



NEW MEXICO LEGISLATURE

# RURAL ECONOMIC OPPORTUNITIES TASK FORCE

2022 INTERIM FINAL REPORT

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## INTERIM SUMMARY



## **Rural Economic Opportunities Task Force 2022 Interim Summary**

The Rural Economic Opportunities Task Force held five meetings during the 2022 interim. In addition to the first and last meetings, held at the State Capitol in Santa Fe, the task force held meetings at the Bosque Redondo Memorial in Fort Sumner, Los Luceros Historic Site near Alcade and Fort Bayard Theater in Fort Bayard.

This year, the task force broadened its scope of inquiry beyond rural infrastructure needs and heard presentations regarding fire and disaster response, the confluence of the state's historic preservation and tourism efforts, rural health care needs and general economic development programs. The task force also received regular presentations from New Mexico State University's Agricultural Economics and Agricultural Business Department regarding how to assess the potential for developing or recruiting value-added agricultural businesses in rural New Mexico. Presenters included the Homeland Security and Emergency Management Department, the state forester, the Economic Development Department, the Cultural Affairs Department, the Tourism Department and several regional councils of governments.

A recurring challenge cited by many presenters was a lack of sufficient project planning staff, engineering services and market analyses for rural communities to develop proposals for federal and state infrastructure grant programs or to create successful economic development strategies.

The task force endorsed one bill that would change how taxes for services are administered. The 2021 legislature had designated that gross receipts taxes should be assessed at the location where goods or services are received. However, this proved to dramatically increase accounting costs for service companies that provide services across many jurisdictions. The endorsed bill, file number 202.223229.1, would change the assessment of services to the location from which a service business operates.





## WORK PLAN AND MEETING SCHEDULE



**2022 APPROVED**  
**WORK PLAN AND MEETING SCHEDULE**  
**for the**  
**RURAL ECONOMIC OPPORTUNITIES TASK FORCE**

**Members**

Sen. Siah Correa Hemphill, Co-Chair  
Rep. Candie G. Sweetser, Co-Chair  
Rep. Anthony Allison  
Rep. Gail Armstrong  
Rep. Rachel A. Black  
Sen. Craig W. Brandt  
Sen. Crystal R. Diamond  
Rep. Kelly K. Fajardo  
Sen. Carrie Hamblen

Rep. Susan K. Herrera  
Sen. Leo Jaramillo  
Rep. Willie D. Madrid  
Rep. Roger E. Montoya  
Sen. Michael Padilla  
Sen. Shannon D. Pinto  
Sen. Joshua A. Sanchez  
Rep. Nathan P. Small  
Sen. Elizabeth "Liz" Stefanics

**Advisory Members**

Rep. Ambrose Castellano  
Rep. Rebecca Dow  
Sen. David M. Gallegos  
Rep. Harry Garcia  
Rep. D. Wonda Johnson

Rep. Tara L. Lujan  
Rep. Patricia A. Lundstrom  
Rep. Antonio Maestas  
Sen. Brenda G. McKenna  
Sen. Mimi Stewart

**Work Plan**

The Rural Economic Opportunities Task Force (REOTF) was created by the New Mexico Legislative Council on April 26, 2022. As time permits during the 2022 interim, the REOTF proposes to focus on identifying opportunities for rural development and economic growth, providing oversight of the capacity-building funds for rural infrastructure appropriated during the 2022 legislative session and developing legislative proposals for a systematized state approach to address rural infrastructure needs and promote business and job growth in rural communities. Within those overall goals, the task force proposes to:

- A. examine efforts to improve federal, state and local fire risk mitigation, response and recovery efforts;
- B. learn about the issues affecting rural areas of the state to generate an informed rural relief legislative proposal and long-term plan to address rural needs, including needs for health care systems and infrastructure;
- C. hear about rural issues and needs from rural frontier, small town, unincorporated and Native American communities;
- D. receive reports from various state agencies, including the Economic Development Department's New Mexico Outdoor Recreation Division, the Tourism Department and the Cultural Affairs Department, regarding current programs to grow rural economies;

E. hear reports from various stakeholders regarding rural infrastructure and economic challenges and opportunities, including existing programs or business models that are working;

F. examine the issues identified in the Pivotal New Mexico 2021 Rural Infrastructure Needs Study and the various other state models the study highlighted as having the potential to address rural infrastructure needs in New Mexico, including presentations from various state agencies regarding:

- which agency would best house a general state rural infrastructure program, or alternatively, which agencies would be best suited for service-specific infrastructure programs; and
- agency recommendations for how to design and fund a general infrastructure program or service-specific infrastructure programs;

G. hear status reports on the use of funds appropriated during the 2022 legislative session to increase project planning and management capacity within local governments and regional councils of governments;

H. receive reports from the Rural Equity Ombud; and

I. examine the potential for duplicating the dairy industry's success in developing value-added production in other agricultural product sectors, including:

- receiving analyses from New Mexico State University's Center of Excellence in Sustainable Food and Agricultural Systems and the Economic Development Department about: the potential to grow agricultural business sectors that create baseline jobs within rural communities; the leveraging effects of even moderate increases in family farm incomes; and the efficacy of developing logistics microcenters for food processing, packaging and distribution as a means of generating wealth throughout a rural region; and
- hearing about the New Mexico State University Arrowhead Center collaborative Building Bridges Program with the Cooperative Extension Service to foster entrepreneurial development within rural communities.

**Rural Economic Opportunities Task Force  
2022 Approved Meeting Schedule**

<u>Date</u>	<u>Location</u>
June 13	Santa Fe
July 28-29	Fort Sumner (Bosque Redondo Memorial)
August 23-24	Los Luceros Historic Site
September 19-20	Fort Bayard
November 21	Santa Fe



## AGENDAS AND MINUTES





**TENTATIVE AGENDA  
for the  
FIRST MEETING  
of the  
RURAL ECONOMIC OPPORTUNITIES TASK FORCE**

**June 13, 2022  
State Capitol, Room 307  
Santa Fe**

**Monday, June 13**

- 10:00 a.m.           **Call to Order, Welcome and Introductions**  
—Senator Siah Correa Hemphill, Co-Chair, Rural Economic Opportunities Task Force (REOTF)  
—Representative Candie G. Sweetser, Co-Chair, REOTF
- 10:30 a.m.       (1)   **[Overview of the Building Blocks of a Potential Rural Infrastructure Program and Status of the Rural and Frontier Communities Ombud Office](#)**  
—Donnie Quintana, Director, Local Government Division (LGD), Department of Finance and Administration (DFA)  
—Shanna Sasser, Rural Equity Ombud, LGD, DFA
- 11:15 a.m.       (2)   **[Proposed 2022 Work Plan and Meeting Schedule](#)**  
—Mark Edwards, Drafter, Legislative Council Service
- 12:00 noon           **Adjourn**



**MINUTES  
of the  
FIRST MEETING  
of the  
RURAL ECONOMIC OPPORTUNITIES TASK FORCE**

**June 13, 2022  
State Capitol, Room 307  
Santa Fe**

The first meeting of the Rural Economic Opportunities Task Force (REOTF) was called to order by Representative Candie G. Sweetser, co-chair, on June 13, 2022 at 10:11 a.m. in Room 307 of the State Capitol in Santa Fe.

**Present**

Sen. Siah Correa Hemphill, Co-Chair  
Rep. Candie G. Sweetser, Co-Chair  
Rep. Anthony Allison  
Rep. Gail Armstrong  
Rep. Susan K. Herrera  
Sen. Leo Jaramillo  
Rep. Willie D. Madrid  
Rep. Roger E. Montoya  
Sen. Shannon D. Pinto  
Rep. Nathan P. Small  
Sen. Elizabeth "Liz" Stefanics

**Absent**

Rep. Rachel A. Black  
Sen. Craig W. Brandt  
Sen. Crystal R. Diamond  
Rep. Kelly K. Fajardo  
Sen. Carrie Hamblen  
Sen. Michael Padilla  
Sen. Joshua A. Sanchez

**Advisory Members**

Rep. Ambrose Castellano  
Rep. Rebecca Dow  
Rep. Harry Garcia  
Rep. Tara L. Lujan

Sen. David M. Gallegos  
Rep. D. Wonda Johnson  
Rep. Patricia A. Lundstrom  
Rep. Antonio Maestas  
Sen. Brenda G. McKenna  
Sen. Mimi Stewart

**Staff**

Mark Edwards, Bill Drafter, Legislative Council Service (LCS)  
Erin Bond, Research Assistant, LCS  
Catherine Sayler, Staff, LCS

**Guests**

The guest list is in the meeting file.

