

Final 2022 Legislative Report from Scott Scanland

10 March 2022



The Second Session of the 55th New Mexico Legislature began at Noon Tuesday, January 18, 2022. It was a 30 day session that ended on Thursday, February 17, 2022. The Governor's 20 day signing period ended at Noon on March 9, 2022.

You will find all the final actions on bills that we worked for you in your attached bill report. The bills that went to the Governor are noted within each bill actions. She either signed them, vetoed them or pocket vetoed them. Simply open your attached Bills pdf and each tracked bill is noted if it FAILED or was PASSED-S (Passed and Signed) or PASSED-V (Passed and Vetoed).

The Governor vetoed two bills today. The bills were to increase judicial salaries and "HB2 jr." or a supplemental appropriation bill. Both vetoes have Legislators upset...Chalk it up to **YOU HEARD THIS HERE FIRST** but don't be surprised if there is a serious

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discussion to have the Legislature call themselves into an "Extraordinary Session" to attempt to override these two vetoed bills. It has happened only once, I think, since 1912 when Governor Gary Johnson vetoed the entire budget. The Legislature called themselves into Session and overrode him. That was different though...a Democrat Legislature verses a Republican Governor. I'm not sure if it will happen again but don't be surprised by the discussion. Stay tuned on that one for sure...

Budget at a glance

A few of some of the highlights from HB2, the **\$8.72 billion** budget, the largest budget in New Mexico history. It's a 14% spending increase--roughly \$1 billion more than current levels or record high levels for the budget year starting in July 2022.

- A statewide gross receipts tax deduction at 0.25%, eliminate double taxation on manufacturers in the state, and deducted taxes on military retirees.
- Child income tax credit allowing for all families to receive an income-based state tax credit for up to \$175 for each qualifying child.
- All Social Security income is now tax exempt for individuals making >\$100,000 and for married filers making >\$150,000.
- \$1,000 tax credit for all nurses in the state.
- \$28 million in state Medicaid funds for hospital and nursing home labor costs for ongoing COVID recovery.
- New Solar Market Development income tax credit.
- \$4.2 million to help boost our healthcare workforce, especially in our rural areas.

Education

- \$75 million for opportunity scholarships or free college for all New Mexican students.
- \$3.87 Billion for public schools, a 12.3% increase, with teacher salary raises across the board for Level 1 teachers starting at \$50,000, \$60,000 for Level 2 teachers, and \$70,000 for Level 3 teachers.
- An average of 7% pay increases for all school personnel, and 10% pay increase for all K-5 Plus and Extended Learning Time programs.
- \$15 minimum wage for ALL school, university and state employees, and an increase recurring funding for school personnel retirees, school transportation, Indian education, Native American languages and culture preservation, early literacy, and at-risk student interventions.
- \$15.3 million increase to early childhood education and care, which includes home visiting, tribal early childhood services, pre-kindergarten, and scholarships for new early childhood educators.

Public Safety

- 16% Targeted pay increases for state police officers and other positions key to addressing and reducing violent crime.
- Increases in behavioral health and community programs including the creation of community Crime Reduction Grants and \$9 million for Violence Intervention Funding.
- \$4 million in evidence-based law enforcement training.
- \$4.9 million to the Crime Victim Reparations Commission for law enforcement-based advocates for victims of gun violence, sexual assault victims, and violent crime.
- \$2.1 million into evidence-based recidivism reduction programming and transitional housing.

- Elimination of 175% loans by reducing the interest rate to 36% and limiting loan terms for loans of \$10,000 or less to a period of 24 months.

Tax Package at a glance

A \$529.7 million tax package was signed Tuesday which includes numerous provisions. Some take effect in July; others won't kick in until later. Here are some highlights of HB-163:

- Reduce state's gross receipts tax rate from 5.125% to 4.875% over two-year period.
- One-time rebate of \$250 or \$500 for taxpayers who make less than a certain amount.
- Tax credit of \$25 to \$175 per child starting in 2023, depending on income level.
- Exempt Social Security retirement income from state taxation with specific income caps.
- \$1,000 income tax credit for nurses who work full-time in a New Mexico hospital.
- Extend solar energy tax credit for eight years and increase cap on credit payouts.

