



# Capitol Counsel & Consulting

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## EXECUTIVE UPDATES

In the same hour as the conclusion of the 2021 Regular Session, Governor Michelle Lujan Grisham [announced](#) the commencement of a Special Session. The Legislature adhered to its constitutional duty – providing a balanced budget during the annual regular session – but failed to pass legislation that would legalize adult-use cannabis in New Mexico. In another [news release](#) the Governor stated that the Special Session will begin on March 30 to take up the issue, along with expanding the Local Economic Development Act or LEDA. Legislation that would provide a path for such cannabis legalization stalled on the Senate floor after moving through the House and two Senate committees. The sponsors of [House Bill 12](#), titled the Cannabis Regulation Act, believe that with a little more time, the measure would have passed.

In addition to the [\\$7.4 billion state budget](#), just over 150 bills were sent to the Governor for consideration – the lowest number of bills passed during a regular session in more than a decade. At the close of the 2021 Regular Session, the Governor had signed 14 bills into law including pandemic relief for individuals and businesses, liquor law reform, and the repeal of an antiquated abortion law. It will take some time for measures that passed in the final days to reach the Governor's desk officially. The Governor has until April 9, 2021, to sign legislation into law, any measure not enacted will be considered pocket vetoed.

## LEGISLATIVE UPDATES

A total of 933 bills were introduced during the 2021 Regular Session. In contrast, the last 60-day session saw 1,663 bills introduced with 309 of those bills making it to the Governor. The [House of Representatives](#) asked members to only introduce five bills, and although there was no enforcement, 408 bills were introduced on the House side, which amounted to about 5 bills per each of the 70 members. The 42-member [Senate](#) introduced 525 bills.

The low passage of bills for Governor consideration is due, among other circumstances, to the unusual schedule kept by the chambers to accommodate the obstacles brought on by the pandemic. All committee meetings were conducted either by Zoom webinar or Zoom video conference. The House allowed members to virtually participate and vote during Floor Sessions, but the Senate required that members be in the building in order to participate in its Floor Sessions. The House

and Senate did not have daily floor sessions for the majority of the Regular Session, which resulted in almost all legislation on final passage from its second chamber to bottle neck in the final weeks.

The \$7.4 billion state budget was passed the day before the session ended. About half of the state's budget went toward public education:

- \$110 million to extend the school year by ten days
- \$120 million for kindergarten to fifth-grade programs to add 25 extra school days
- \$18 million to fund the Opportunity Scholarship, a funding program for two-year universities
- \$35 million for Native American students' educational needs.

The budget also included appropriations from New Mexico's allotment from the federal American Rescue Plan Act. The budget appropriated monies from the American Rescue Plan to replenish the state's unemployment fund (\$600 million) and make one-time spending for economic recovery (\$400 million). Overall, the budget increases spending by about 5% and keeps the state's cash reserves at 24% or \$1.7 billion.

Many Democratic priorities passed the Legislature on a party-line vote. Such measures included the [Healthy Workplaces Act](#), which would require private employers to offer paid sick leave to their employees starting July of next year. Other bills passed on much narrower margins such as [Senate Bill 32](#), which would ban animal trapping on public land and [House Bill 75](#), which amended the Medical Malpractice Act. In the final hours, a [bipartisan bill](#) passed the Legislature that would establish an independent redistricting committee.

After over a decade of debate, the 2021 Legislature advanced a constitutional amendment that could increase funding for early childhood and K-12 education by hundreds of millions of dollars if it is approved by voters in the next statewide election. [House Joint Resolution 1](#) increased the withdrawal of funding from the New Mexico Land Grant Permanent Fund by 1.25%. The state's \$20 billion endowment is based on natural resource extraction royalties and market investments. Supporters of the constitutional amendment argue that investments in child programs are essential for the state, but opponents warn the fund will stop growing if oil and gas revenues drop and that previous early education investments have not shown to be beneficial.



## FEDERAL UPDATES

On March 11, 2021, President Joe Biden signed the [American Rescue Plan Act](#) (ARP). Of the \$1.9 trillion appropriated in the ARP, New Mexico is estimated to receive \$1.62 billion. Of that estimate, the Public Education Department (PED) expects to receive \$979 million and local governments will receive \$703 million. The PED says that 90% of their estimated funds will be allocated to school districts and charter schools to safely reopen. The remaining 10% will be earmarked for interventions to address lost days of learning with summer enrichment programs and after-school programs. The state will still have over \$1 billion for economic development grants, road improvements and other projects like those identified during the 2021 Regular Session.

On March 15, 2021, [Deb Haaland](#), the Democratic Congresswoman for New Mexico's 1<sup>st</sup> Congressional District (CD1), became the first Native American Cabinet Secretary in U.S. History. The U.S. Senate voted 51-40 to confirm Haaland to lead the Interior Department. In 2018, Haaland became one of the first two Native American women elected to Congress.

The vacancy requires that a special election be held, and the Secretary of State has scheduled that election to take place on June 1, 2021. There were seven candidates seeking the Republican Party's nomination. Over the weekend, the Republican Party of New Mexico election committee nominated Sen. Mark Moores (R-Albuquerque).

There are eight candidates seeking the Democratic Party nomination:

1. Rep. Melanie Stansbury;
2. Victor Reyes;
3. Francisco Fernandez;
4. Selinda Guerrero;
5. Rep. Patricia Roybal Caballero;
6. Rep. Georgene Louis;
7. Sen. Antoinette Sedillo Lopez; and
8. Randi McGinn

In accordance with state law, each of the three major parties will have to identify a candidate within 56 days of that election date. The Democratic candidate will be announced Tuesday, March 30, 2021.



## CONCLUSION

It is our priority to provide clients with professional, discreet, and strategic advocacy in New Mexico. An update on signed legislation will be provided in April, and more information about the interim and redistricting will be provided as it becomes available. As always, please reach out to discuss our services and how we can benefit your company.

## UPCOMING 2021 DATES

<b>March 30, 2021</b>	Date for 2021 1 <sup>st</sup> Special Session
<b>April 9, 2021</b>	2021 Signing Period ends
<b>June 1, 2021</b>	Special Election – NM CD1
<b>June 18, 2021</b>	Effective date of signed legislation (if not otherwise provided)