**Handouts**

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

## **References to Webcast**

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

## **Monday, June 13**

### **Welcome and Introductions (10:11 a.m.)**

Representative Sweetser welcomed task force members, staff and guests and asked task force members and staff to introduce themselves.

### **Overview of the Building Blocks of a Potential Rural Infrastructure Program and Status of the Rural and Frontier Communities Ombud Office (10:19 a.m.)**

Donnie Quintana, director, Local Government Division (LGD), Department of Finance and Administration (DFA), and Shanna Sasser, rural equity ombud, LGD, DFA, gave the task force an overview of the potential for a rural infrastructure program in New Mexico and discussed the status of the Rural and Frontier Communities Ombud Office.

### **Motion (11:33 a.m.)**

Representative Dow made a motion that the task force send a letter to the Federal Emergency Management Agency and the relevant agencies at the United States Department of Agriculture requesting that flood response aid programs be used to proactively limit the anticipated flood damage from monsoon rains falling on the burn scars from this year's historic Calf Canyon/Hermits Peak and Black fires. She also requested that copies of this letter be sent to the New Mexico congressional delegation. The motion was seconded and passed without objection.

### **Proposed 2022 Work Plan and Meeting Schedule (11:52 a.m.)**

Mr. Edwards presented an overview of the proposed work plan and meeting schedule for the 2022 interim. The work plan and meeting schedule was approved without objection. The document can be found here:

<https://www.nmlegis.gov/handouts/REOTF%20061322%20Item%202%20proposed%20work%20plan.22.pdf>.

### **Adjournment**

There being no further business before the task force, the meeting adjourned at 12:08 p.m.

Revised: July 26, 2022

**TENTATIVE AGENDA  
for the  
SECOND MEETING  
of the  
RURAL ECONOMIC OPPORTUNITIES TASK FORCE**

**July 28-29, 2022  
Fort Sumner Historic Site, Bosque Redondo Memorial  
3647 Billy the Kid Drive  
Fort Sumner**

**Thursday, July 28**

- 10:00 a.m.      **Call to Order, Welcome and Introductions**  
—Senator Siah Correa Hemphill, Co-Chair, Rural Economic Opportunities Task Force (REOTF)  
—Representative Candie G. Sweetser, Co-Chair, REOTF
- 10:15 a.m.      (1)    [Welcome to Fort Sumner](#)  
—Louie Gallegos, Mayor, Fort Sumner
- 10:45 a.m.      (2)    [Welcome and Bosque Redondo Memorial and Fort Sumner Historic Site Status](#)  
—Michelle Gallagher Roberts, Deputy Secretary, Cultural Affairs Department (CAD)  
—Patrick Moore, Executive Director, New Mexico Historic Sites, CAD
- 11:15 a.m.      (3)    [Proactive Planning for Agricultural Communities: Outlining the Market Investment Analysis Required for Successful Value-Added Business Recruitment](#)  
—Jay Lillywhite, Department Head and Professor, Agricultural Economics and Agricultural Business Department, College of Agricultural, Consumer and Environmental Sciences, New Mexico State University
- 12:15 p.m.      **Lunch**
- 1:30 p.m.      (4)    [Development of Tourism Opportunities in Rural New Mexico](#)  
—Antoinette Vigil, Deputy Secretary, Tourism Department
- 2:30 p.m.      (5)    [Outdoor Recreation as a Selling Point for Rural Tourism](#)  
—Carl Colonius, Outdoor Planner, New Mexico Outdoor Recreation Division, Economic Development Department

3:15 p.m. (6) [\*\*Status Update: Planning and Project Management Staff for Councils of Governments\*\*](#)

—Sandy Chancey, Executive Director, Eastern Plains Council of Governments

—Dora Batista, Executive Director, Southeastern New Mexico Economic Development District Council of Governments

4:00 p.m. (7) [\*\*Federal Infrastructure Funding Rollout for Electrical Vehicle Charging Stations; Regional Transit and School Buses and Other Grant Opportunities\*\*](#)

—Mark Hayden, State Purchasing Agent, General Services Department

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

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

### **Friday, July 29**

9:00 a.m. (8) [\*\*State Fire Response, Recovery Plans and Burn Scar Flood Prevention\*\*](#)

—Kelly Hamilton, Deputy Secretary, Homeland Security and Emergency Management Department

—Laura McCarthy, Director and State Forester, Forestry Division, Energy, Minerals and Natural Resources Department

10:30 a.m. (9) [\*\*Federal Fire Response, Recovery Plans and Burn Scar Flood Prevention in New Mexico\*\*](#)

—Wendy Jo Haskins, Director, Ecosystem Planning and Biophysical Resources, Southwestern Region, United States Department of Agriculture (USDA) Forest Service

—Rigoberto Lopez, Acting State Director, Natural Resources Conservation Service, USDA

—Jonas Moya, State Executive Director, Farm Services Agency, USDA

—Patricia Dominguez, State Director, Rural Development, USDA

12:00 noon **Public Comment**

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

**MINUTES  
of the  
SECOND MEETING  
of the  
RURAL ECONOMIC OPPORTUNITIES TASK FORCE**

**July 28-29, 2022  
Fort Sumner Historic Site, Bosque Redondo Memorial  
3647 Billy the Kid Drive  
Fort Sumner**

The second meeting of the Rural Economic Opportunities Task Force was called to order by Representative Candie G. Sweetser, co-chair, on July 28, 2022 at 11:24 a.m. at the Bosque Redondo Memorial in Fort Sumner.

**Present**

Rep. Candie G. Sweetser, Co-Chair  
Rep. Anthony Allison  
Rep. Rachel A. Black  
Sen. Crystal R. Diamond (7/29)  
Sen. Stuart Ingle\* (7/28)  
Rep. Roger E. Montoya (7/29)  
Sen. Michael Padilla (7/28)  
Sen. Shannon D. Pinto  
Sen. Joshua A. Sanchez (7/29)

**Absent**

Sen. Siah Correa Hemphill, Co-Chair  
Rep. Gail Armstrong  
Sen. Craig W. Brandt  
Rep. Kelly K. Fajardo  
Sen. Carrie Hamblen  
Rep. Susan K. Herrera  
Sen. Leo Jaramillo  
Rep. Willie D. Madrid  
Rep. Nathan P. Small  
Sen. Elizabeth "Liz" Stefanics

**Advisory Members**

Rep. Harry Garcia

Rep. Ambrose Castellano  
Rep. Rebecca Dow  
Sen. David M. Gallegos  
Rep. D. Wonda Johnson  
Rep. Tara L. Lujan  
Rep. Patricia A. Lundstrom  
Rep. Antonio Maestas  
Sen. Brenda G. McKenna  
Sen. Mimi Stewart

**Guest Legislator**

Rep. Martin R. Zamora

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

\*The President Pro Tempore of the Senate appointed this legislator as a voting member for this meeting.

**Staff**

Mark Edwards, Bill Drafter, Legislative Council Service (LCS)

Erin Bond, Researcher, LCS

Catherine Sayler, Staff, LCS

Grace Balderamos, Staff, LCS

**Guests**

The guest list in the meeting file.

**Handouts**

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**Thursday, July 28****Tour of Fort Sumner Historic Site and Bosque Redondo Memorial**

Task force members, committee staff and guests toured the historic site and memorial.

