

# 2025 Legislative Advocacy Agenda & Guidelines

## Context and Introduction

As we approach the 2025 legislative session in New Mexico, our focus remains steadfast on advancing policies that promote COMMERCE-COLLABORATION-COMMUNITY. This agenda is rooted in the needs and aspirations of our diverse communities and reflects a commitment to addressing pressing challenges while seizing opportunities for growth and innovation.

The 2025 session presents a unique opportunity to leverage new partnerships, data-driven insights, and grassroots momentum to enact meaningful change. This document outlines our key priorities and strategies for the year ahead.

The Chamber calls on lawmakers to thoroughly evaluate all legislation impacting the business community, which serves as the backbone of employment and a significant source of the state's tax revenue. Legislators must be mindful of their responsibility for oversight as elected officials, steering away from passing legislation that empowers bureaucrats to promulgate rules or regulations that impede growth within our state. Businesses and industries continue to face substantial challenges, including high inflation and interest rates, workforce shortages, and ongoing supply chain disruptions. Enacting policies or imposing burdensome regulations that increase costs for job creators would be counterproductive and detrimental to both business owners and employees.

While the state's fiscal outlook offers a rare bright spot bolstered by billions of dollars in new revenue from oil and gas production and federal funding, the Chamber urges the Governor and Legislature to exercise caution and fiscal discipline in allocating these funds. Striking a careful balance between one-time expenditures and recurring expenses is critical to maintaining financial stability. The unprecedented influx of resources demands heightened accountability, measurable outcomes, and a commitment to responsible spending from every state agency.

The Chamber strongly advocates for maintaining robust financial reserves of at least 30% to safeguard against future economic uncertainties. Non-recurring revenues should be prioritized for investments in critical infrastructure projects, including water systems, road construction, and other essential large-scale developments.

To secure long-term economic growth, lawmakers must prioritize policies that encourage job creation and expand opportunities for businesses. This includes offering incentives to help new businesses launch and enabling existing ones to grow. Diversifying and strengthening the state's tax base is crucial to sustaining progress. Additionally, efforts should focus on re-engaging individuals in the workforce, reducing dependence on government assistance, and fostering an environment that supports both business innovation and individual success.

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## Core Priorities for 2025

### State Budget and Fiscal Management

1. **Restrict Growth of Recurring Expenditures:**  
Limit recurring spending increases to avoid creating unsustainable obligations.
  2. **Direct Non-Recurring Revenue to Critical Needs:**
    - Fund rural healthcare infrastructure, particularly for struggling rural hospitals.
    - Prioritize water and wastewater systems, road and highway projects (e.g., I-40 improvements between Albuquerque and the Arizona border).
    - Invest in long-term economic development projects, including the McKinley County Industrial Park and Gallup Trade Port initiatives.
  3. **Strong Fiscal Reserves:**  
Advocate for maintaining reserves of at least **30%** to safeguard against economic downturns.
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### Economic Growth and Job Creation

#### Incentives and Investments:

- **Gallup Trade Port:** Advocacy for HB-19 which would provide for advancement of infrastructure projects that position Western New Mexico as a logistics hub, including airport upgrades, autonomous vehicle testing, and foreign trade zone developments. The Trade Port would be a substantial economic driver for Gallup/McKinley County.
- **Job Training and Expansion:** Increase Job Training Incentive Program (JTIP) funding to \$15 million.
- **Closing Fund for Economic Development:** Maintain \$55 million in the Local Economic Development Act (LEDA) fund.

#### Tourism Promotion

- **Preserve Expanded Funding:** Advocate for retaining the additional **\$16 million** awarded during the last legislative session for expanding tourism into new markets and promoting Route 66.
- **Enhance Tourism Infrastructure:** Support **\$1.9 million** in continued funding for the "Destination Forward" program, aimed at improving tourism-related infrastructure and ensuring New Mexico remains an attractive destination for visitors.