Legislation that passed the House and Senate and was signed by the Governor (Click the bill number to go to the bill)

Bill ID	Title	Sponsor	Chapter	Session
*HB 1	FEED BILL	Javier Martínez	1	2022 Regular
HB 2	GENERAL APPROPRIATION ACT OF 2022	Patricia A. Lundstrom	57	2022 Regular
HB 7	OPPORTUNITY ENTERPRISE ACT	Meredith A. Dixon Brian Egolf Linda Serrato Javier Martínez	54	2022 Regular
HB 8	LAND GRANT-MERCED ASSISTANCE FUND	Matthew McQueen Brian Egolf Kristina Ortez Roger E. Montoya Andrea Romero	32	2022 Regular
HB 13	TEACHER RESIDENCY CHANGES	Debra M. Sariñana Joy Garratt William Soules Mimi Stewart T. Ryan Lane	17	2022 Regular
HB 22	LIMITED ENGLISH ACCESS TO STATE PROGRAMS	Patricia Roybal Caballero Antoinette Sedillo Lopez Kay Bounkeua Mimi Stewart	18	2022 Regular
HB 37	COMMUNITY ENERGY EFFICIENCY DEV BLOCK GRANT	Kristina Ortez Debra M. Sariñana Patricia Roybal	10	2022 Regular

		Caballero Tara L. Lujan Mimi Stewart		
HB 39	GRT DEDUCTION FOR NONATHLETIC SPECIAL EVENTS	Doreen Y. Gallegos	50	2022 Regular
*HB 42	PUBLIC PROJECT REVOLVING FUND PROJECTS	Susan K. Herrera	7	2022 Regular
HB 43	CHARTER SCHOOL FACILITY IMPROVEMENTS	Joy Garratt Meredith A. Dixon Cathrynn N. Brown Joshua Hernandez Siah Correa Hemphill	19	2022 Regular
HB 46	FAMILY REPRESENTATION AND ADVOCACY ACT	Gail Chasey Linda M. Lopez	51	2022 Regular
HB 52	HARM REDUCTION ACT AMENDMENTS	Tara L. Lujan Dayan Hochman-Vigil Katy M. Duhigg Christine Chandler Linda M. Lopez	4	2022 Regular
HB 56	TEMPORARY VETERINARY PERMITS	Javier Martínez Daniel A. Ivey-Soto Kelly K. Fajardo Phelps Anderson	8	2022 Regular
HB 57	2023 TRANSPORTATION DISTRIBUTION CALCULATIONS	G. Andres Romero	9	2022 Regular
HB 60	NATIVE AMERICAN LANGUAGE CERTIFICATE SALARIES	Derrick J. Lente	40	2022 Regular
HB 67	TECH READINESS GROSS RECEIPTS TAX CREDIT	Christine Chandler Jason C. Harper Leo Jaramillo	45	2022 Regular
HB 68	CRIMINAL CODE CHANGES	Meredith A. Dixon Pamelya Herndon Marian Matthews	56	2022 Regular
HB 73	EDUCATIONAL RETIREES RETURNING TO WORK	Joy Garratt Phelps Anderson T. Ryan Lane	20	2022 Regular
HB 82	DIALYSIS FACILITY GROSS RECEIPTS	Micaela Lara Cadena	49	2022 Regular
HB 95	HEALTH- EASY ENROLLMENT ACT	Elizabeth "Liz" Thomson Brittney Barreras Elizabeth "Liz" Stefanics Brenda G. McKenna Christine Chandler	33	2022 Regular
HB 102	ENTITY-LEVEL TAX INCOME & PAYMENT	Micaela Lara Cadena Jason C. Harper	46	2022 Regular
HB 104	VENTURE CAPITAL PROGRAM ACT	Meredith A. Dixon Linda Serrato Javier Martínez Antonio "Moe" Maestas Martin Hickey	21	2022 Regular
HB 119	ADJUST CERTAIN SCHOOL DISTRIBUTIONS	G. Andres Romero	22	2022 Regular
HB 132	INTEREST RATES FOR CERTAIN LOANS	Susan K. Herrera Brian Egolf Joy Garratt	23	2022 Regular

