

# Senate decisively approves pandemic relief package

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Sen. Jacob Candelaria, D-Albuquerque, makes a point on the Senate floor Wednesday while explaining a small business recovery act that is part of a COVID-19 relief package. The Senate approved three recovery bills by decisive vote margins, sending them on to the House for final approval. (Eddie Moore/Journal)

**SANTA FE —** The state Senate gave decisive approval Wednesday to a new COVID-19 pandemic relief package aimed at providing a lifeline to hard-hit New Mexico workers, restaurants and small businesses.

The trio of bills now moves on to the House, which is expected to act quickly so that Gov. Michelle Lujan Grisham could give her final approval in the coming days.

One of the three bills approved Wednesday would authorize \$600 rebates for New Mexico workers who make less than \$15 per hour, as well as a four-month tax holiday for restaurants, breweries, food trucks and other dining establishments.

Sen. Jacob Candelaria, D-Albuquerque, one of the co-sponsors of Senate Bill 1, said the legislation would bolster New Mexico's economy, while also helping New Mexico families that have struggled to make ends meet over the past 11 months.

"This pandemic has not affected all communities in New Mexico equally," Candelaria said during floor debate on the relief legislation, which passed on a unanimous 42-0 vote.

The other two approved pieces of the recovery package, Senate Bills 2 and 3, would direct a state agency to temporarily waive the fees for liquor licenses and overhaul a small-business loan program, respectively.

Statewide, the pandemic and restrictions enacted in response to it in an attempt to slow the virus' spread have inflicted a body blow on parts of New Mexico's economy.

Statewide, taxable gross receipts from the state's hospitality and food industries were down by more than \$445 million — or 21.8% — over the previous year's levels through the first five months of the current budget year, according to state Taxation and Revenue Department data.

And bars had to pay liquor license fees last year, despite being closed for most of the year due to public health orders issued by Lujan Grisham's administration.

Senate Minority Leader Greg Baca, R-Belen, voted in favor of all three bills, but cautioned the package would not be a cure-all for businesses impacted by virus-related closures.

"We cannot pat ourselves on the back for curing an ailment that we ourselves helped nurture and create," Baca said.

Money to pay for the relief package — an estimated \$185 million for the rebates and restaurant tax breaks alone — would come from the state's cash-flush reserves. There is currently an estimated \$2.5 billion in those reserves — or about 35% of state spending.

### **'More work to be done'**

The package being debated at the Roundhouse, which also includes other measures, would be the third round of targeted financial relief approved by state lawmakers since the COVID-19 pandemic hit New Mexico in March 2020.

Legislators passed two relief packages last year — in separate June and November special sessions — that earmarked state and federal funds for

expanded unemployment benefits, cash assistance and small-business grants, among other programs.

However, the November package was approved over objections that it did not include hazard-pay bonuses to “essential” workers making less than \$31,200 per year who have been at the front lines of the pandemic working at grocery stores, hospitals and other businesses.

Senate Majority Leader Peter Wirth, D-Santa Fe, said such workers would benefit from the new relief package, which would target the \$600 rebates to New Mexicans who qualified for the state’s Working Families Tax Credit in 2020.

“There is to some extent light at the end of the tunnel,” Wirth said Tuesday, referring to the state’s improved coronavirus outlook. “But, let’s be clear, there’s more work to be done.”

Other senators were more blunt.

“Our communities are hurting,” said Sen. Cliff Pirtle, R-Roswell. “Really (these bills) are a Band-Aid on a pretty large wound.”

### **Governor asks for \$475M**

New Mexico business and restaurant groups have testified in favor of the pandemic relief package, though some restaurant owners have said that relaxing restrictions would have a bigger impact than enacting a tax holiday from March through June.

In addition, some senators raised questions during Wednesday’s debate about why other businesses that have been shuttered under the state’s health orders — such as movie theaters and amusement parks — would not receive the same financial relief as bars.

Meanwhile, the bill overhauling the small-business loan program passed after four senators recused themselves from the final vote — Sens. George Muñoz, D-Gallup; Pat Woods, R-Broadview; Joshua Sanchez, R-Bosque; and Joseph Cervantes, D-Las Cruces.

New Mexico has the nation’s only unsalaried Legislature, and several lawmakers benefitted from direct grants to small businesses and nonprofit organizations that were part of a previous relief package.

This year’s recovery bills will take effect immediately on being signed if they pass both legislative chambers with at least a two-thirds majority vote.

In all, Lujan Grisham has called for up to \$475 million to be spent on one-time pandemic relief measures during the 60-day session that started last month, although she has left it up to lawmakers to determine which specific programs should be funded.