



ECONOMIC RECOVERY LEGISLATIVE PRIORITIES

NMIDEA is committed to improving New Mexico's business climate to encourage job creation and investment in our communities.

**INVEST IN THE NEW MEXICO
ECONOMIC DEVELOPMENT ECOSYSTEM**

**ESTABLISH A PREDICTABLE
REGULATORY ENVIRONMENT**

**SHIFT TOOLS TO SUPPORT
JOB RETENTION EFFORTS**

**SUPPORT INVESTMENT IN
REMOTE WORK INITIATIVES**

**ALLOW FLEXIBILITY IN THE
EXPENDITURE OF LOCAL LEDA FUNDS**

**ESTABLISH POLICIES THAT
SUPPORT BROADBAND DEPLOYMENT**



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INVEST IN THE NEW MEXICO ECONOMIC DEVELOPMENT ECOSYSTEM

Financial investment in New Mexico's economic development ecosystem is critical to ensuring New Mexico has the tools and resources needed to both plan for and implement economic recovery strategies across the state.

Increase or maintain current funding levels for the Job Training Incentive Program (JTIP) and the Local economic Development Act (LEDA).

Increase funding levels for the New Mexico Partnership, which is the Statewide economic development marketing and business recruitment organization.

Make permanent the JTIP provision that reduces the residency requirement for high-wage positions to ensure New Mexico businesses can recruit the talent they need to remain operational.

Provide additional funding and flexibility to the existing SoloWorks Program to provide a safe path for reemployment in economic base jobs, especially for high-risk individuals, who cannot return to a traditional workplace.



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ESTABLISH A PREDICTABLE REGULATORY ENVIRONMENT

As the economy begins to reopen, businesses will need a flexible, yet predictable regulatory structure that supports job creation and economic growth. Businesses need a predictable regulatory structure to effectively adjust to the new environment and meet shifting consumer behavior. Government should encourage economic recovery and not be an obstacle. **New Mexico can establish a more predictable regulatory environment by:**

Establish time frames for issuing licenses and permits, for conducting adjudicatory proceedings and building inspections, and for pursuing administrative sanctions against a business. Failure to establish and adhere to time frames should result in automatic approval by the governing agency of licenses, permits, and inspections; penalties for the agencies, and in some cases trigger judicial action to seek relief.

Enhance inter-agency collaboration among departments to not only ensure predictable permitting, but also to ensure that proper inspections are conducted in a timely manner, as to not impact a businesses' financial viability or the ability of businesses to operate.

Appropriately fund and staff state agencies such as the New Mexico Environment Department, Construction Industries Division, and the State Fire Marshal Office to ensure they can provide timely services to businesses.

Reduce barriers to job entry by increasing the transferability and flexibility of occupational and professional licenses



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SHIFT TOOLS TO SUPPORT JOB RETENTION EFFORTS

Many of our state's economic development tools are geared towards recruitment and expansions. However, to address New Mexico's economic recovery, the state must for a period of time shift our tools to address the need for retention of our state's businesses and jobs. Business retention efforts are taking on increasing importance across the country as communities look to mitigate the negative economic impact of the pandemic. These efforts can help local and regional businesses regain their footing and prosper in the new market environment.

Temporarily waive job creation requirements to current credits such as Investment Credit Act, Rural Jobs Tax Credit and High-Wage Jobs Tax Credit, for the 2020 and 2021 tax filings due to economic hardship caused by pandemic and the public health emergency.

Eliminate the job creation requirement or count the retention of existing jobs for the Investment Tax Credit Act to allow the credit to be utilized to retain manufacturers that continue to make capital investments in New Mexico despite the pandemic.

Create a new state-level employee retention tax credit to enable employers to claim a job creation/retention tax credit against employee paid payroll taxes for improved cash flow, working capital, and liquidity monthly.



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SUPPORT INVESTMENT IN REMOTE WORK INITIATIVES

Remote work is an essential diversification for New Mexico under continuing economic stress brought about by the COVID-19 pandemic. Remote work can include telecommuting and telework, full-time remote work, freelancing, and self-owned home business. New Mexico must examine a comprehensive remote work strategy that includes both external recruitment and internal workforce development.

Provide additional funding and flexibility to the existing SoloWorks Program to provide a safe path for reemployment in economic base jobs, especially for high-risk individuals, who cannot return to a traditional workplace.

Establish eligibility of remote workers for JTIP reimbursement.

Create a financial incentive to entice remote workers from other states to move to New Mexico.

Remove potential tax liabilities that may discourage attraction of remote workers and remote work opportunities to New Mexico.

Examine sustainability program that provides financial benefits to those that use public transportation, carpooling, and remote work.

Examine personal income tax liabilities on freelance workers that function as economic base jobs.



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ALLOW FLEXIBILITY IN THE EXPENDITURE OF LOCAL LEDA FUNDS

Many cities throughout the state have experienced a negative economic impact due to the COVID-19 pandemic, which has also had a significant impact on the retail and hospitality industry and, subsequently, municipal gross receipts tax revenue. Retail and hospitality businesses are a major economic driver, where the municipality is a retail hub for the surrounding area, attracts shoppers from throughout the area, including other states and counties.

Provide greater latitude in the expenditure of local LEDA funds to allow all municipalities the ability to self-determine how to expend their local LEDA funds to better reflect the economic development needs of the community.

Local direction of local LEDA funds will allow local communities the ability to adapt to the current economic climate and foster investment to enhance economic recovery.



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ESTABLISH POLICIES THAT SUPPORT BROADBAND DEPLOYMENT

The development of robust statewide broadband infrastructure will enhance economic development, allow New Mexico to better compete for jobs, and maximize workforce development opportunities across New Mexico.

Enact policies that increase broadband deployment through public-private partnerships and initiatives, including legislative actions to share infrastructure and right-of-way access.

Encourage broadband deployment through tax policies that incentivize investment, and provide financial assistance to help broadband carriers deploy infrastructure throughout the state.

Create a regulatory environment that creates regulatory parity, reduces unnecessary regulations, and incentivizes investment in and deployment of broadband infrastructure and services across New Mexico.



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CREATE A COMPREHENSIVE CERTIFIED SITES PROGRAM

As the New Mexico Legislature looks toward economic recovery, New Mexico should identify efforts to support development of quality commercial and industrial spaces to capitalize on emerging economic development opportunities. The creation of a comprehensive certified sites program and matching grants for community assistance in certification would support job creation and capital investment efforts.

New Mexico has the opportunity to create a competitive advantage by developing a Certified Sites Initiative that creates more predictability and certainty around development timelines and costs.

A Certified Sites Initiative can help identify market-ready and developable sites, as well as incentivize other sites to become market ready.

Certified Sites would provide predictability to potential projects by providing information regarding utilities (water, electric, telecom, etc.), easements and liens, endangered species, environmental contamination, zones, and a number of other components.