

NEW MEXICO *Petroleum Marketers Association Report*



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The New Mexico 2023 60-Day

Legislative Session ended at noon on March 18, 2023. New Mexico is facing the fallout from the 2022 elections with not one republican elected to a statewide office. With 45 democrats and 25 republicans in the House and 27 democrats and 15 republicans in the Senate the state has become even more progressive. Democrat Governor Michelle Lujan Grisham won a second term as New Mexico’s thirty-second Governor.

40% of New Mexico’s entire budget comes from oil and gas production. 2023’s budget will potentially have a \$3.5 billion surplus - 100% from oil and gas production. Our last republican administration was in 2018 when the budget was \$5.7 billion. In the last 4.5 years the budget has increased to \$9.6 billion.

We had several bills with tax increases on tobacco and liquor, some with a ban on many tobacco products. We also had the “Clean Fuels Act” which would have given New Mexico the same fuel standards as California; a couple of minimum wage bills, one with an increase to \$16 per hour tied to the CPI index; and a statewide plastic bag ban. A controversial bill, but very impactful to our businesses, was the Paid Family Leave Act.

I am very pleased to let you know we had great success stopping this bad legislation. It was truly a team effort with coordination from all the industry lobbyists. Unfortunately, there will be a small liquor increase. We will also have an increase in cigar taxes. We stopped all other liquor and tobacco increases. We were able to stall the clean fuels act, and with help from some unlikely legislators, stopped the paid family leave legislation and the plastic bag ban. Some good news – with the help of Benny Hodges we were able to pass legislation that will give our agricultural community a dyed diesel exemption.

The 2024 legislative session will be 30 days long and starts January 16th. We anticipate dealing with many of the issues again in 2024 that were filed in 2023: The Paid Family Leave Act, Minimum Wage, Liquor, and Cigarette Price Increase along with the very controversial Clean Fuels Standard.

BUDGET/TAXES

PASSED

- Massive tax package with rebates of \$500 per taxpayer
- Authorize tax increment district financing to aid development at University of New Mexico south campus
- Appropriate \$1.2 billion for capital outlay projects throughout the state
- Send excess oil and gas revenue to severance tax permanent fund

FAILED

- Repeal film tax credit
- Create new income tax brackets for higher earners
- Offer tax rebate for electric bicycles
- Cap growth of state budget
- Address tax “pyramiding” by exempting professional services from taxation

CRIME/GUN SAFETY

PASSED

- Make it a crime to fail to store firearms out of children’s reach
- Prohibit intimidation of election officials
- Create crime of bestiality
- Criminalize buying a gun for a felon or someone who isn’t legally allowed to have one
- Close loophole to combat organized retail crime
- Track second-hand metal sales to combat theft of catalytic converters

FAILED

- Revise pretrial release law
- Ban assault weapons
- Raise the age to buy certain firearms
- Impose a 14-day waiting period for gun sales
- Establish a corrections department advisory board
- Create crime of swatting
- Add firearms to Unfair Practices Act
- Enhance penalties for possession of at least 25 fentanyl pills.

HEALTH/FAMILY

PASSED

- Revise medical malpractice law to aid independent clinics
- Prohibit public bodies from interfering with access to gender-affirming care
- Expand who qualifies for student loan repayment program that helps medical providers
- Create rural health care delivery fund
- Expand scope of practice for pharmacists
- Allow conscientious objectors to refuse to participate in medical aid in dying
- Shield providers and patients from out-of-state investigations targeting reproductive and gender-affirming care

FAILED

- Establish affirmative consent policy in schools
- Require parental notification before minors can get an abortion
- Mandate more sharing of information by Children, Youth and Families Department
- Require CYFD to obtain identification cards for children older than 14 in state custody
- Conduct family assessment when parents don't comply with plan of care
- Establish child advocate's office to scrutinize CYFD

BUSINESS/LABOR

PASSED

- Launch a creative industries division to support the arts economy
- Create an office of entrepreneurship
- Increase funding for state venture capital fund
- Raise maximum possible potential pension benefit for public employees

FAILED

- Create state-run paid family leave program
- Increase state's \$12 per hour minimum wage
- Provide employment protection for film background artists
- Create a chief diversity officer for the state

ETHICS/GOVERNMENT

PASSED

- Bar cities and counties from enacting anti-abortion ordinances
- Require publication of executive agencies' analysis of proposed legislation
- End one-sided confidentiality law for harassment complaints

FAILED

- Allow cities to establish rent control laws
- Prohibit local governments from contracting to detain immigrants seeking asylum
- Permit state employees to work remotely
- Prohibit former legislators from working as paid lobbyists for two years
- Require lobbyists to report what bills they're lobbying on
- Shield applicants for top government jobs from disclosure
- Pay legislators a salary
- Lengthen legislative sessions

ENVIRONMENT/WATER

PASSED

- Allow regional water systems to collaborate
- Provide no-interest loans to repair public works damaged by Calf Canyon/Hermits Peak Fire and flooding
- Establish permanent funding stream for land and water conservation
- Curtail use of prescribed burns during "red flag" warnings of elevated fire danger
- Create wildlife corridors fund
- Change how state Game Commission members are appointed

FAILED

- Add environmental rights to the state Constitution
- Establish statewide greenhouse gas emission limits
- Increase penalties for violating water law
- Restrict use of certain pesticides

ENERGY

PASSED

- Develop plan to clean up contamination at San Juan power plant and mine
- Prevent storage of nuclear waste at disposal facility, unless state approves
- Establish renewable energy office under the state land commissioner

FAILED

- Establish clean fuel standards
- Enact local choice energy act to allow local governments to determine their own energy sources
- Reform the Oil and Gas Act
- Create economic transition division and sustainable economy advisory council

COURTS

PASSED

- Expand protections offered under Human Rights Act
- Revise public records law to exempt from disclosure certain cybersecurity records and update procedures for law enforcement video
- Raise judicial salaries
- Prohibit life sentences without possibility of parole for juveniles
- Exclude drug possession from qualifying for sentencing enhancement for habitual offenders
- Eliminate court fees in criminal and traffic cases.

COURTS

FAILED

- Expand sex offender registration requirements
- Amend human trafficking law
- Allow expungement of nonviolent felony records
- Create a constitutional revision commission

NMPMA Upcoming Events

Mark your calendars, our annual NMPMA Trade Show, Convention and Golf Tournament will be held **August 21-23, 2023**, at **Sandia Resort and Casino** in Albuquerque. 



NEW MEXICO PETROLEUM MARKETERS ASSOCIATION
CONVENTION
AUGUST 21-23, 2023
NMPMA
SANDIA Resort & Casino
Albuquerque