

# STAFF REPORTS

NEW MEXICO GOVERNMENT AFFAIRS,  
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A great deal of Q1 was spent in Santa Fe as the first session of the 56th Legislature convened on January 17th and adjourned on March 18th. As predicted the House of Representatives elected Javier Martinez as Speaker of the House. The Senate retained the same leadership as in the 55th legislature.

Speaker Martinez appointed committees and with 18 freshmen in the body there were a lot of new faces on committees. In the first week of the session the House Republican caucus met and removed the whip (Jason Harper, Rio Rancho) they had elected after the November election and replaced him with Greg Nibert from Roswell.

With all the organization out of the way, bill introduction began with a flurry. The House Energy Committee even started meeting on Saturdays early in the session. As anticipated, several bills were introduced that impacted industry, most in a detrimental way. As the session progressed, we were tracking just over 50 bills, most in the House.

Here is a list of high priority bills we tracked and testified on:

HB 91 – Natural Resources Trustee Changes – died in first House Energy

HB 121 – Water Right Lease Effective Date – died in the House Floor

HB 242 – Private Right of Action – died in House Energy

HB 276 – Oil & Gas Permit Applications – died in House Energy

HB 489 – State Engineer Qualification – died in House Ag & Water

SB – 11 Paid Family and Medical Leave Act – died in House Commerce

SB 164 – Future Oil & Gas Lease Royalty Rates – died on Senate Floor

SB 418 – Oil & Gas Act Changes – died in Senate Judiciary

SB 520 – Clean Future Act – died in Senate Conservation

In New Mexico, bills get assigned to multiple committees and have to be passed out of each committee before being heard again on the floor. All in all, only four bills made it out of their first committee assignment and of those that did pass out, none of them made it out of their originating chamber, whether that was the House or the Senate meaning that each languished and did not reach the Governor's desk.

We also tracked several tax bills that were eventually rolled into one omnibus tax package that included corporate income tax increase, capital gains increase, tax rebates, alcohol taxes, tobacco taxes, many EV and solar tax credits as well as several film tax credits. This bill made it to the Governor's desk and in the last day of the signing period she line-item-vetoed almost the entire bill, leaving only the tax rebates, the film tax credits and a small Gross Receipts Tax (GRT) deduction for certain medical costs.

It was a fast and furious session with good results we wouldn't have anticipated after the November election. Much of the success was due to great coordination between all three trades (PBPA, IPANM and NMOGA) and building coalitions with other industries (ag and water) and the business community, in particular the New Mexico Chamber.

Interim legislative committees will be appointed in the coming weeks and will begin to meet in June. We will follow these committees and keep you informed of coming issues