



EDD

ECONOMIC
DEVELOPMENT
DEPARTMENT

FOR IMMEDIATE RELEASE:

Contact: Bruce Krasnow

Bruce.Krasnow@state.nm.us

(505) 827-0226, cell: (505) 795-0119

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

Feb. 20, 2020

Governor: Economic Development Initiatives will Boost Jobs and Growth

Santa Fe, N.M. – Several initiatives backed by Gov. Michelle Lujan Grisham to boost jobs and grow New Mexico’s economy have passed the 2020 Legislature and will continue to sustain the state on its path of prosperity, Economic Development Department Cabinet Secretary Alicia J. Keyes said today.

The initiatives include increased capital for startup businesses, a reform of the state’s economic investment program that will better help rural communities, and an extension of an important tool to recruit higher-paying manufacturing jobs.

“New Mexico is now in the top 10 nationally for both job growth and personal income growth and these measures will move us forward so we can create better jobs in every corner of the state,” Gov. Lujan Grisham said. “I want to thank the Legislature for their support and I want New Mexicans to know: We are building a 21st century economy.”

“It will take time; it will take investment. But we will ensure high-quality careers are available by rebuilding our educational system and providing for new and exciting industries -- and ensuring New Mexicans have every opportunity to gain the skills they need,” Gov. Lujan Grisham added.

Keyes noted several new manufacturing companies have recently chosen New Mexico for expansion, including Big Tuna in Las Cruces, Kairos Power in Albuquerque, Medlin Ramps in Alamogordo, and Big Dog Industries in Lovington.

“Actions by the 2020 Legislature show Gov. Lujan Grisham and her administration have a strong entrepreneurial spirit and are focused on helping rural areas and diversifying the economy by boosting growth with higher-paying jobs,” Keyes said.

Lujan Grisham and Keyes also emphasized that the new Opportunity Scholarship, spearheaded by the governor, will cover 100% of tuition and fees for students in two-year degree and certificate programs, expanding education access for those looking to learn a trade and enter the workforce.

Economic Development measures passed by the Legislature include:

- **SB 136: Investment in New Mexico Funds & Businesses**

The change in law would allow the State Investment Council to follow through on its plan to deliver approximately \$200 million of new investments into New Mexico companies and start-ups, by raising the cap on SIC investments from the Severance Tax Permanent Fund into the New Mexico Private Equity Investment Program from 9 to 11 percent. The program targets New Mexico startup companies with the potential for fast growth and job creation.

“This money comes from land all over the state, funds that we want to invest back in New Mexico businesses. This is another tool in the toolbox as we work to support New Mexico entrepreneurs who have good ideas and want a clear path forward to create more jobs right here in New Mexico,” Lujan Grisham said.

- **SB 118: Local Economic Development Support Fund**

This measure specifically targets rural communities by allowing the Economic Development Department (EDD) more flexibility to invest in rural communities. It creates the Local Economic Development Support Fund within the EDD. Three types of projects are allowed by the legislation: traditional LEDA projects that create economic base jobs; retail projects in communities of less than 15,000 in population; and rural site infrastructure to create “shovel ready sites” for competitive business development.

“We know rural communities have different challenges,” Keyes said. “This bill will give us more tools to better target and support rural communities. For the first time, we can help create shovel-ready sites and participate in a wider array of rural business projects.”

- **HB 50: Amending the Industrial Revenue Bond Act**

The bill amends the Industrial Revenue Bond Act and the County Industrial Revenue Bond Act to include certain electric transmission facilities as eligible projects (electric generating facilities are already included). This legislation supports the construction of electric transmission lines necessary to achieve the (2019) Energy Transition Act deadline of 2045.

- **HB 118: Designation as Benefit Corporation**

This enacts a new section of the Business Corporation Act that allows a for-profit business or professional corporation to elect to be designated a “benefit corporation.” A benefit corporation must include a purpose of creating a general public benefit and its articles of incorporation may identify a specific public benefit. This law would enable New Mexico to be competitive regionally, attract new companies to the state, and encourage existing companies to stay.

- **HB 30 – Expedited Professional Licenses for Military Families**

The law would shorten the time frame for the state to grant licenses to military spouses in New Mexico. The bill covers 40 occupations, including teaching, nursing, cosmetologists, investigators, appraisers, and medical providers.

The new law would make serving on military bases in the state more attractive and help professional spouses get into the workforce faster.

- **HB 326 - Tax Changes**

A key provision in this measure extends the sunset date of the Investment Tax Credit from July 1, 2020 to July 1, 2030 and keeps the promise to manufacturing companies who want to make additional capital investments. The purpose of the legislation is to keep New Mexico competitive, as most states do not tax manufacturing equipment at all.

- **HB 2 – General Appropriations**

The 2021 fiscal year spending plan includes \$9 million to continue the EDD’s Job Incentive Training Program (JTIP), one of the best employee training programs in the country. The budget also includes \$15 million for the LEDA fund, a key economic development assistance program used to assist with business growth and expansion. The

allocation would restore the LEDA balance to \$50 million at the start of the new fiscal year.

###

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.