

**MINUTES
of the
THIRD MEETING
of the
REVENUE STABILIZATION AND TAX POLICY COMMITTEE**

**August 9-11, 2021
State Capitol, Senate Chambers
Santa Fe**

The third meeting of the Revenue Stabilization and Tax Policy Committee for the 2021 interim was called to order by Senator Benny Shendo, Jr., chair, on Monday, August 9, 2021, at 10:11 a.m. in the Senate Chambers of the State Capitol in Santa Fe.

Present

Sen. Benny Shendo, Jr., Chair
Rep. Javier Martínez, Vice Chair (8/9, 8/10)
Sen. Craig W. Brandt
Sen. William F. Burt
Rep. Micaela Lara Cadena (8/10)
Sen. Pete Campos (8/10, 8/11)
Rep. Christine Chandler
Rep. Doreen Y. Gallegos
Sen. Ron Griggs
Rep. Susan K. Herrera
Rep. Antonio Maestas
Sen. Harold Pope
Rep. Larry R. Scott
Sen. Elizabeth "Liz" Stefanics

Absent

Rep. Jason C. Harper
Sen. George K. Munoz
Rep. James R.J. Strickler
Sen. Peter Wirth

Designees

Rep. Tara L. Lujan (8/10, 8/11)
Sen. Gerald Ortiz y Pino (8/10, 8/11)
Sen. Shannon D. Pinto (8/9, 8/10)
Sen. Bill Tallman (8/9, 8/10)

Rep. Rebecca Dow
Sen. Katy M. Duhigg
Rep. Joshua Hernandez
Rep. Marian Matthews
Rep. Rod Montoya
Rep. Kristina Ortez
Rep. Linda Serrato
Sen. William E. Sharer
Sen. Mimi Stewart
Rep. Luis M. Terrazas

Guest Legislator

Rep. Patricia A. Lundstrom (8/10)

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

Staff

Pam Stokes, Staff Attorney, Legislative Council Service (LCS)

Ric Gaudet, Researcher, LCS

Rebecca Griego, Records Officer, LCS

Anthony Montoya, Staff Attorney, LCS

Clinton Turner, Research and Fiscal Policy Analyst, LCS

Joanne Vandestreek, Senior Legislative Librarian, LCS

Guests

The guest list is in the meeting file.

Handouts

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

References to Webcast

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

Monday, August 9**Welcome and Introductions (10:11 a.m.)**

Senator Shendo welcomed the committee members and the public to the meeting and asked members to introduce themselves.

Universal Basic Income (10:15 a.m.)

Alan Webber, mayor, City of Santa Fe; Johana Bencomo, city councilor, District 4, City of Las Cruces; and Madeline Neighly, director, Guaranteed Income, Economic Security Project, discussed with the committee various proposals to provide a basic income for all residents. Ms. Neighly described the differences between guaranteed income and universal basic income and how both can improve the lives of the people receiving support. Ms. Bencomo described the proposal being considered by the Las Cruces City Council to establish a guaranteed basic income for low-income residents. Mr. Webber concluded the presentation by describing how the City of Santa Fe and Santa Fe Community College are establishing a pilot basic income program for 100 families that have a member attending the college. The presentation documents can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=RSTP&Date=8/9/2021&ItemNumber=1>.

Update from the State Investment Council (SIC) (1:34 p.m.)

Steve Moise, state investment officer, SIC, and Charles Wollmann, director, Communications, Legislative and Client Matters, SIC, gave an update to the committee about the recent performance of the funds that the SIC invests on behalf of the state, including the Land Grant Permanent Fund, the Severance Tax Permanent Fund, the Water Trust Fund and the Tobacco Settlement Permanent Fund. The presentation can be found here:

<https://www.nmlegis.gov/handouts/RSTP%20080921%20Item%202%20NMSIC%20Update.pdf>.

Property Tax Study: A Consideration of Agricultural, Working and Natural Lands (2:30 p.m.)

Julian Baca, research scientist, Bureau of Business and Economic Research (BBER), University of New Mexico, presented a study to the committee performed by the BBER to study the valuation of agricultural properties in New Mexico. The presentation can be found here:

<https://www.nmlegis.gov/handouts/RSTP%20080921%20Item%203%20BBER%20Property%20Tax%20Study.pdf>.