#### Regional Development:

- **McKinley County Industrial Park:** Support a \$10 million investment for critical utilities.
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## Energy Policy

- Advocate for an "all sources" energy strategy to secure New Mexico's role as a leading energy producer.
  - Oppose new taxes, fees, or onerous regulations on clean oil and gas energy production which are vital to the state's economy - (example: NM Green Amendment legislation- Environmental Rights constitutional amendment)
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## Infrastructure

1. **Water and Wastewater Systems:** Support Gallup's efforts to replace aging and toxic lead pipes while modernizing its water and wastewater systems.
  2. **Bridges and Emergency Access:** Secure funding to replace deteriorating bridges in McKinley County, prioritizing projects like County Bridge #8999 in Bread Springs, which hinders EMS and school bus access.
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## Tax Reform

1. **No New Tax Increases:** Oppose any increases to personal income taxes, GRT rates, or additional regulatory burdens that would harm small businesses and deter economic growth, including any increase in the liquor excise tax.
  2. **Reduce GRT Pyramiding:** Eliminate GRT on professional services essential to business operations, such as HR, IT, legal, and engineering services.
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## Public Safety

- **Address Growing Crime:** Advocate for policies that close the revolving door for repeat offenders, increase resources for District Attorney offices, and prioritize justice for victims.
  - **Support HB 48:** Advocate for the funding of a Certified Law Enforcement Training Academy at state supported community colleges (UNM-G) in an effort to alleviate law enforcement personnel shortages in Gallup/McKinley County.
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## Education

- Expand Career Technical Education (CTE) programs in collaboration with community colleges and private industries.
  - Provide equitable funding and accountability across all public schools, including charters.
  - Support leadership training for school administrators to improve outcomes using best practices from business and education sectors.
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## Childcare

- Simplify regulatory hurdles for daycare facilities to address the workforce participation gap.
  - Adjust state childcare subsidies to reflect actual costs and encourage new providers to enter the market.
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## Healthcare

- **Rural Hospital Support:** Advocate for realistic Medicaid reimbursements and long-term solutions to keep rural hospitals operational.
- **Provider Recruitment and Retention:** Support incentives to attract and retain healthcare providers in underserved areas.
- **Oppose mandates, such as HB-11 - Paid Family Medical Leave Act:** the act creates many additional burdens for small businesses and their employees. When nearly half of the last year's Fiscal Impact Report (FIR) highlights negative "Significant Issues," on the very same bill, the legislature must take a step back listen to the overwhelmingly majority of business and find a better way forward. This bill leads New Mexico toward another program that will be insolvent in a few short years with no legislative oversight on ever increasing tax burdens and decreased benefits.

Feedback from our 300 member businesses has been overwhelmingly clear: Legislation like **HB-11 will force many to make drastic and damaging decisions.** Businesses are warning that they will have no choice but to:

- a) Significantly reduce their staff,
- b) Shut down their operations entirely, or
- c) Relocate across state lines to Arizona, where the regulatory and tax environment is more business-friendly.
- d) The legislature must weigh these concerns and prioritize policies that support business retention and growth rather than driving them out of the state

## **Workforce Development and Workplace, Legal Reform, and Accountability**

- Promote statewide uniformity in employment and regulatory laws to reduce the burden on businesses
- Pursue legal reforms to create a stable environment that encourages investment, job growth, and economic vitality
- Oppose Minimum Wage Increase. While we recognize the importance of fair wages, increasing the minimum wage could disproportionately affect small businesses which rely heavily on an entry-level workforce. Minimum wage increases ultimately lead to higher prices for all goods and services, reduced hiring, and job losses. We advocate for a balanced, reasonable approach that ensures fair compensation while considering the economic and workforce realities in the state.

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The Chamber's 2025 agenda is a forward-thinking approach to economic and community development, emphasizing fiscal responsibility, business-friendly policies, and strategic investments that will drive growth and prosperity across Gallup, McKinley County, and New Mexico.