**Welcome and Introductions (11:24 a.m.)**

Representative Sweetser called the meeting to order as a special subcommittee and asked the members of the task force and staff to introduce themselves.

**Welcome to Fort Sumner (11:33 a.m.)**

Louie Gallegos, mayor, Village of Fort Sumner, welcomed task force members and thanked the members for visiting Fort Sumner.

**Welcome and Bosque Redondo Memorial and Fort Sumner Historic Site Status (11:35 a.m.)**

Michelle Gallagher Roberts, deputy secretary, Cultural Affairs Department (CAD), and Patrick Moore, executive director, New Mexico Historic Sites, CAD, welcomed the members of the task force and guests. Ms. Gallagher Roberts informed the members of the CAD's responsibilities, including education, preservation and research. She also provided an overview of the CAD's funding and the Cultural Affairs Facilities Infrastructure Fund. Mr. Moore explained the history of Fort Sumner and the Bosque Redondo Memorial. He emphasized the CAD's effort to rethink the direction of interpretation at the Bosque Redondo Memorial. The presentation can be found here:

<https://www.nmlegis.gov/handouts/REOTF%20072822%20Item%202%20Overview%20and%20Bosque%20Redondo%20Memorial%20Site%20Update.pdf>.



### **Proactive Planning for Agricultural Communities: Outlining the Market Investment Analysis Required for Successful Value-Added Business Recruitment (12:51 p.m.)**

Jay Lillywhite, department head and professor, Agricultural Economics and Agricultural Business Department, College of Agricultural, Consumer and Environmental Sciences, New Mexico State University, discussed the components of the business plans needed when developing value-added businesses. He noted that the Stronger Economies Together Program and the Create Bridges Program both provide assistance to New Mexico communities and organizations. The presentation can be found here:

<https://www.nmlegis.gov/handouts/REOTF%20072822%20Item%203%20Proactive%20Planning%20for%20Agricultural%20Communities.pdf>.

### **Development of Tourism Opportunities in Rural New Mexico (1:55 p.m.)**

Antoinette Vigil, deputy secretary, Tourism Department, and Holly Kelley, business development coordinator, Tourism Department, reviewed the work and funding of the Tourism Department. Ms. Vigil highlighted the department's marketing and media initiatives, including New Mexico True, earned media and *New Mexico Magazine*. Ms. Kelley spoke about initiatives to further develop tourism in New Mexico, such as the hotel digital optimization program and enhancements to visitor information centers. The presentation can be found here:

<https://www.nmlegis.gov/handouts/REOTF%20072822%20Item%204%20New%20Mexico%20Tourism%20Department.pdf>.

### **Outdoor Recreation as a Selling Point for Rural Tourism (2:54 p.m.)**

Carl Colonius, outdoor recreation planner, New Mexico Outdoor Recreation Division, Economic Development Department, discussed the division's work to support and foster companies involved in outdoor recreation. Mr. Colonius also provided an overview of the Outdoor Recreation Trails+ Grant Program and the Outdoor Equity Grant Program Fund. The presentation can be found here:

<https://www.nmlegis.gov/handouts/REOTF%20072822%20Item%205%20Outdoor%20Recreation%20and%20Rural%20Economic%20Development.pdf>.

### **Status Update: Planning and Project Management Staff for Councils of Governments (3:21 p.m.)**

Sandy Chancey, executive director, Eastern Plains Council of Governments (COG), and Dora Batista, executive director, Southeastern New Mexico Economic Development District COG, discussed the programs and needs of their COGs. Ms. Chancey noted that all COGs in New Mexico needed additional staff to meet increasing community needs. Ms. Batista re-emphasized that COGs and their communities need staff and funding to apply for grants and meet community needs, including fire recovery and water supply maintenance. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=REOTF&Date=7/28/2022&ItemNumber=6>.

### **Federal Infrastructure Funding Rollout for Electrical Vehicle Charging Stations; Regional Transit and School Buses and Other Grant Opportunities (4:05 p.m.)**

Mark Hayden, state purchasing agent, General Services Department, informed task force members of new funding opportunities for electric vehicle charging stations and possible ways this funding could be utilized by rural communities. Mr. Hayden requested that interested communities contact his office. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=REOTF&Date=7/28/2022&ItemNumber=7>.

### **Public Comment (4:44 p.m.)**

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

### **Recess**

The meeting recessed at 5:09 p.m.

### **Friday, July 29**

### **Reconvene and Welcome (9:03 a.m.)**

Representative Sweetser reconvened the meeting, and Mary Ann Cortese, president, Friends of the Bosque Redondo Memorial, welcomed task force members. Members introduced themselves.

### **State Fire Response, Recovery Plans and Burn Scar Flood Prevention (9:10 a.m.)**

Laura McCarthy, state forester and director, Forestry Division, Energy, Minerals and Natural Resources Department (EMNRD), and Collin Haffey, coordinator, Forest and Watershed Health Office, EMNRD, discussed the impacts of the forest fires across the state, particularly flooding and water contamination, and possible strategies for recovery. Ms. McCarthy noted that the scale of response is overwhelming and that many federal programs are limited by narrow jurisdictions. Mr. Haffey noted that individuals who appropriately protected their property from fire damage are now struggling with flood damage.

Kelly Hamilton, deputy secretary, Homeland Security and Emergency Management Department, responded to questions and discussed the need for federal assistance. The presentation can be found here:

<https://www.nmlegis.gov/handouts/REOTF%20072822%20Item%208%20State%20Forester%20Presentation.pdf>.

### **Federal Fire Response, Recovery Plans and Burn Scar Flood Prevention in New Mexico (10:40 a.m.)**

Wendy Jo Haskins, director, Ecosystem Planning and Biophysical Resources, Southwestern Region, United States Department of Agriculture (USDA) Forest Service; Rigoberto Lopez, acting state director, Natural Resources Conservation Service (NRCS), USDA;

Jonas Moya, state executive director, Farm Services Agency, USDA; Ray Melton, business programs director, Rural Development, USDA; and Samantha Martinez, housing program director, Rural Development, USDA, spoke on the federal aspects of post-fire recovery and response through the USDA.

Ms. Haskins discussed the USDA Forest Service's use of the Burned Area Emergency Response (BAER) Program. Ms. Haskins noted that the BAER Program is used to identify threats and take immediate action to manage unacceptable risks.

Mr. Lopez spoke on funding obtained through the NRCS's Emergency Watershed Protection Program and what conditions must be met for the NRCS to provide assistance. He emphasized that each agency under the USDA is controlled by different rules and regulations that restrict where each agency can offer assistance.

Mr. Moya provided an overview of disaster assistance programs provided through the Farm Services Agency, including the Livestock Indemnity Program, the Emergency Livestock Relief Program, the Emergency Forest Restoration Program and the Emergency Relief Program.

Mr. Melton reported that Rural Development is not a disaster relief organization but still works with other agencies to support rural communities in disaster recovery and offer disaster resources. These resources address needs such as transitional housing and home repair and rural business planning and recovery. Ms. Martinez discussed Rural Development's ability to provide subsidized home loans to those impacted by fires and what consequences might ensue if someone defaulted on the loan. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=REOTF&Date=7/28/2022&ItemNumber=9>.

