B-4. ISSUANCE OR TRANSFER OF LICENSE--APPROVAL OF
6 APPROPRIATE GOVERNING BODY.--

7 A. Prior to the approval of the issuance of a new
8 license, and prior to the approval of [~~any~~] a transfer
9 permitted by Section [~~39 or 113 of the Liquor Control Act~~]
10 60-6B-3 or 60-6B-12 NMSA 1978, the director shall notify the
11 governing body of [~~his~~] the director's preliminary approval of
12 the issuance or transfer of the license. Notice to the
13 governing body shall be by certified mail.

14 B. A governing body [~~which~~] that has received a
15 notice of preliminary approval of the issuance or transfer of a
16 license from the department may approve or disapprove the
17 issuance or transfer of the license in accordance with the
18 provisions of this section.

19 C. Within forty-five days after receipt of a notice
20 of preliminary approval from the department, the governing body
21 shall hold a public hearing on the question of whether the
22 department should approve the proposed issuance or transfer.

23 D. [~~Notice of the public hearing required by~~
24 ~~Subsection C of this section shall be given by~~] The governing
25 body [~~by~~] shall give notice of the public hearing, as required

.197520.5

underscored material = new
[bracketed material] = delete

1 by Subsection C of this section, and the notice shall:

2 (1) [~~publishing a notice of the date, time and~~
3 ~~place of the hearing at least once a week for two consecutive~~
4 ~~weeks] be published at least twice, with the initial notice
5 published at least thirty days before the hearing, in a
6 newspaper of general circulation within the territorial limits
7 of the governing body; [~~The notice shall]~~~~

8 (2) in addition to required print publication,
9 be published on a local option district's web site, if the
10 district has a web site;

11 (3) set forth:

12 (a) the date, time and place of the
13 hearing;

14 [~~(a)~~] (b) the name and address of the
15 licensee;

16 [~~(b)~~] (c) the action proposed to be
17 taken by the department;

18 [~~(c)~~] (d) the location of the licensee's
19 premises; and

20 [~~(d)~~] (e) such other information as may
21 be required by the department; and

22 [~~(2) sending a notice]~~ (4) be sent by
23 certified mail to the applicant [~~of the date, time and place of~~
24 ~~the public hearing]~~.

25 E. The governing body may designate a hearing

underscoring material = new
~~[bracketed material] = delete~~

1 officer to conduct the hearing. A record shall be made of the
2 hearing.

3 F. The governing body may disapprove the issuance
4 or transfer of the license if:

5 (1) the proposed location is within an area
6 where the sale of alcoholic beverages is prohibited by the laws
7 of New Mexico;

8 (2) the issuance or transfer would be in
9 violation of a zoning or other ordinance of the governing body;
10 or

11 (3) the issuance or transfer would be
12 detrimental to the public health, safety or morals of the
13 residents of the local option district.

14 G. Within thirty days after the public hearing, the
15 governing body shall notify the department as to whether the
16 governing body has approved or disapproved the proposed
17 issuance or transfer of the license. If the governing body
18 fails to either approve or disapprove the issuance or transfer
19 of the license within thirty days after the public hearing, the
20 director may give final approval to the issuance or transfer of
21 the license.

22 H. If the governing body disapproves the issuance
23 or transfer of the license, it shall notify the department
24 within the time required by Subsection G of this section
25 setting forth the reasons for the disapproval. A copy of the

.197520.5

underscored material = new
[bracketed material] = delete

1 minutes of the public hearing shall be submitted to the
2 department by the governing body with the notice of
3 disapproval. If the governing body disapproves of the issuance
4 or transfer of the license, the director shall disapprove the
5 issuance or transfer of the license.

6 I. If the governing body approves the issuance or
7 transfer of the license, it shall notify the department within
8 the time required by Subsection G of this section of its
9 approval. If the governing body approves of the issuance or
10 transfer of the license, the director shall approve the
11 issuance or transfer of the license."

12 SECTION 7. A new section of Chapter 60, Article 6B NMSA
13 1978 is enacted to read:

14 "[NEW MATERIAL] LICENSED PRODUCTION FACILITIES--
15 ALTERNATING PROPRIETORSHIP.--With the approval of the alcohol
16 and tobacco tax and trade bureau of the United States
17 department of the treasury, and subject to the provisions of
18 the Liquor Control Act, an alternating proprietorship may be
19 established so that the manufacturing facilities and equipment
20 of a person who holds:

21 A. a craft distiller's license may be used by
22 another person who holds a craft distiller's license to
23 manufacture or produce spiritous liquors;

24 B. a winegrower's license may be used by another
25 person who holds a winegrower's license to manufacture or

.197520.5

underscored material = new
[bracketed material] = delete

1 produce wine; and

2 C. a small brewer's license may be used by another
3 person who holds a small brewer's license to manufacture or
4 produce beer."

