

**MINUTES
of the
FIFTH MEETING
of the
REVENUE STABILIZATION AND TAX POLICY COMMITTEE**

**September 27-28, 2021
State Capitol, Senate Chambers
Santa Fe**

The fifth meeting of the Revenue Stabilization and Tax Policy Committee for the 2021 interim was called to order by Representative Javier Martínez, vice chair, on Monday, September 27, 2021, at 10:13 a.m. in the Senate Chambers of the State Capitol in Santa Fe.

Present

Rep. Javier Martínez, Vice Chair
Sen. Craig W. Brandt
Sen. William F. Burt
Sen. Pete Campos
Rep. Christine Chandler
Rep. Doreen Y. Gallegos
Rep. Susan K. Herrera
Rep. Antonio Maestas (9/27)
Sen. Harold Pope
Rep. Larry R. Scott
Sen. Elizabeth "Liz" Stefanics
Sen. Peter Wirth

Designees

Rep. Tara L. Lujan (9/28)
Rep. Luis M. Terrazas

Absent

Sen. Benny Shendo, Jr., Chair
Rep. Micaela Lara Cadena
Sen. Ron Griggs
Rep. Jason C. Harper
Sen. George K. Munoz
Rep. James R.J. Strickler

Rep. Kay Bounkeua
Rep. Rebecca Dow
Sen. Katy M. Duhigg
Rep. Joshua Hernandez
Rep. Marian Matthews
Rep. Rod Montoya
Rep. Kristina Ortez
Sen. Gerald Ortiz y Pino
Sen. Shannon D. Pinto
Rep. Linda Serrato
Sen. William E. Sharer
Sen. Mimi Stewart
Sen. Bill Tallman

Guest Legislators

Rep. Pamelya Herndon (9/28)

Rep. Raymundo Lara (9/28)

(Attendance dates are noted for members not present for the entire meeting.)

Staff

Pam Stokes, Staff Attorney, Legislative Council Service (LCS)

Ric Gaudet, Researcher, LCS

Rebecca Griego, Records Officer, LCS

Anthony Montoya, Staff Attorney, LCS

Joanne Vandestreek, Senior Legislative Librarian, LCS

Guests

The guest list is in the meeting file.

Handouts

Handouts and other written testimony are in the meeting file and posted on the legislature's website.

References to Webcast

The time reference noted next to each agenda item in this document is cross-referenced to the webcast of the committee meeting, which can be found at www.nmlegis.gov, under the "Webcast" tab. The presentations made and committee discussions for agenda items can be found on the recorded webcast for this meeting.

Monday, September 27

Welcome and Introductions

Representative Martínez welcomed the members and the public to the meeting and allowed individual members of the committee to introduce themselves.

Economic Contributions from the Renewable Energy Industry (10:16 a.m.)

Rikki Seguin, executive director, Interwest Energy Alliance; Jeremy Turner, director, New Mexico Project Development, Pattern Energy; and John Tysseling, Ph.D., economic consultant, Moss Adams LLP, discussed with the committee the various contributions to the economy and government revenues made by the renewable energy industry. The presentation documents can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=RSTP&Date=9/27/2021&ItemNumber=1>.

Oil and Gas Revenue Volatility and Enhancing Fiscal Stability (11:43 a.m.)

Dawn Iglesias, principal fiscal analyst, Senate Majority Office, discussed with the committee the volatility of a large portion of state government revenues stemming from the oil and gas industry and possible measures to temper that volatility. The presentation can be found here:

<https://www.nmlegis.gov/handouts/RSTP%20092721%20Item%202%20DIglesias%20Revenue%20Volatility%20and%20Fiscal%20Stability.pdf>.

Diversifying Revenue on New Mexico's State Trust Lands (1:53 p.m.)

Mark Haggerty, former economic geographer, Headwaters Economics; Kelly Pohl, associate director, Headwaters Economics; Kelly O'Donnell, Ph.D., economist, O'Donnell Economics and Strategy; and Sunalei Stewart, deputy commissioner, State Land Office, discussed with the committee potential and ongoing efforts to diversify revenue generated from state trust lands. The presentation documents can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=RSTP&Date=9/27/2021&ItemNumber=3>.

Adoption of Minutes

The minutes of the September 2, 2021 meeting of the committee were adopted without changes.

Economic Development Tax Incentives (2:54 p.m.)

Jon Clark, deputy secretary, Economic Development Department (EDD), and Mark Roper, director, Economic Development Division, EDD, discussed with the committee the performance of various economic development tax incentives administered by the EDD. The presentation can be found here:

<https://www.nmlegis.gov/handouts/RSTP%20092721%20Item%204%20EDD%20Econ%20Dev%20Tax%20Incentives.pdf>.

Recess

The committee recessed at 3:23 p.m.

Tuesday, September 28

Reconvene

Representative Martínez reconvened the meeting at 9:11 a.m.

Report: Laboratory Partnership with Small Business Tax Credit and Technology Readiness Gross Receipts Tax Credit (9:12 a.m.)

Mariann Johnston, acting deputy division leader, Richard P. Feynman Center for Innovation, Los Alamos National Laboratory; David Kistin, manager, Technology and Economic

Development, Sandia National Laboratories; Barr Zulevi, Ph.D., president and chief technology officer, Pajarito Powder, LLC; and Kenneth D. Blemel, program manager, Management Sciences, Inc., discussed with the committee the two gross receipts tax credits available to the national laboratories designed to stimulate economic development opportunities for small businesses. The presentation documents can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=RSTP&Date=9/27/2021&ItemNumber=5>.

New Mexico Counties (NMC) Legislative Priorities (10:00 a.m.)

Brian Moore, government relations, NMC, and Leandro Cordova, director, Finance and Administration, NMC, discussed with the committee the legislative priorities of the NMC for the upcoming regular legislative session. The presentation can be found here:

<https://www.nmlegis.gov/handouts/RSTP%20092721%20Item%206%20NMC%20What%20You%20Should%20Know%20About%20County%20Jails.pdf>.

New Mexico Municipal League Legislative Priorities (10:52 a.m.)

A.J. Forte, executive director, New Mexico Municipal League, and Jim O'Neill, consultant, discussed with the committee the legislative priorities of the league for the upcoming regular legislative session.

Tax Policy Impacts on Child Well-Being and Equity (1:20 p.m.)

Amber Wallin, deputy director, New Mexico Voices for Children (NM Voices), and Paige Knight, research and policy analyst, NM Voices, discussed with the committee the impacts of tax policy on the well-being of children in the state. The presentation documents can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=RSTP&Date=9/27/2021&ItemNumber=8>.

New Mexico Chamber of Commerce (NMCC) Legislative Priorities (2:26 p.m.)

Rob Black, president and chief executive officer, NMCC; Jim O'Neill, chair, Tax Policy Committee, NMCC; and John Chavez, member, Tax Policy Committee, NMCC, discussed with the committee the legislative priorities of the NMCC for the upcoming regular legislative session. The presentation documents can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=RSTP&Date=9/27/2021&ItemNumber=9>.

Adjournment

There being no further business before the committee, the meeting adjourned at 3:28 p.m.