### **Adjournment**

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



Revised: August 22, 2022

**TENTATIVE AGENDA  
for the  
THIRD MEETING  
of the  
RURAL ECONOMIC OPPORTUNITIES TASK FORCE**

**August 23-24, 2022  
Los Luceros Historic Site  
253 County Road 41  
Alcalde**

**Tuesday, August 23**

- 10:00 a.m.           **Call to Order, Welcome and Introductions**  
—Senator Siah Correa Hemphill, Co-Chair, Rural Economic Opportunities Task Force (REOTF)  
—Representative Candie G. Sweetser, Co-Chair, REOTF
- 10:05 a.m.       (1)   **Welcome**  
—John Ramon Vigil, Mayor, City of Espanola
- 10:15 a.m.       (2)   **Broadband Status Update**  
—Kelly Schlegel, Director, Office of Broadband Access and Expansion, Department of Information Technology
- 11:15 a.m.       (3)   **Cultural Affairs Overview and Los Luceros Historic Site Status**  
—Michelle Gallagher Roberts, Deputy Secretary, Cultural Affairs Department (CAD)  
—Patrick Moore, Executive Director, New Mexico Historic Sites, CAD
- 11:45 a.m.       (4)   **The "Fund It" Process**  
—Johanna Nelson, Strategic Programs Manager, Economic Development Department (EDD)
- 12:30 p.m.           **Lunch**
- 1:30 p.m.       (5)   **Current Thinking on Structuring a State Rural Infrastructure Program**  
—Donnie Quintana, Director, Local Government Division, Department of Finance and Administration  
—Cally Carswell, Analyst, Legislative Finance Committee (LFC)  
—Nina Chavez, Analyst, LFC
- 2:30 p.m.       (6)   **EDD — Local Economic Development Plan: Application Model**  
—Daniel Gutierrez, Director, New Mexico MainStreet, EDD

3:30 p.m.        (7)    [Rural Summit Report](#)  
—Representative Roger E. Montoya, District 40

4:15 p.m.        **Public Comment**

4:45 p.m.        **Recess**

**Wednesday, August 24**

9:00 a.m.        (8)    [Opportunities for Value-Added Agriculture: Meat Processing](#)  
—Jay Lillywhite, Department Head and Professor, Agricultural Economics  
and Agricultural Business Department, College of Agricultural,  
Consumer and Environmental Sciences, New Mexico State University  
(NMSU)

10:00 a.m.       (9)    [Arrowhead Community Entrepreneurship Program](#)  
—Dana Catron, Deputy Director, Arrowhead Center, NMSU

11:00 a.m.       (10)   [North Central New Mexico Economic Development District  
\(NCNMEDD\)](#)  
    **A. Grant Program**  
    —Monica Abeita, Executive Director, NCNMEDD  
    —Felicity Fonseca, Economic Development Planner, NCNMEDD  
    **B. Disaster Recovery Efforts in Mora, San Miguel and Colfax Counties**  
    —Christopher Madrid, Community Development Director, NCNMEDD

12:00 noon       **Adjourn**

**MINUTES  
of the  
THIRD MEETING  
of the  
RURAL ECONOMIC OPPORTUNITIES TASK FORCE**

**August 23-24, 2022  
Los Luceros Historic Site  
253 County Road 41  
Alcalde**

The third meeting of the Rural Economic Opportunities Task Force (REOTF) was called to order by Senator Siah Correa Hemphill, co-chair, on August 23, 2022 at 10:02 a.m. at the Los Luceros Historic Site in Alcalde.

**Present**

Sen. Siah Correa Hemphill, Co-Chair  
Rep. Candie G. Sweetser, Co-Chair  
Rep. Anthony Allison (8/23)  
Rep. Gail Armstrong (8/23)  
Sen. Craig W. Brandt (8/23)  
Sen. Crystal R. Diamond (8/24)  
Rep. Kelly K. Fajardo (8/24)  
Rep. Susan K. Herrera  
Rep. Willie D. Madrid  
Rep. Roger E. Montoya  
Sen. Michael Padilla (8/23)  
Sen. Shannon D. Pinto  
Sen. Elizabeth "Liz" Stefanics (8/23)

**Advisory Members**

Rep. Harry Garcia  
Rep. Tara L. Lujan

**Absent**

Rep. Rachel A. Black  
Sen. Carrie Hamblen  
Sen. Leo Jaramillo  
Sen. Joshua A. Sanchez  
Rep. Nathan P. Small

Rep. Ambrose Castellano  
Rep. Rebecca Dow  
Sen. David M. Gallegos  
Rep. D. Wonda Johnson  
Rep. Patricia A. Lundstrom  
Rep. Antonio Maestas  
Sen. Brenda G. McKenna  
Sen. Mimi Stewart

**Staff**

Mark Edwards, Bill Drafter, Legislative Council Service (LCS)  
Erin Bond, Researcher, LCS  
Catherine Sayler, Staff, LCS

**Guests**

The guest list is in the meeting file.

**Handouts**

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

**References to Webcast**

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**Tuesday, August 23****Welcome and Introductions (10:02 a.m.)**

Senator Hemphill welcomed everyone and asked task force members and staff to introduce themselves.

**Welcome (10:09 a.m.)**

John Ramon Vigil, mayor, City of Espanola, welcomed the task force to Espanola and the Espanola Valley. He emphasized the rich cultural heritage of the Espanola Valley and its role as a thoroughfare to many places in northern New Mexico.

**Broadband Status Update (10:13 a.m.)**

Kelly Schlegel, director, Office of Broadband Access and Expansion (OBAE), Department of Information Technology, reported on the efforts of the OBAE to bring 100% broadband connectivity to New Mexico over the next five years. She estimates that reaching this goal will cost more than \$1 billion, and she is currently working to meet the requirements of and critical deadlines for federal funding requests. She emphasized the importance of digital equity; strong partnerships, including community and tribal engagement; and the creation of a robust middle-mile framework upon which connectivity to rural New Mexico will depend. The presentation can be found here:

<https://www.nmlegis.gov/handouts/REOTF%20082322%20Item%202%20Broadband%20Office%20Update.pdf>.

**Cultural Affairs Overview and Los Luceros Historic Site Status (12:05 p.m.)**

Michelle Gallagher Roberts, deputy secretary, Cultural Affairs Department (CAD), reviewed the CAD's mission, division responsibilities and many historic sites and programs that enrich life in New Mexico. Patrick Moore, executive director, New Mexico Historic Sites, CAD, highlighted the history of Los Luceros from its earliest native inhabitants, dating back to the 1200s, to its designation by the legislature as a state historic site in 2019. The Spanish land



grant hacienda, Los Luceros, dates back to 1775 and has been an integral part of the local community for more than 200 years, Dr. Moore said. The presentation can be found here:

<https://www.nmlegis.gov/handouts/REOTF%20082322%20Item%203%20Cultural%20Affairs%20Overview%20of%20Programs%20and%20Los%20Luceros.pdf>.

**Tour of Bookmobile (12:59 p.m.)**

Task force members toured a CAD Library Division bookmobile.

**The "Fund It" Process (1:24 p.m.)**

Johanna Nelson, strategic programs manager, Economic Development Department (EDD), detailed the New Mexico FUNDIT program within the EDD. She explained that the FUNDIT program functions as a "one-stop shop", helping communities identify funding opportunities and setting up quarterly meetings in which many funding agencies are present to hear about proposed projects and offer crowd-sourced suggestions. The presentation can be found here:

<https://www.nmlegis.gov/handouts/REOTF%20082322%20Item%204%20Fund%20IT.pdf>.

**Current Thinking on Structuring a State Rural Infrastructure Program (2:11 p.m.)**

Donnie Quintana, director, Local Government Division, Department of Finance and Administration, and Cally Carswell, analyst, Legislative Finance Committee (LFC), discussed the need to create a unified rural infrastructure program for New Mexico. Mr. Quintana said that a centralized state infrastructure office is needed to develop a statewide needs assessment and assist communities with all aspects of the funding process. Ms. Carswell noted the work of the LFC Capital Outlay Subcommittee to recommend capital outlay policies that would help to complete existing projects, prioritize future projects and position the state to capitalize on the large amount of state revenues and federal funds that will soon be available to New Mexico. The presentation can be found here:

<https://www.nmlegis.gov/handouts/REOTF%20082322%20Item%205%20Capital%20Outlay%20Policy.pdf>.

**EDD — Local Economic Development Plan: Application Model (3:27 p.m.)**

Daniel Guterrez, director, New Mexico MainStreet, EDD, discussed the EDD's expanding role in assisting communities to complete economic development plans after receiving grants through the Local Government Planning Fund. The presentation can be found here:

<https://www.nmlegis.gov/handouts/REOTF%20082322%20Item%206%20Local%20Economic%20Development%20Plan.pdf>.