5 SECTION 8. A new section of Chapter 60, Article 6B NMSA
6 1978 is enacted to read:

7 "[NEW MATERIAL] LICENSED RETAILER COOPERATIVES.--

8 A. A person who holds a retailer's license or a
9 person who holds a dispenser's license and who is allowed to
10 sell alcoholic beverages in unbroken packages that are for
11 consumption off premises and are not for resale may form a
12 cooperative with one or more other persons who hold a
13 retailer's or dispenser's license for the purposes of the
14 advertisement or purchase of alcoholic beverages for retail
15 sale.

16 B. The director shall promulgate rules to implement
17 the provisions of this section, including the form for
18 cooperative agreements."

19 SECTION 9. Section 60-8A-1 NMSA 1978 (being Laws 1981,
20 Chapter 39, Section 60) is amended to read:

21 "60-8A-1. UNFAIR COMPETITION--EXCLUSIVE OUTLET--TIED
22 HOUSE--CONSIGNMENT SALES.--It is unlawful for [~~any~~] an
23 importer, manufacturer, nonresident licensee or any kind or
24 class of wholesaler, directly or indirectly, or through an
25 affiliate:

.197520.5

underscored material = new
[bracketed material] = delete

1 A. to require by agreement or otherwise that [~~any~~]
2 a wholesaler, retailer, dispenser, canopy licensee, restaurant
3 licensee, club licensee or governmental licensee or its lessee
4 engaged in the sale of alcoholic beverages in the state
5 purchase alcoholic beverages from [~~such~~] that person to the
6 exclusion in whole or in part of alcoholic beverages sold or
7 offered for sale by other persons;

8 B. to induce through any of the following means,
9 [~~any~~] a wholesaler, retailer, dispenser, canopy licensee,
10 restaurant licensee, club licensee or governmental licensee or
11 its lessee engaged in the sale of any kind or class of
12 alcoholic beverages to purchase alcoholic beverages from [~~such~~]
13 that person to the exclusion in whole or in part of alcoholic
14 beverages sold or offered for sale by other persons:

15 (1) by acquiring or holding, after the
16 expiration of [~~any~~] an existing license, [~~any~~] an interest in
17 [~~any~~] a license with respect to the premises of the wholesaler,
18 retailer, dispenser, canopy licensee, restaurant licensee, club
19 licensee or governmental licensee or its lessee;

20 (2) by acquiring [~~any~~] an interest in [~~any~~]
21 real or personal property owned, occupied or used by [~~any~~] a
22 wholesaler, retailer, dispenser, restaurant licensee or club
23 licensee in the conduct of the buying wholesaler's, retailer's,
24 dispenser's, canopy licensee's, restaurant licensee's, club
25 licensee's or governmental licensee's or its lessee's business,

.197520.5

underscored material = new
[bracketed material] = delete

1 subject to ~~[such]~~ exceptions ~~[as]~~ that the director ~~[shall]~~ may
2 prescribe, having due regard ~~[to]~~ for the free flow of
3 commerce, the purposes of this subsection and established trade
4 customs not contrary to the public interest;

5 (3) by furnishing, giving, renting, lending or
6 selling to ~~[any]~~ a wholesaler, retailer, dispenser, canopy
7 licensee, restaurant licensee, club licensee or governmental
8 licensee or its lessee ~~[any]~~ equipment, fixtures, signs,
9 supplies, money, services or other thing of value, subject to
10 ~~[such]~~ exceptions ~~[as]~~ that the director ~~[shall]~~ may by
11 regulation prescribe, having due regard for public health and
12 welfare, the quantity and value of the articles involved and
13 established trade customs not contrary to the public interest
14 and the purposes of this subsection;

15 (4) by paying or crediting the wholesaler,
16 retailer, dispenser, canopy licensee, restaurant licensee, club
17 licensee or governmental licensee or its lessee for ~~[any]~~
18 advertising, display or distribution services;

19 (5) by requiring ~~[any]~~ a wholesaler, retailer,
20 dispenser, canopy licensee, restaurant licensee, club licensee
21 or governmental licensee or its lessee to take and dispose of a
22 certain quota or combination of alcoholic beverages; or

23 (6) by commercial bribery by offering or
24 giving ~~[any]~~ a bonus, premium or compensation to ~~[any]~~ an
25 officer, employee, agent or representative of ~~[any]~~ a

.197520.5

underscored material = new
[bracketed material] = delete

1 wholesaler, retailer, dispenser, canopy licensee, restaurant
2 licensee, club licensee or governmental licensee or its lessee;
3 or

4 C. to sell, offer for sale or contract to sell to
5 [~~any~~] a retailer, dispenser, canopy licensee, restaurant
6 licensee, club licensee or governmental licensee or its lessee
7 [~~any~~] alcoholic beverages of any kind or class on consignment
8 or under a conditional sale or on [~~any~~] a basis other than a
9 bona fide sale; provided that this subsection shall not apply
10 to transactions involving solely the bona fide return of
11 merchandise for ordinary and usual commercial reasons arising
12 after the merchandise has been sold, including a return of
13 merchandise that is damaged, at or near spoilage or otherwise
14 unfit for consumption."

