Office of the Governor

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Economic Recovery Council endorses legislation

SANTA FE— Governor Michelle Lujan Grisham's Economic Recovery Council is throwing its support behind legislation that will help New Mexico small businesses recover from the damage inflicted by the COVID-19 pandemic and improve the state's long-term economic development prospects.

"These bills would realize some of the ideas the Economic Recovery Council supported in our Roadmap to Recovery report. They embody the spirit of what we are looking for – speed the recovery of New Mexico's hardest hit businesses and set the stage for New Mexico to thrive in the long run," said Jason Sandel, chairman of the ERC's Legislative Advocacy Subcommittee.

Legislation supported by the Council includes:

- House Bill 11/ Senate Bill 5, which would make $200 million available for a temporary Local Economic Development Act (LEDA) grant program to help the state's hardest hit businesses make their rent or lease payments. Grant awards would be tied to job creation and increased tax revenue.

  The legislation, sponsored by Rep. Christine Chandler and Sen. George Munoz, also calls for a permanent change to LEDA to enhance long-term economic development efforts. Under that provision, 75 percent of Gross Receipts Tax revenue generated during construction of large LEDA projects (over$350 million) would be diverted into the LEDA fund. This will help the state attract large projects and add stability to the LEDA fund.

  This important legislation not only helps New Mexico businesses recover from the devastating effects of the pandemic, it will also help New Mexico compete in the post-pandemic economy.

- Senate Bill 3, the Small Business Recovery Act, sponsored by Sen. Jacob Candelaria and Rep. Marian Matthews. The bill would make up to $500 million available to extend the Small Business Recovery Loan Fund created by the

Legislature last year. New provisions would expand eligibility and provide more attractive terms for borrowers.

This bill would fix some of the shortcomings of the current program and allow it to help more businesses.

- House Bill 267, introduced by Representatives Meredith Dixon, Candie Sweetser, and Antonio Maestas, and Senators Roberto "Bobby" Gonzales and William Burt, to provide a special appropriation of $45 million to the New Mexico Tourism Department. The appropriation would be used to help revitalize the hard-hit industry through promotion, technical assistance and workforce development.

- Council members are urging the Legislature to heed the governor's call to set aside half of this year's capital outlay funds—more than $200 million—to expand broadband access in New Mexico. As much as 20 percent of the state's homes and businesses do not now have access to broadband.

  The sudden rise in remote work, glaring inequities in educational opportunity and limited access to health care in rural areas all have made clear how critical it is for all of New Mexico to have reliable digital access. The Council believes it is time to make it possible for all New Mexicans to take part in the 21st Century economy.

The Economic Recovery Council continues to research new ideas for economic relief and recovery and welcomes input from the public.

The Roadmap to Recovery report can be found [online here].