**Rural Summit Report (3:39 p.m.)**

Representative Roger E. Montoya and Isaac Casados, chief of staff for Representative Montoya, reviewed issues raised at the first New Mexico Rural Summit held in May. Representative Montoya stressed the value gained from hearing from grassroots New Mexicans, and Mr. Casados noted that many local governments have no access to competitive grant-writing professionals and, thus, no access to federal funds. The presentation can be found here:

<https://www.nmlegis.gov/handouts/REOTF%20082322%20Item%207%20New%20Mexico%20Rural%20Summit.pdf>.

**Motion to Request Extension of the REOTF Beyond the 2022 Interim (4:21 p.m.)**

Senator Padilla moved, and Senator Pinto seconded, a motion that the co-chairs of the REOTF propose an extension of the work of the task force beyond the end of the 2022 interim.

**Public Comment**

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

**Recess**

The meeting recessed at 4:45 p.m.

**Wednesday, August 24****Reconvene**

Senator Hemphill reconvened the meeting at 9:02 a.m.

**Opportunities for Value-Added Agriculture: Meat Processing (9:03 a.m.)**

Jay Lillywhite, department head and professor, Agricultural Economics and Agricultural Business Department, College of Agricultural, Consumer and Environmental Sciences, New Mexico State University (NMSU), addressed the feasibility of value-added agriculture as it relates to food animal production in New Mexico. He stated that while New Mexico is well-suited to the cow-calf component of beef production, it is less economically poised to enter the feedlot and meat processing components of beef production. The presentation can be found here:

<https://www.nmlegis.gov/handouts/REOTF%20082322%20Item%208%20Meat%20Processing.pdf>.

**Arrowhead Community Entrepreneurship Program (10:16 a.m.)**

Dana Catron, deputy director, Arrowhead Center, NMSU, gave an overview of the Arrowhead Center Community Entrepreneurship Program that supports start-up businesses in all

areas of the state through all stages of business development. The presentation can be found here:

<https://www.nmlegis.gov/handouts/REOTF%20082322%20Item%209%20Arrowhead%20Community%20Entrepreneurship%20Program%20%20Briefing.pdf>.

### **North Central New Mexico Economic Development District (NCNMEDD)**

#### **A. Grant Program (11:13 a.m.)**

Monica Abeita, executive director, NCNMEDD, and Felicity Fonseca, economic development planner, NCNMEDD, gave an update on the use of funds appropriated in the 2022 legislative session to assist NCNMEDD communities in securing federal American Rescue Plan Act of 2021 funds. Two full-time employees have been hired to provide technical assistance and support, and nine contract grant writers have been engaged to create a team that can fully support local communities seeking assistance. The presentation can be found here:

<https://www.nmlegis.gov/handouts/REOTF%20082322%20Item%2010%20North%20Central%20Economic%20Development%20District.pdf>.

#### **B. Disaster Recovery Efforts in Mora, San Miguel and Colfax Counties (11:41 a.m.)**

Christopher Madrid, community development director, NCNMEDD; John N. Romero, interim superintendent, Road and Solid Waste Department, Mora County; David Montoya, emergency manager, Mora County; and Temarah L. Barela, interim county manager, Mora County, outlined disaster recovery efforts in Mora, San Miguel and Colfax counties. The counties and the NCNMEDD are all working long hours to serve communities affected by forest fires and the ensuing floods.

### **Adjournment**

There being no further business before the task force, the meeting adjourned at 12:01 p.m.



Revised: September 15, 2022

**TENTATIVE AGENDA  
for the  
FOURTH MEETING  
of the  
RURAL ECONOMIC OPPORTUNITIES TASK FORCE**

**September 19-20, 2022  
Fort Bayard Theater  
79 Camino de las Palomas  
Fort Bayard**

**Monday, September 19**

- 10:00 a.m.        **Call to Order, Welcome and Introductions**  
—Senator Siah Correa Hemphill, Co-Chair, Rural Economic Opportunities Task Force (REOTF)  
—Representative Candie G. Sweetser, Co-Chair, REOTF
- 10:10 a.m.        (1)    **Welcome to the Village of Santa Clara and Historic Fort Bayard**  
—Richard Bauch, Mayor, Village of Santa Clara
- 10:40 a.m.        (2)    **Mining District Water Infrastructure Collaboration**  
—Richard Bauch, Mayor, Village of Santa Clara  
—Ed Stevens, Mayor, Town of Hurley  
—Kristina Ortiz, Clerk/Treasurer, City of Bayard  
—Tony Trujillo, Government Relations, Freeport-McMoRan Inc.  
—Randy Ellison, General Manager, Chino Mine, Freeport-McMoRan Inc.
- 11:40 a.m.        (3)    **Health Care Infrastructure in Rural New Mexico: Challenges and Opportunities**  
—Susan Wilger, Interim Executive Director, New Mexico Alliance of Health Councils (NMAHC)  
—Susie Johnson, Public Health Project Manager, NMAHC  
—Edith Vazquez, Coordinator, Luna County Health Council  
—Lisa Daniel, Program Manager, Sierra County Health Council
- 12:30 p.m.        **Lunch**
- 1:30 p.m.        (4)    **Southwest New Mexico Council of Governments (SWNMCOG)**  
—Priscilla Lucero, Executive Director, SWNMCOG  
—Emily Gojkovich, Deputy Director, SWNMCOG
- 2:30 p.m.        (5)    **The Importance of Logging for Forest Health and Rural Economic Opportunity in New Mexico**  
—Andrew R. Ortiz, Registered Agent, Aok Logging LLC

3:30 p.m.                    **Freeport-McMoRan Mine Tour — Committee Only**

**Tuesday, September 20**

- 9:00 a.m.            (6)    [\*\*REOTF: Discussion of Legislative Priorities for 2023\*\*](#)  
                              —Mark Edwards, Lead Staffer, REOTF, Legislative Council Service
- 10:00 a.m.            (7)    [\*\*Responses to Task Force Inquiries and Some Economic "Strawmen" as Examples of Rural Development Analysis\*\*](#)  
                              —Jay Lillywhite, Department Head and Professor, Agricultural Economics and Agricultural Business Department, College of Agricultural, Consumer, and Environmental Sciences, New Mexico State University
- 11:00 a.m.            (8)    [\*\*Geothermal Energy Development in New Mexico\*\*](#)  
                              —Thomas Solomon, Electrical Engineer and Facilitator, Geothermal Development Working Group; Co-Coordinator, 350 New Mexico  
                              —Neil Ethier, Director, Business Development - Americas, Eavor  
                              —Shari Kelley, Ph.D., Senior Geophysicist and Field Geologist, Bureau of Geology and Mineral Resources, New Mexico Institute of Mining and Technology
- 12:00 noon            **Public Comment**
- 12:30 p.m.            **Adjourn**

**MINUTES  
of the  
FOURTH MEETING  
of the  
RURAL ECONOMIC OPPORTUNITIES TASK FORCE**

**September 19-20, 2022  
Fort Bayard Theater  
79 Camino de las Palomas  
Fort Bayard**

The fourth meeting of the Rural Economic Opportunities Task Force (REOTF) was called to order by Senator Siah Correa Hemphill, co-chair, on September 19, 2022 at 10:04 a.m. at the Fort Bayard Theater in Fort Bayard.