		Phelps Anderson Daymon Ely		
HB 135	INDIAN FAMILY PROTECTION ACT	Georgene Louis Daniel A. Ivey-Soto Micaela Lara Cadena	41	2022 Regular
HB 144	COMMERCIAL DRIVER'S LICENSE REQUIREMENTS	Angelica Rubio Javier Martínez	24	2022 Regular
HB 148	SMALL BUSINESS RECOVERY LOAN APPLICATIONS	Rebecca Dow Javier Martínez	25	2022 Regular
*HB 153	GENERAL OBLIGATION BOND PROJECTS	Christine Chandler	55	2022 Regular
HB 163	TAX CHANGES	Christine Chandler Javier Martínez Peter Wirth Micaela Lara Cadena Michael Padilla	47	2022 Regular
HB 164	URANIUM MINE CLEANUP	Debra M. Sariñana Anthony Allison D. Wonda Johnson Jeff Steinborn	26	2022 Regular
HB 167	TRIBE & PUEBLO CAR EXCISE TAX CREDIT	Georgene Louis Jason C. Harper	48	2022 Regular
HB 171	RURAL AIR SVC. ENHANCEMENT GRANT CHANGES	Dayan Hochman-Vigil Roberto "Bobby" J. Gonzales	11	2022 Regular
*HB 180	REPEAL PART OF IPRA LAW ON NOTARIAL ACTS	Daymon Ely Greg Nibert	27	2022 Regular
HB 191	PROFESSIONAL & OCCUPATIONAL LICENSURE CHANGES	Doreen Y. Gallegos Gail Armstrong Dayan Hochman-Vigil Rebecca Dow Daniel A. Ivey-Soto	39	2022 Regular
SB 1	INCREASING SALARY FOR LICENSED TEACHERS	Mimi Stewart Siah Correa Hemphill Debra M. Sariñana	28	2022 Regular
SB 4	PREVAILING WAGE AND FRINGE BENEFIT RATES	Katy M. Duhigg Christine Chandler	5	2022 Regular
*SB 12	AG OFFICE FOR MISSING INDIGENOUS PERSONS	Shannon D. Pinto Linda M. Lopez Pamelya Herndon	2	2022 Regular
*SB 13	"MISSING IN NEW MEXICO EVENT"	Linda M. Lopez Andrea Romero Shannon D. Pinto	3	2022 Regular
*SB 17	AUTHORIZATION FOR CERTAIN WATER PROJECTS	Stuart Ingle	14	2022 Regular
SB 35	APPOINTMENT OF TEMPORARY GUARDIANS	Katy M. Duhigg Joanne J. Ferrary Daymon Ely Linda M. Lopez	36	2022 Regular
SB 36	CONTRIBUTIONS TO EDUCATIONAL RETIREMENT FUND	Mimi Stewart Natalie Figueroa	29	2022 Regular
SB 37	PUBLIC PROJECT REVOLVING FUND APPROPRIATIONS	Nancy Rodriguez	15	2022 Regular
SB 38	EARLY CHILDHOOD EDUCATION DEPT AUTHORIZATIONS	Roberto "Bobby" J. Gonzales	30	2022 Regular

		Siah Correa Hemphill		
SB 39	PROCUREMENT PREFERENCES CHANGES	Benny Shendo, Jr. Harry Garcia Harold Pope	6	2022 Regular
SB 40	HEALTH CARE QUALITY SURCHARGE ACT CHANGES	Gerald Ortiz y Pino	37	2022 Regular
SB 41	COLLEGE RESEARCH PARK & ECON DEV ACT CHANGES	Mimi Stewart Christine Chandler	44	2022 Regular
SB 84	CONSTRUCTION MANAGER GENERAL CONTRACTOR ACT	Benny Shendo, Jr. Daniel A. Ivey-Soto	12	2022 Regular
SB 103	WORKFORCE SOLUTIONS STAFF BACKGROUND CHECKS	Michael Padilla	13	2022 Regular
SB 123	STATE RACING COMMISSION SUNSET DATE	George K. Munoz	31	2022 Regular
SB 134	NM HOUSING TRUST FUND	Nancy Rodriguez Nathan P. Small	38	2022 Regular
SB 138	MEDICAL & HEALTH CARE GROSS RECEIPTS	Gay G. Kernan	43	2022 Regular
SB 140	OPPORTUNITY SCHOLARSHIP ACT	Elizabeth "Liz" Stefanics Joy Garratt	42	2022 Regular
*SB 141	EMERGENCY FILLING OF LP GAS CONTAINERS	Leo Jaramillo Susan K. Herrera	34	2022 Regular
*SB 150	CREDIT FOR REINSURANCE ACT	Elizabeth "Liz" Stefanics Mark Moores Dayan Hochman-Vigil	35	2022 Regular
SB 159	LEGISLATIVE RETIREMENT CHANGES	Stuart Ingle Peter Wirth	16	2022 Regular
*SB 212	CAPITAL OUTLAY PROJECTS	Nancy Rodriguez	53	2022 Regular
*SB 213	CAPITAL PROJECT REAUTHORIZATIONS	Nancy Rodriguez	52	2022 Regular

ELECTIONS 2022

A little politics here.

