

The agenda for New Mexico's entrepreneurs: 2025 legislative session

Small Business Majority has created a comprehensive state policy agenda to ensure entrepreneurship is at the center of a thriving and inclusive economy in New Mexico. It's critical that state lawmakers enact short- and long-term policies to support and empower entrepreneurs by guaranteeing their access to capital, an infrastructure that can support their ability to offer quality jobs, and their ability to compete fairly now and in the future. To achieve these goals, policymakers should consider the following policy proposals.

Increase access to capital and opportunity for entrepreneurs

- **Support the New Mexico Economic Development Department in ensuring State Small Business Credit Initiative (SSBCI) dollars reach under-resourced small businesses that have faced systemic barriers in accessing capital through small-dollar loans.**

This includes the following recommendations:

- Encourage the Department to engage stakeholders by providing feedback to ensure an equitable distribution of funding of SSBCI dollars in small-dollar loans to business owned by women, people of color and those in rural communities.
 - The Department should also educate and encourage banks and other financial institutions to participate in the Collateral Assistance Program since the program would support small businesses in underserved markets. This portion of New Mexico's SSBCI funding accounts for \$9 million and will help support existing businesses in the state.
 - The Department must also continue educating all stakeholders, namely business support organizations, about the programs and their ability to participate or apply for loans through third parties.
 - The Department should work in tandem with tribal governments, particularly those in banking deserts, to guarantee that dollars reach Indigenous small business owners on and off reservations.
- **Promote responsible lending practices by lenders and brokers as set forth in the [Small Business Borrowers' Bill of Rights](#).** Although the state has passed a 36% rate cap for loans that are less than \$10,000, small businesses deserve to make apples-to-apples comparisons when seeking financing. While consumer loans are required to disclose the annual percentage rate (APR), federal law does not require the same for commercial financing. Without APR disclosure, small businesses are susceptible to hidden terms and unfair pricing. In lieu of a federal law, the state must pass its own legislation to require transparency and fairness in small business financing products to protect small businesses, no matter the size of the loan.
 - **Enact policies to strengthen and expand community bank lending, which provides more than half of all small business lending.** For example, we encourage state and local governments to shift public funds into community banks and ensure those deposits are used to increase access to capital by requiring them to regularly report on small business lending.

Bolster a Main Street-friendly workforce and the creation of quality jobs

- **Pass legislation to create a state-run paid family and medical leave (PFML) insurance program.** Our 2024 [scientific poll](#) found New Mexico small businesses overwhelmingly support (85%) the creation of a state-run PFML insurance program. This would

allow small businesses to provide their employees with access to PFML without fully funding a program themselves, allowing them to better compete with large corporations that recruit top talent by offering robust paid leave benefits.

- **Quickly implement the Healthcare Affordability Fund.** The Fund will help lower premiums for small businesses and lower costs on the Exchange. It's essential that state agencies have the resources and oversight to implement this law.
- **Block hospital mergers and acquisitions that are likely to increase patient costs and inaccessibility.** Particularly for rural small business owners, hospital consolidations lead to longer wait times, increased travel time to access care and rising out-of-pocket costs.
- **Block anti-competitive hospital contracting practices with insurance companies.** For example, large hospital chains may use their market power to force insurance companies to include certain high-cost providers in their networks.
- **Provide additional coverage options for small business employees who are not offered coverage at work by allowing them to buy into the state's Medicaid program.** Small business workers who have healthcare coverage are more productive, and they are less likely to leave their job to go to a large corporation for the health benefits.
- **Continue allocating funding to support New Mexico's childcare providers.** Additional dollars could help small providers who struggle to make their business profitable expand and grow through free resources and funding. This would help address childcare deserts, which in turn would support rural entrepreneurs and their workforces.

Promote a level playing field for New Mexico small businesses

- **Reassess tax policy for Indigenous small business owners who operate on and off reservations so compliance is streamlined and clear.** Many Indigenous-owned small businesses must abide by different tax policies depending on where they live and where they work. This creates a complicated compliance standard that unfairly puts these businesses at risk.
- **Oppose state and local tax policies that amount to “giveaways” to large corporations at the expense of investments in Main Street small businesses.** In light of the large economic and tax incentives provided to large tech firms, we must ensure that some of those dollars flow to local businesses that are contributing to New Mexico's economy. We recommend passing legislation that would require larger companies to procure and shop from small businesses as part of any incentive package.