

NMPMA News Fall 2017

New Mexico is showing some signs of recovering from the anemic state of the economy across the state. Job growth has improved by 2% so far this year and hopefully will continue to recover. The state is still losing about 10,000 in population a year as families are going to surrounding states where the economies are growing at a much faster rate than New Mexico's.

It looks like maybe the citizens are not in favor of new taxes. A national trend in favor of the so-called "soda tax" took a hit in the City of Santa Fe, one of the most liberal cities in New Mexico. Voters soundly rejected a proposed \$.02 per-ounce tax on sugar sweetened beverages in a special election; unlike anything New Mexico's capitol city has seen before. A record 37.6% of registered voters turned out for the election, more than the hotly contested 2014 three-way race for Mayor won by Javier Gonzales who proposed the tax. More than 58% voted No. The final tally was 11,533 against the soda tax and 8,382 in favor. This was a huge win for the beverage industry. With the victory, the other cities that were going to propose their own tax have dropped the idea for now.

Albuquerque's City Council has voted to place an item on the ballot for the city's local election on Mandatory Sick Leave that is titled Albuquerque Healthy Workforce Ordinance. The Ordinance would require employers to allow employees to accrue sick leave at the rate of one hour of leave per 30 hours worked. Employees may use sick leave for their own or a family member's illness, injury, or medical care, or for absences related to domestic violence, sexual assault or stalking. Employers with 40 or more employees must allow each employee to use up to 56 hours of accrued sick leave each year, and employers with fewer than 40 employees must allow each employee to use up to 40 hours of accrued sick leave each year. This ballot measure does much more than provide sick leave:

1. **ALL EMPLOYERS**, Large, Small, for Profit and Nonprofit will have to pay sick leave and adhere to "one-size-fits-all policies."
2. **THE BALLOT** measure specifically exempts unions.
3. If the employer takes **ANY ADVERSE ACTION** against an employee within 90 days of taking sick leave it is **presumed** the employer is **retaliating** against the employee, which is a punishable violation under this ordinance.
4. **YOUR SICK LEAVE Policy Will Change** to be in compliance with the ordinance.
5. If the employer requires a **DOCTOR'S NOTE** to prove sickness, **the employer pays for the doctor's visit**.
6. The **City Attorney can audit** and investigate your records with **penalties payable to the city**. This is monetary incentive for the city to make sure you are doing something wrong.
7. Employees receive **triple monetary damages and payment for attorney fees** if they prevail, nothing for the employer if they prevail.
8. The ordinance allows for punitive litigation including: Class Action, **three times monetary damages including lost wages, possible reinstatement, civil penalties of \$50 per week per employee, employee's attorney fees**.
9. **This ordinance cannot be changed** by the City Council.

State lawmakers have begun the interim committee meetings. Some of the topics that will be discussed are moving the state gasoline and special fuels excise tax to the rack, which we will be very involved with. HB 478 tax at the rack, introduced by Rep. James Townsend was discussed in the House Transportation committee during the regular 60-day session, but was never voted on, as the bill was 135 pages long and

the committee had a lot of questions for the sponsor. The Tax Department decided to discuss tax at the rack during the interim and see if all could agree on some legislation. We will certainly be at the table.

During the regular 60-day and Special sessions, attempts were made to divert the petroleum products loading fee to the state General Fund, but it was amended out of HB2, which is the state's appropriations bill. This issue will be discussed during the interim and again we will be involved.

Liquor licenses and changes to the Liquor Control Act will also be a major issue at several interim committees. The price for liquor licenses that include package retail sales are now priced at \$360,000 to \$700,000. Most small businesses cannot afford a license, and that has a big effect on the rural areas of New Mexico.

Elections for 2018 are starting to get early attention, with some surprises. Rep. Michelle Lujan Grisham, Democrat, will not run for re-election but will run for Governor of New Mexico. So far there are eight that have announced they will run for the Democratic seat in the District 1 primary: Albuquerque City Councilor Pat Davis; former Democratic Party chairwoman Deb Haaland; physicist Dennis Dengi; Edgewood Town Councilor John Abrams; Lawyer Damian Lara; former U. S. Attorney Damon Martinez; Antoinette Sedillo, former Associate Dean of UNM Law School; and Annie Chavez, Government Relations Officer for Sandia National Labs. The only announced Republicans are Immigration lawyer Michael Hendricks, and former State House member Janice Arnold Jones. Rep. Steve Pearce will also not run for re-election to his House seat, but will run in 2018 for Governor of New Mexico. So far he is the only announced Republican candidate. State GOP Land Commissioner Aubrey Dunn has announced he is running for the District 2 seat vacated by Steve Pearce. This election is starting to look very interesting.