Tuesday was the day for candidates for the House of Representatives to sign up for the June Primary. Below is a story about that. Twelve House members are not running for re-election. There are 70 Representatives so 12 is a good percentage. A few incumbents will probably be defeated either in June or November so expect change in the NM House. Moderate D's are making a push to regain some seats and water down the progressive D's. The R's are in a fairly good position to pick up some seats in the House which they need to do if they want to have a voice in the process. I expect some good races throughout the State of New Mexico which is a good thing.

Plus, there will be a new Speaker of the House come January, 2023. Who could that be? That's big change all by itself.

12 members of the House forgo reelection

BY [DAN MCKAY / JOURNAL STAFF WRITER](#)

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SANTA FE – A dozen members of the state House won't seek reelection this year, opening up competitive seats in Valencia County and Northwest Albuquerque.

The departures also create a network of contested primary races around the state.

Eight Democratic incumbents and five Republicans – largely in rural parts of New Mexico – will face challengers from their own party in the June 7 primary election, according to documents filed Tuesday. The races took shape as candidates faced a Tuesday deadline to declare their campaigns.

Altogether, 12 lawmakers did not file for reelection – an increase from the eight open seats on filing day in 2018.

The departures include Rep. Phelps Anderson of Roswell, who was the lone House Republican in 2021 to vote in favor of repealing an anti-abortion law. He changed his party affiliation afterward to independent.

Anderson, an energy executive, said Tuesday that it was the right time to retire after having served eight years in the House in two stints. The newly drawn House maps also would have paired him with another incumbent if he had run for reelection.

He expressed no regrets about starting as a Republican and finishing as an independent. "The Republican Party is determined to grow smaller while independents only grow in voter registration," Anderson said in a written statement.

Also forgoing reelection are four Republicans – James Strickler of Farmington, Kelly Fajardo of Los Lunas, Zachary Cook of Ruidoso and Randal Crowder of Clovis.

Fajardo's decision creates an open seat in a competitive part of Valencia County. Seeking to succeed her are Belen City Councilor and Mayor Pro Tem Danny Bernal Jr., a Democrat, and Tanya Mirabal Moya, a Republican from Los Lunas. Fajardo has represented the area for 10 years.

"I have always said that the seat I hold is the people's seat and holding political office is a privilege, not a right," she said.

All 70 seats in the state House are on the ballot this year. Democrats hold a 45-24 edge over Republicans, plus one independent.

On filing day:

- Eight Democrats face primary challengers: Anthony Allison of Fruitland, Doreen Wonda Johnson of Church Rock, Eliseo Alcon of Milan, Roger Montoya of Velarde, Susan Herrera of Embudo, Kristina Ortez of Taos, Andrea Romero of Santa Fe and Ambrose Castellano of Las Vegas.
- Five Republicans face primary challenges: Jane Powdrell-Culbert of Corrales, Rachel Black of Alamogordo, Greg Nibert of Roswell, Randall Pettigrew of Lovington and Larry Scott of Hobbs.
- Six Democrats are not seeking reelection: Deborah Armstrong, Karen Bash, Bounkeua and Georgene Louis, all of Albuquerque; Daymon Ely of Corrales; and House Speaker Brian Egolf of Santa Fe.
- Republican Rebecca Dow of Truth or Consequences is opting to run for governor.

IT'S A WRAP!

Thank you again for your confidence in our abilities.

Thank you to my team. Tennille Taylor holds down the Internet World and keeps all organized. I'm big on loyalty and Tennille has put up with my middle of the night calls, text messages and emails for over 20 years. I have also been fortunate to work with my lobbying partner, Carrie Robin "Grasshopper" Brunder, for five years now. I feel truly blessed with a great team and great clients.

I am also honored to be ***the only invited New Mexico*** lobbyist to be in the exclusive national group, the National Association of State Lobbyists (NASL). There is only one lobbyist from each state asked to be in NASL. This keeps us in some pretty lofty professional status with world class lobbyists from around the country. I will be hosting the annual NASL conference in Santa Fe in September.

My motto is to work harder than anyone in the State Capitol. That's the reason for the 3:00am text messages and 6:00am phone calls.

Please call me if you have any questions about this report or anything. Now it's on to the interim committee work beginning in late May. I appreciate your support and stay tuned....