**Present**

Sen. Siah Correa Hemphill, Co-Chair  
Rep. Candie G. Sweetser, Co-Chair  
Rep. Anthony Allison  
Rep. Gail Armstrong  
Sen. Crystal R. Diamond (9/19)  
Rep. Rebecca Dow\*  
Rep. Roger E. Montoya (9/19)

**Absent**

Rep. Rachel A. Black  
Sen. Craig W. Brandt  
Rep. Kelly K. Fajardo  
Sen. Carrie Hamblen  
Rep. Susan K. Herrera  
Sen. Leo Jaramillo  
Rep. Willie D. Madrid  
Sen. Michael Padilla  
Sen. Shannon D. Pinto  
Sen. Joshua A. Sanchez  
Rep. Nathan P. Small  
Sen. Elizabeth "Liz" Stefanics

**Advisory Members**

Rep. Tara L. Lujan

Rep. Ambrose Castellano  
Sen. David M. Gallegos  
Rep. Harry Garcia  
Rep. D. Wonda Johnson  
Rep. Patricia A. Lundstrom  
Rep. Antonio Maestas  
Sen. Brenda G. McKenna  
Sen. Mimi Stewart

**Guest Legislator**

Rep. Luis M. Terrazas

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

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

**Staff**

Mark Edwards, Bill Drafter, Legislative Council Service (LCS)  
Erin Bond, Researcher, LCS  
Catherine Sayler, Staff, LCS

**Guests**

The guest list in the meeting file.

**Handouts**

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

**References to Webcast**

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

**Monday, September 19****Welcome and Introductions (10:05 a.m.)**

Senator Hemphill welcomed task force members and attendees and asked task force members to introduce themselves.

**Welcome to the Village of Santa Clara and Historic Fort Bayard (10:10 a.m.)**

Richard Bauch, mayor, village of Santa Clara, and Sheila Hudman, village administrator, village of Santa Clara, welcomed the task force and thanked the members for visiting Fort Bayard. Mayor Bauch and Ms. Hudman discussed the history of the area and the community's desire to annex and redevelop Fort Bayard as a recreational site. The presentation can be found here:

<https://www.nmlegis.gov/handouts/REOTF%20091922%20Item%201%20Fort%20Bayard%20Business%20Plan%20Executive%20Summary.pdf>.

**Mining District Water Infrastructure Collaboration (11:05 a.m.)**

Tony Trujillo, government relations, Freeport-McMoRan Inc., discussed the economic impact of Freeport-McMoRan in New Mexico and noted the company's reclamation efforts. Erich Bower, general manager, Tyrone mine, Freeport-McMoRan Inc., discussed the status of the Tyrone copper mine and how Freeport-McMoRan seeks to reduce its environmental impact. Randy Ellison, general manager, Chino mine, Freeport-McMoRan Inc., discussed the work of the Chino mine and Freeport-McMoRan's work to improve the water system in the Silver City area while meeting the mine's needs.



Ed Stevens, mayor, Town of Hurley, discussed the need for water infrastructure in Hurley and Grant County. Ken Ladner, mayor, Town of Silver City, highlighted the work of Freeport-McMoRan in developing local infrastructure. Mr. Bauch noted the importance of adding another water resource to support the area. Kristina Ortiz, clerk and treasurer, City of Bayard, stated the collaboration could help Bayard replace a recently failed well.

The task force recognized Priscilla Lucero, executive director, Southwest New Mexico Council of Governments (SWNMCOG), and Alex Brown, manager, Town of Silver City, for their work in the mining district water infrastructure collaboration. Ms. Lucero noted that the preliminary engineering report is out of date and needs to be updated to reflect current costs of materials and labor. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=REOTF&Date=9/19/2022&ItemNumber=2>.

### **Health Care Infrastructure in Rural New Mexico: Challenges and Opportunities (12:34 p.m.)**

Susan Wilger, interim executive director, New Mexico Alliance of Health Councils (NMAHC), and Susie Johnson, public health project manager, NMAHC, discussed the funding and work of health councils in New Mexico. Ms. Wilger noted that the NMAHC acts as liaison between a local health council and state government and provides support for the health councils.

Edith Vasquez, coordinator, Luna County Health Council; Shay Yantis, incoming coordinator, Catron County Health Council; and Lisa Daniel, coordinator, Sierra County Wellness and Behavioral Health Collaborative, discussed the programs and needs of their respective health councils, such as reducing the spread of COVID-19, improving access to behavioral health care and using mobile technology to inform the public of health care opportunities in their area. The presentation can be found here:

<https://www.nmlegis.gov/handouts/REOTF%20091922%20Item%203%20%20Health%20Council%20presentation.pdf>.

### **SWNMCOG (1:26 p.m.)**

Ms. Lucero discussed her work and noted the needs of the SWNMCOG, such as emergency response, funding and consistent staffing. Emily Gojkovich, deputy director, SWNMCOG, discussed programs implemented by the SWNMCOG, such as an entrepreneur training program and a summer child care program for working families. The presentation can be found here:

<https://www.nmlegis.gov/handouts/REOTF%20091922%20Item%205%20SWNM%20Collaborative.pdf>.

### **The Importance of Logging for Forest Health and Rural Economic Opportunity in New Mexico (2:32 p.m.)**

Andrew Ortiz, registered agent, Aok Logging LLC, and Christopher Perry, co-owner, Aok Logging LLC, discussed the impact of COVID-19 and forest fires on the logging industry in New Mexico and potential ways to improve the logging industry in the state. Mr. Ortiz and Mr. Perry also noted how logging impacts other industries and economies in the Southwest.

### **Freeport-McMoRan Chino Mine Tour (3:24 p.m.)**

The task force toured the Freeport-McMoRan Chino mine. Mr. Trujillo discussed the stops along the tour of the mine. Mr. Ellison provided safety training for the tour.

### **Recess**

The meeting recessed at 5:09 p.m.

## **Tuesday, September 20**

### **Reconvene**

Representative Sweetser reconvened the meeting at 9:02 a.m..

### **REOTF: Discussion of Legislative Priorities for 2023 (9:03 a.m.)**

Mr. Edwards and the task force discussed possible bill topics for the task force to consider, such as developing a rural institute at a state university and creating more accountability for councils of governments. At a request from the task force, Ms. Lucero and Mr. Edwards discussed the possibility of establishing a crisis response fund to quickly assist communities with critically failed infrastructure and where the fund might be housed to best provide assistance.

### **Responses to Task Force Inquiries and Some Economic "Strawmen" as Examples of Rural Development and Analysis (10:12 a.m.)**

Jay Lillywhite, department head and professor, Agricultural Economics and Agricultural Business Department, College of Agricultural, Consumer and Environmental Sciences, New Mexico State University (NMSU), provided responses to questions from previous task force meetings, including the status of the state meat inspection program and the ways that NMSU assists rural communities. He also discussed scenarios that could impact a state or local economy, such as the loss of a business. Dr. Lillywhite explained why the state may want to create a rural or tribal institute and what services such an institute might provide.

Ricardo C. Rel, assistant vice president, Government and Community Relations, NMSU, noted that NMSU has a doctorate of economic development program. He stated that doctoral students in that program often help rural communities as part of their doctoral thesis work. The presentation can be found here:

<https://www.nmlegis.gov/handouts/REOTF%20092022%20Item%207%20Responses%20to%20Task%20Force%20Inquiries.pdf>.

**Geothermal Energy Development in New Mexico (10:45 a.m.)**

Thomas Solomon, electric engineer and facilitator, Geothermal Development Working Group and co-coordinator, 350 New Mexico, spoke to the task force in favor of geothermal energy development and legislation. Via phone call, Senator Gerald Ortiz y Pino provided support for geothermal energy development in New Mexico and discussed legislative efforts supporting geothermal energy. Shari Kelley, Ph.D., senior geophysicist and field geologist, Bureau of Geology and Mineral Resources, New Mexico Institute of Mining and Technology, provided an overview of geothermal energy and discussed why New Mexico is geothermally active. Neil Ethier, director, Business Development-Americas, Eavor, discussed the technology and methods Eavor uses to access geothermal energy. The presentation can be found here:

<https://www.nmlegis.gov/handouts/REOTF%20092622%20Item%208%20Geothermal%20Electricity.pdf>.

**Adjournment**

There being no further business before the task force, the meeting adjourned at 12:07 p.m.