15 SECTION 10. REPEAL.--Laws 2001, Chapter 248, Section 2
16 is repealed.

17 SECTION 11. EFFECTIVE DATE.--The effective date of the
18 provisions of this act is July 1, 2015.

1 SENATE JOINT MEMORIAL

2 **52ND LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2015**

3 INTRODUCED BY

4
5
6
7
8 FOR THE ECONOMIC AND RURAL DEVELOPMENT COMMITTEE

9
10 A JOINT MEMORIAL

11 REQUESTING CONTINUOUS COOPERATION AMONG THE GOVERNMENTS OF NEW
12 MEXICO, THE UNITED STATES AND MEXICO TO IMPROVE AND MAINTAIN
13 ROADS.

14
15 WHEREAS, economic activity in Dona Ana county and along
16 the United States-Mexico border has steadily increased over the
17 past several years; and

18 WHEREAS, trade between the United States and Mexico is
19 valued in the hundreds of billions of dollars, and each month,
20 more than one billion dollars (\$1,000,000,000) worth of
21 products cross the United States-Mexico border at the Santa
22 Teresa port of entry in southern New Mexico; and

23 WHEREAS, the economies of New Mexico, the United States
24 and Mexico have realized significant benefits from increased
25 productivity and trade in the Santa Teresa-San Jeronimo port-

.197860.2

underscoring material = new
~~[bracketed material] = delete~~

underscoring material = new
~~[bracketed material] = delete~~

1 of-entry border region over the past several years; and

2 WHEREAS, the increased economic activity in the border
3 region has resulted in an increase in infrastructure needs,
4 specifically road improvement, and maintenance needs within the
5 New Mexico-Mexico international border region;

6 NOW, THEREFORE, BE IT RESOLVED BY THE LEGISLATURE OF THE
7 STATE OF NEW MEXICO that the governments of New Mexico, the
8 United States and Mexico be requested to cooperate on issues
9 related to the improvement and maintenance of roads in the
10 Santa Teresa-San Jeronimo port-of-entry border region and
11 within the New Mexico-Mexico international border region; and

12 BE IT FURTHER RESOLVED that copies of this memorial be
13 transmitted to the governor of New Mexico, the New Mexico
14 secretary of transportation, the New Mexico congressional
15 delegation, the United States secretary of transportation and
16 the secretariat of communications and transportation for
17 Mexico.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

SENATE BILL

52ND LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2015

INTRODUCED BY

FOR THE ECONOMIC AND RURAL DEVELOPMENT COMMITTEE

AN ACT

MAKING AN APPROPRIATION TO IMPROVE PLANNING AND TRACKING OF
COMMUNITY AND ECONOMIC DEVELOPMENT EFFORTS; TECHNICAL
ASSISTANCE DELIVERY; AND PROJECT AND PROGRAM IMPLEMENTATION AND
COORDINATION BY THE STATE'S PLANNING DISTRICTS AND COUNCILS OF
GOVERNMENTS.

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

SECTION 1. APPROPRIATION.--Three hundred seventy-eight
thousand dollars (\$378,000) is appropriated from the general
fund to the local government division of the department of
finance and administration for expenditure in fiscal year 2016
for improving planning, tracking and mapping of community and
economic development and capital improvement projects;
technical and grant administration assistance; and
implementation and coordination of project and programs by the

.197943.2

underscoring material = new
~~[bracketed material] = delete~~

1 state's planning districts and councils of governments. Any
2 unexpended or unencumbered balance remaining at the end of
3 fiscal year 2016 shall revert to the general fund.

4 - 2 -
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

underscored material = new
[bracketed material] = delete

.197943.2

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

HOUSE BILL

52ND LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2015

INTRODUCED BY

FOR THE ECONOMIC AND RURAL DEVELOPMENT COMMITTEE

AN ACT

MAKING AN APPROPRIATION TO PROVIDE NEW MEXICO GROWN FRESH
FRUITS AND FRESH VEGETABLES FOR SCHOOL MEALS.

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

SECTION 1. APPROPRIATION.--One million four hundred forty
thousand dollars (\$1,440,000) is appropriated from the general
fund to the public education department for expenditure in
fiscal year 2016 and subsequent fiscal years for the purchase
and distribution of New Mexico grown fresh fruits and fresh
vegetables to school districts, charter schools and juvenile
detention centers through the department's school meal
programs, and for a full-time-equivalent position to administer
and promote this initiative. Any unexpended or unencumbered
balance remaining at the end of a fiscal year shall not revert
to the general fund.

.198105.2

underscoring material = new
~~[bracketed material] = delete~~