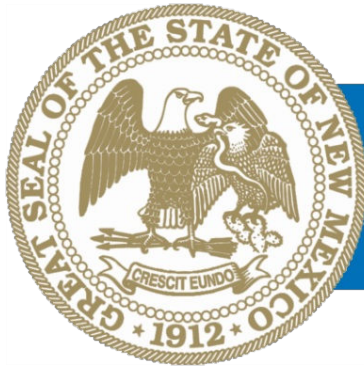


Office of the Governor

MICHELLE LUJAN GRISHAM



EDD

ECONOMIC
DEVELOPMENT
DEPARTMENT

FOR IMMEDIATE RELEASE:

Contact: Bruce Krasnow

Bruce.Krasnow@state.nm.us

505- 795-0119

Gov. Michelle Lujan Grisham
Cabinet Secretary Alicia J. Keyes
Deputy Secretary Jon Clark

Jan. 25, 2021

Economic Security Bill Aims To Bring Back Employees ***Grants up to \$100,000 awarded for job creation***

SANTA FE, N.M. – A major economic recovery initiative, backed by Gov. Michelle Lujan Grisham, that would pump another \$200 million into New Mexico small businesses to create jobs and rehire workers, was introduced today in the Legislature by Rep. Christine Chandler.

House Bill 11 taps into the unused dollars set aside by the State Investment Council and the New Mexico Finance Authority for the Small Business Recovery Loan Fund, converting the funds into grants to assist business that have incurred steep revenue losses.

“Supporting businesses that are struggling to rebuild and rehire employees is key to our economic recovery and a top priority of my administration,” Gov. Michelle Lujan Grisham said. “This is an unprecedented and innovative way to help thousands of businesses and is part of our ongoing efforts to stimulate and sustain our state’s economic recovery.”

The bill ties the funding to specific hiring benchmarks, with each new full-time employee qualifying the business for \$5,000, up to a limit of \$100,000. The dollars would be restricted to payments for rent or leases.

“This bill is one of the reasons why the legislature has convened in the midst of an ongoing and deadly pandemic,” House Speaker Brian Egolf said. “Delivering emergency COVID-19 relief is one of the most critical tasks before this legislature, and House Bill 11 is a lifeline for small businesses who need relief now.”

“Every day this pandemic rages and consumer confidence remains low is another day our small businesses face the real threat of closing their doors for good,” bill sponsor Rep. Christine Chandler, D-Los Alamos, said. “The hundreds of millions in grants offered in this bill keep those doors open, keep payroll going, and are an incredible investment to jump start our economy and get New Mexicans back to work.”

A second part of the legislation would permit the partial recapture of GRT revenues for very large LEDA-approved projects during construction. This would better position New

Mexico to attract major job-creating businesses very quickly.

“These measures taken together will result in far more jobs, private investment, and revenue for state and local governments, setting New Mexico on the path toward a sustainable recovery,” Economic Development Cabinet Secretary Alicia J. Keyes said.

The new program targets relief for rent or lease payments and does not replace the existing Small Business Recovery Loan Program, which is under consideration for continuing with more flexible terms and is administered by the New Mexico Finance Authority.

HB 11 would be administered by the New Mexico Economic Development Department. Processing of applications and payments will be done by the New Mexico Finance Authority. The term of the program is 2021 and 2022.

Highlights of HB 11:

- The maximum allowable grant to a business is \$100,000, paid in quarterly installments, to be spent on lease or rent obligations.
- Funding is restricted to businesses operating in New Mexico with 75 or fewer employees per location and will be prioritized by the greatest percentage reduction in annual revenues with at least a 25 percent decline from 2019 to 2020.
- Businesses must be current on state and local tax obligations.
- The grant must be accompanied by job creation.
- Each new FTE qualifies the business for up to \$5,000 toward the total award amount.
- The business must remain current on rent and lease obligations.
- Applications will be accepted until Dec. 31, 2021.

The tax portion of the bill allows for 75% of some GRT revenues from large LEDA projects (over \$350 million) to be recaptured for the LEDA fund to help with future job-growth and economic development. Only costs associated with new construction of the project will be subject to this provision.

###

The New Mexico Economic Development Department's mission is to improve the lives of New Mexico families by increasing economic opportunities and providing a place for businesses to thrive.

New Mexico Economic Development Department
EDD.NewMexico.gov