Revised: November 21, 2022

**TENTATIVE AGENDA  
for the  
FIFTH MEETING  
of the  
RURAL ECONOMIC OPPORTUNITIES TASK FORCE**

**November 21, 2022  
State Capitol, Room 322  
Santa Fe**

**Monday, November 21**

- 9:00 a.m.           **Call to Order, Welcome and Introductions**  
—Senator Siah Correa Hemphill, Co-Chair, Rural Economic Opportunities Task Force (REOTF)  
—Representative Candie G. Sweetser, Co-Chair, REOTF
- 9:10 a.m.           (1)   **[Acequia Flood Damage Report](#)**  
—Paula Garcia, Executive Director, New Mexico Acequia Association
- 10:00 a.m.           (2)   **[Public Safety: The Need for Geographic Information System \(GIS\)-Based Address Updates in Rural Communities for Next Generation E911 Emergency Response](#)**  
—Stephen A. Weinkauf, Bureau Chief, E-911 Bureau, Local Government Division (LGD), Department of Finance and Administration (DFA)  
—Tyler Fossett, NM911 GIS Manager, E-911 Bureau, LGD, DFA
- 11:00 a.m.           (3)   **[Justice-40: How Could New Mexico Leverage this Federal Initiative to Benefit Rural New Mexico?](#)**  
—Jalonnie White-Newsome, Ph.D., Senior Director, Environmental Justice, White House Council on Environmental Quality  
—Olugbenga "Gbenga" Ajilore, Ph.D., Senior Advisor, Office of the Undersecretary for Rural Development, United States Department of Agriculture
- 12:00 noon           **Lunch**
- 1:00 p.m.           (4)   **[Rural Ombud Office Update](#)**  
—Shanna Sasser, Rural and Frontier Equity Ombudsman, LGD, DFA
- 1:45 p.m.           (5)   **[Review of Potential 2023 Legislation](#)**  
—Mark Edwards, Bill Drafter, Legislative Council Service
- 2:30 p.m.           **Public Comment**
- 3:00 p.m.           **Adjourn**



**MINUTES  
of the  
FIFTH MEETING  
of the  
RURAL ECONOMIC OPPORTUNITIES TASK FORCE**

**November 21, 2022  
State Capitol, Room 322  
Santa Fe**

The fifth meeting of the Rural Economic Opportunities Task Force was called to order as a special subcommittee by Senator Siah Correa Hemphill, co-chair, on November 21, 2022 at 9:48 a.m. in Room 322 of the State Capitol in Santa Fe.

**Present**

Sen. Siah Correa Hemphill, Co-Chair  
Rep. Candie G. Sweetser, Co-Chair  
Rep. Gail Armstrong  
Sen. Craig W. Brandt  
Sen. Crystal R. Diamond  
Rep. Kelly K. Fajardo  
Rep. Susan K. Herrera  
Rep. Tara L. Lujan\*  
Rep. Roger E. Montoya  
Sen. Elizabeth "Liz" Stefanics

**Absent**

Rep. Anthony Allison  
Rep. Rachel A. Black  
Sen. Carrie Hamblen  
Sen. Leo Jaramillo  
Rep. Willie D. Madrid  
Sen. Michael Padilla  
Sen. Shannon D. Pinto  
Sen. Joshua A. Sanchez  
Rep. Nathan P. Small

**Advisory Members**

Rep. Ambrose Castellano  
Rep. Rebecca Dow  
Sen. David M. Gallegos  
Rep. Harry Garcia  
Rep. D. Wonda Johnson  
Rep. Patricia A. Lundstrom  
Sen. Antonio Maestas  
Sen. Brenda G. McKenna  
Sen. Mimi Stewart

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

**Staff**

Mark Edwards, Bill Drafter, Legislative Council Service (LCS)  
Erin Bond, Researcher, LCS  
Catherine Sayler, Staff, LCS

## **Minutes Approval**

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

## **Guests**

The guest list in the meeting file.

## **Handouts**

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

## **References to Webcast**

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

## **Monday, November 21**

### **Welcome and Introductions (9:50 a.m.)**

Senator Hemphill called the meeting to order, and members of the task force introduced themselves.

### **Acequia Flood Damage Report (9:52 a.m.)**

Paula Garcia, executive director, New Mexico Acequia Association, discussed the challenges acequias currently face due to recent extreme flash flooding and burn scar flooding. Ms. Garcia noted that many communities lack the necessary funds and staff to meet the reimbursement requirements set by the Federal Emergency Management Agency and that these communities require assistance from state agencies. Ms. Garcia offered several policy recommendations, such as expanding the Acequia and Community Ditch Infrastructure Fund. The presentation can be found here:

<https://www.nmlegis.gov/handouts/REOTF%20112122%20Item%201%20Acequia%20Report.pdf>.

### **Justice-40: How Could New Mexico Leverage this Federal Initiative to Benefit Rural New Mexico? (11:00 a.m.)**

Jalonne White-Newsome, Ph.D., senior director, Environmental Justice, White House Council on Environmental Quality, and Olugbenga "Gbenga" Ajilore, Ph.D., senior advisor, Office of the Undersecretary for Rural Development, United States Department of Agriculture,



reviewed the federal Justice-40 Initiative, which seeks to ensure that 40 percent of certain federal investments flow to disadvantaged communities. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=REOTF&Date=11/21/2022&ItemNumber=3>.

#### **Approval of Minutes (11:26 a.m.)**

On a motion made by Senator Stefanics and seconded by Representative Sweetser, the task force unanimously approved the minutes from the June 13, 2022, July 28-29, 2022, August 23-24, 2022 and September 19-20, 2022 meetings. The speaker of the house of representatives appointed Representative Lujan as a voting member to establish quorum.

#### **Public Safety: The Need for Geographic Information System (GIS)-Based Address Updates in Rural Communities for Next Generation E911 Emergency Response (11:27 a.m.)**

Stephen A. Weinkauf, bureau chief, E-911 Bureau, Local Government Division (LGD), Department of Finance and Administration (DFA), discussed the need for accurate 911 locations and highlighted the state's transition from E-911 to Next Generation 911 systems. Mr. Weinkauf expressed hope that the New Mexico 911 Program could help resolve discrepancies between GIS locations and street addresses. The presentation can be found here:

<https://www.nmlegis.gov/handouts/REOTF%20112122%20Item%202%20Needs%20for%20GIS%20based%20Addressing%20for%20Emergency%20Response%20in%20Rural%20Communities.pdf>.

#### **Rural Ombud Office Update (1:12 p.m.)**

Shanna Sasser, rural and frontier equity ombudsman, LGD, DFA, discussed the Rural Ombud Office's work and offered policy recommendations based on common problems the office handles, such as hazard mitigation and matching grant funds. Ms. Sasser highlighted a proposal to create a digital literacy initiative, which would provide community computer labs in Cooperative Extension Service offices. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=REOTF&Date=11/21/2022&ItemNumber=4>.

#### **Review of Potential 2023 Legislation (2:00 p.m.)**

Mr. Edwards presented proposed legislation for the 2023 legislative session for the task force's review.

Jay Lillywhite, department head and professor, Agricultural Economics and Agricultural Business Department, College of Agricultural, Consumer and Environmental Sciences, New Mexico State University (NMSU), spoke in favor of creating a rural and tribal development institute at NMSU.

Jason Espinoza, co-owner, KW Consulting, spoke in favor of bill draft 202.223229.1, which would allow businesses to elect origin-based sourcing rules for reporting gross receipts and use of certain services. On a motion made by Representative Armstrong and seconded by Senator Diamond, the task force voted to endorse bill draft 202.223229.1. Senator Stefanics voted in opposition.

Adrian Avila, fiscal analyst, Senate Majority Office, reviewed Senator George K. Munoz's proposal to establish a prosperity and economic resiliency fund.

The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=REOTF&Date=11/21/2022&ItemNumber=5>.

**Public Comment (2:52 p.m.)**

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

**Adjournment**

There being no further business before the task force, the meeting adjourned at 3:02 p.m.