Adoption of Minutes

The minutes from the July 15, 2021 meeting were adopted without changes.

Recess

The committee recessed at 3:38 p.m.

Tuesday, August 10

Reconvene

The committee was reconvened by Senator Shendo at 9:10 a.m.

State Land Office Update (9:17 a.m.)

Stephanie Garcia Richard, commissioner of public lands, discussed with the committee the recent performance and activities of the State Land Office. The presentation can be found here:

<https://www.nmlegis.gov/handouts/RSTP%20080921%20Item%204%20SLO%20Presentation.pdf>.

State Tax Gap (10:58 a.m.)

Micaela Fischer, program evaluation manager, Legislative Finance Committee (LFC), discussed with the committee an LFC progress report on the state tax gap, or the difference between the amount owed by taxpayers and the amount actually paid. The presentation can be found here:

<https://www.nmlegis.gov/handouts/RSTP%20080921%20Item%206%20LFC%20Tax%20Gap%20Report.pdf>.

Permanent Funds and Distributions: Who, What, How and Why (11:50 a.m.)

Dawn Iglesias, chief economist, LFC, discussed with the committee the state's permanent funds and the beneficiaries of those funds. The presentation can be found here:

<https://www.nmlegis.gov/handouts/RSTP%20080921%20Item%205%20LFC%20Permanent%20Fund%20Distributions.pdf>.

Update from the Taxation and Revenue Department (TRD) (1:35 p.m.)

Emily Oster, deputy secretary, TRD; Mark Chaiken, tax policy director, TRD; and Aysha Mora, director, Audit and Compliance Division, TRD, discussed with the committee recent activities and programs at the TRD. The presentation can be found here:

<https://www.nmlegis.gov/handouts/RSTP%20080921%20Item%207%20TRD%20Update.pdf>.

Severance Tax Bonding Overview (2:53 p.m.)

Ashley Leach, director, Board of Finance Division, Department of Finance and Administration, discussed with the committee the mechanics of the severance tax bonding system, which is used to finance capital projects across the state. The presentation can be found here:

<https://www.nmlegis.gov/handouts/RSTP%20080921%20Item%208%20STB%20Overview.pdf>.

Recess

The committee recessed at 3:56 p.m.

Wednesday, August 11

Reconvene

The committee was reconvened by Senator Shendo at 9:05 a.m.

Proposal for Distribution of Above-Trend General Fund Revenue and Transfers (9:06 a.m.)

Senator Ortiz y Pino and Ms. Iglesias discussed with the committee proposed legislation that would transfer a portion of above-trend general fund revenue to various dedicated state funds in order to provide a more reliable revenue source for those funds. The presentation can be found here:

[https://www.nmlegis.gov/handouts/RSTP%20080921%20Item%209%20SB392%20\(21\)%20and%20FIR.pdf](https://www.nmlegis.gov/handouts/RSTP%20080921%20Item%209%20SB392%20(21)%20and%20FIR.pdf).

The Benefits of Increasing New Mexico's Tobacco Taxes (10:16 a.m.)

Mahesh Sita, director, Government Relations, American Heart Association, and Linda Siegle, government relations, American Cancer Society Cancer Action Network, discussed with

the committee the benefits to society of increasing the tobacco products tax to make it commensurate with the cigarette tax rate. The presentation documents can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=RSTP&Date=8/9/2021&ItemNumber=10>.

Health Care Easy Enrollment Program: A Proposal to Enroll in Health Insurance Through the Income Tax System (11:38 a.m.)

Gabby Rivera, policy analyst, Health Action New Mexico, discussed with the committee a proposal to automatically enroll New Mexico residents in a subsidized health insurance plan using the TRD's income tax system. The presentation can be found here:

<https://www.nmlegis.gov/handouts/RSTP%20080921%20Item%2011%20New%20Mexico%20Easy%20Enrollment%20Program.pdf>.

Adjournment

There being no further business before the committee, the meeting adjourned at 11:55 a.m.