

# Special session bill would aim to help small businesses, tenants

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It's not just the state budget that needs fixing — New Mexico's small businesses and households need help, too.

That's the crux of a new bill being drafted by state representatives that would help businesses, landlords and tenants cope with the fallout from the novel coronavirus crisis.

The legislation, which lawmakers aim to introduce in the upcoming special session, would propose withdrawing \$500 million from the state's Severance Tax Permanent Fund.

"We're talking about 5,000-plus businesses that we'd like to help," Rep. Daymon Ely, who is sponsoring the bill along with Rep. Andrea Romero, told *The New Mexican*. "If this is going to work, I want to help as many businesses as we can."

The proposal is an indication legislators and Gov. Michelle Lujan Grisham may go beyond their primary task of mending the state's finances in the special session and also consider bills aimed at providing broader economic relief. Legislators may propose other measures as well, including one that would provide tax relief.

"Everything we do that is not budget-related is going to be focused on how do we help the state's economic recovery," House Speaker Brian Egolf said.

Ely and Romero emphasized the details of the small business and tenant bill were still being worked out, and it was unclear whether the Legislature would indeed take it up in the special session, which is expected to begin June 18.

The current version of the proposal calls for allocating some \$380 million to a new program that would give loans to small businesses across the state, said Ely, D-Albuquerque.

That portion of the bill would focus exclusively on small businesses, differentiating it from an emergency loan fund approved in April that directed \$100 million from the severance tax fund to help medium-sized businesses.

Another portion of the money would go toward an initiative to provide relief for tenants who can't afford their rent payments and landlords who lose their tenants, said Romero, D-Santa Fe.

People may be in dire need of such aid once the federally funded increase in unemployment benefits ends and people who have lost their jobs can no longer pay rent, she said.

"We're really trying, at the core of it, to prevent any evictions from happening," Romero said.

Relief also could be proposed for people who cannot pay their mortgages, she said.

Ely said he believes state law would allow legislators to authorize such "investments" from the severance tax fund. He said that would be in contrast to any effort to change distributions from the larger Land Grant Permanent Fund, which would require a constitutional amendment.

Charles Wollmann, spokesman for the State Investment Council, said there was a "legal question" as to whether such a proposal could allocate money from the severance tax fund, but he noted that he wasn't familiar with the initiative.

"Without seeing a specific proposal, it's difficult to say one way or another," Wollmann said.

The Severance Tax Permanent Fund had \$5.2 billion as of the end of April, according to the State Investment Council.

The Governor's Office did not say Thursday whether it would support the legislation being drafted by Ely and Romero, but said it was considering bills that could help businesses and residents.

"Any number of items are under consideration and could be taken up that would assist New Mexico residents and businesses that have been ravaged by the pandemic," spokeswoman Nora Meyers Sackett said.

Sackett added that bills included on the agenda for the special session likely will require "broad agreement" ahead of time from legislative caucuses and chambers, in order to "minimize the time spent on debate."

In special sessions, legislation can only be taken up by lawmakers if the governor has put it on the agenda — also referred to as "the call."

Still, Lujan Grisham said in a news briefing Thursday the special session would focus almost entirely on the budget, and legislators said they didn't yet know what would be on the agenda aside from the budget.

Lawmakers also could take up an initiative in the special session to give relief to small businesses that are delayed in submitting gross receipts taxes, said Rep. Javier Martinez, who is co-chairman of the House Taxation and Revenue Committee.

Such an effort would aim to forgive penalties and interest on such delays, he said.

"We might do something along those lines to help provide some relief for those small businesses," said Martinez, D-Albuquerque. "But we're still working on the details."

Such penalties and interest also could be waived for people delayed on paying property taxes and personal income taxes, Egolf said.

Yet another possible initiative would seek to change state law to allow restaurants to sell alcohol through takeout and delivery, which is currently prohibited, the speaker said. Such an effort would help boost sales for restaurants during the pandemic.

The Legislature also may consider proposals to help county clerks more easily process absentee ballots during the general election in November, Egolf said.

An unprecedented number of such ballots were cast during the primary election Tuesday, leading to delayed results in some counties, including Santa Fe County.

Lujan Grisham said last week her office and legislators believed something should be done to alleviate the absentee ballot load, but they had not come to an agreement on how to address the issue.

“We are in agreement that if we can, we should do something that alleviates these issues with voting because what we’re trying to minimize is in-person voting,” she said.