## ENDORSED LEGISLATION



HOUSE BILL

**56TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2023**

INTRODUCED BY

DISCUSSION DRAFT

AN ACT

RELATING TO TAXATION; ALLOWING BUSINESSES TO ELECT ORIGIN-BASED  
SOURCING RULES FOR REPORTING GROSS RECEIPTS AND USE OF CERTAIN  
SERVICES.

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

SECTION 1. Section 7-1-14 NMSA 1978 (being Laws 2020,  
Chapter 80, Section 1) is amended to read:

"7-1-14. [~~BUSINESS LOCATION INSTRUCTIONS FOR PURPOSES OF~~]  
SOURCING RULES--REPORTING GROSS RECEIPTS AND USE--LOCATION-CODE  
DATABASE AND LOCATION-RATE DATABASE.--

A. For purposes of the Gross Receipts and  
Compensating Tax Act, Interstate Telecommunications Gross  
Receipts Tax Act, Leased Vehicle Gross Receipts Tax Act and any  
act authorizing the imposition of a local option gross receipts  
or compensating tax, a person that has gross receipts and a

.223229.1

underscored material = new  
[bracketed material] = delete

1 person using property or services in New Mexico in a taxable  
2 manner shall report the gross receipts or use to the proper  
3 business location as provided in this section.

4 B. The business location for gross receipts from  
5 the sale, lease or granting of a license to use real property  
6 located in New Mexico, and any related deductions, shall be the  
7 location of the property.

8 C. The business location for gross receipts from  
9 the sale or license of tangible personal property, and any  
10 related deductions, shall be at the following locations:

11 (1) if the property is received by the  
12 purchaser at the New Mexico ~~[business]~~ location of the seller,  
13 the location of the seller;

14 (2) if the property is not received by the  
15 purchaser at ~~[a-business]~~ the location of the seller, the  
16 location indicated by instructions for delivery to the  
17 purchaser, or the purchaser's donee, when known to the seller;

18 (3) if Paragraphs (1) and (2) of this  
19 subsection do not apply, the location indicated by an address  
20 for the purchaser available from the business records of the  
21 seller that are maintained in the ordinary course of business;  
22 provided that use of the address does not constitute bad faith;

23 (4) if Paragraphs (1) through (3) of this  
24 subsection do not apply, the location for the purchaser  
25 obtained during consummation of the sale, including the address

1 of a purchaser's payment instrument, if no other address is  
2 available; provided that use of this address does not  
3 constitute bad faith; or

4 (5) if Paragraphs (1) through (4) of this  
5 subsection do not apply, including a circumstance in which the  
6 seller is without sufficient information to apply those  
7 standards, the location from which the property was shipped or  
8 transmitted.

9 D. The business location for gross receipts from  
10 the lease of tangible personal property, including vehicles,  
11 other transportation equipment and other mobile tangible  
12 personal property, and any related deductions, shall be the  
13 location of primary use of the property, as indicated by the  
14 address for the property provided by the lessee that is  
15 available to the lessor from the lessor's records maintained in  
16 the ordinary course of business; provided that use of this  
17 address does not constitute bad faith. The location of primary  
18 [~~business location~~] use shall not be altered by intermittent  
19 use at different locations, such as use of business property  
20 that accompanies employees on business trips and service calls.

21 E. The business location for gross receipts from  
22 the sale, lease or license of franchises, and any related  
23 deductions, shall be where the franchise is used.

24 F. The business location for gross receipts from  
25 the performance or sale of the following services, and any

1 related deductions, shall be at the following locations:

2 (1) for professional services performed in New  
3 Mexico, other than construction-related services, or performed  
4 outside New Mexico when the product of the service is initially  
5 used in New Mexico, the location of the performer of the  
6 service or seller of the product of the service, as  
7 appropriate;

8 (2) for construction services and  
9 construction-related services performed for a construction  
10 project in New Mexico, the location of the construction site;

11 (3) for services with respect to the selling  
12 of real estate located in New Mexico, the location of the real  
13 estate;

14 (4) for transportation of persons or property  
15 in, into or from New Mexico, the location where the person or  
16 property enters the vehicle; and

17 (5) for services other than those described in  
18 Paragraphs (1) through (4) of this subsection, the location of  
19 the performer of the service or seller of the product of the  
20 service, as appropriate, unless the business elects to use the  
21 location where the product of the service is delivered. The  
22 business shall notify the department of the election, in  
23 writing, no later than the date on which the taxpayer files the  
24 return for the first taxable period to which the election  
25 applies. The election shall apply to that taxable period and

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1 to each taxable period thereafter until the taxpayer notifies  
2 the department, in writing, that the election is terminated;  
3 provided that an election shall not terminate until the method  
4 using the location of the performer of the service or seller of  
5 the product of the service has been used for at least thirty-  
6 six consecutive taxable periods.

7 G. Except as provided in Subsection H of this  
8 section, the business location for uses of property or services  
9 subject to the compensating tax shall be [~~reported at~~] the  
10 [~~business~~] location at which gross receipts would have been  
11 required to be reported had the transaction been subject to the  
12 gross receipts tax.

13 H. If a person subject to the compensating tax can  
14 demonstrate that the first use upon which compensating tax is  
15 imposed occurred at a time and place different from the time  
16 and place of the purchase, then the business location for the  
17 compensating tax shall be [~~reported at~~] the [~~business~~] location  
18 of the first use.

19 [~~I. The secretary shall designate codes to identify~~  
20 ~~the business locations for a person's gross receipts, or use~~  
21 ~~for purchases subject to the compensating tax, and deductions~~  
22 ~~related to those receipts or that use shall be reported.~~

23 J.] I. The secretary shall develop a location-code  
24 database that provides the business location codes designated  
25 by the secretary for purposes of reporting pursuant to

1     ~~[Subsection I of]~~ this section. The secretary shall also  
2     develop and provide to taxpayers a location-rate database that  
3     sets out the tax rates applicable to business locations within  
4     the state, by address, and sellers who properly rely on this  
5     database shall not be liable for any additional tax due to the  
6     use of an incorrect rate.

7             ~~[K.]~~ J. As used in this section:

8                     ~~[(1)]~~ "business location" means the code  
9     ~~designated by the department to identify business locations and~~  
10    ~~required to be used to report the gross receipts, or use for~~  
11    ~~purchases subject to the compensating tax, and deductions~~  
12    ~~related to those receipts or that use;~~

13                    ~~(2)]~~ (1) "gross receipts" means, as  
14    applicable, "gross receipts" as used in the Gross Receipts and  
15    Compensating Tax Act and the Leased Vehicle Gross Receipts Tax  
16    Act and "interstate telecommunications gross receipts" in the  
17    Interstate Telecommunications Gross Receipts Tax Act;

18                    ~~[(3)]~~ (2) "in-person service" means a service  
19    physically provided in person by the service provider, where  
20    the customer or the customer's real or tangible personal  
21    property upon which the service is performed is in the same  
22    location as the service provider at the time the service is  
23    performed; and

24                    ~~[(4)]~~ (3) "professional service" means a  
25    service, other than an in-person service, that requires either

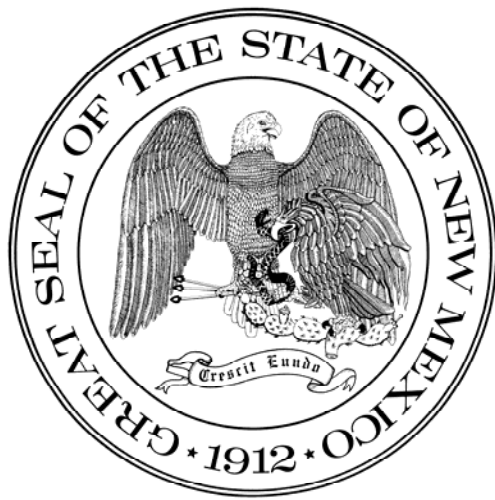
1 an advanced degree from an accredited post-secondary  
2 educational institution or a license from the state to  
3 perform."

4 SECTION 2. EFFECTIVE DATE.--The effective date of the  
5 provisions of this act is July 1, 2023.

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