

The agenda for New Mexico's entrepreneurs: 2023 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 both short- and long-term policies to support and empower entrepreneurs by guaranteeing that they have access to capital, an infrastructure that can support their ability to offer quality jobs, and the ability to compete fairly now and in the future. To achieve these goals, policymakers should consider the following policy proposals.

Increase access to capital

- Ensure that the New Mexico Economic Development Department is engaging stakeholders for feedback in applying and distributing funding under the State Small Business Credit Initiative (SSBCI). In addition, the Department should educate and encourage banks and other financial institutions to participate in the Collateral Support 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 to support existing businesses in the state. The Department must also continue educating all stakeholders, namely small business owners, about the programs and their ability to participate or apply for loans through third parties.
- Promote responsible lending practices by lenders and brokers as set forth in the [Small Business Borrowers' Bill of Rights](#). Although the state recently passed a 36% rate cap for loans under \$10,000, small businesses deserve to make apples-to-apples comparisons and without disclosure of annual percentage rate, they could be susceptible to hidden terms and unfair pricing. That's why the state must pass legislation to extend the Truth in Lending Act provisions to 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 recommend encouraging state and local governments to shift public funds into community banks and ensure those deposits are used to increase small business lending by requiring them to regularly report on small business lending.
- Establish a state bank that makes low-interest loans for infrastructure, agriculture, affordable housing, student loans and small businesses. This would spur economic growth and lead to thriving community banks with higher lending totals.

Ensure New Mexico's entrepreneurs and small business employees have quality jobs

- Continue the progress made during the regular 2019 legislative session to restrict short-term, limited duration insurance plans by limiting them further to three months. These plans are intended to fill gaps in an individual's coverage in the event of job loss or other life changes, but are not required to cover essential health benefits like prescription coverage or mental health treatment and can come with hefty deductibles. Current regulations rightfully prohibit renewals and impose various state regulations on these plans.
- Enact a Prescription Drug Affordability Board that would ensure a fair market for consumer costs for prescription medicines and medications. This Board would evaluate the cost of medications, review certain high-cost drugs and determine if the price increases are justified and seek to lower healthcare costs.
- Provide additional coverage options for consumers by allowing them to buy in to the state's Medicaid program.

- Pass legislation to create a paid leave insurance program so small business owners and their employees can access paid family and medical leave. This would allow small businesses to provide their employees with access to paid family and medical leave without fully funding such a program themselves.
- Amend the New Mexico Work and Save Act relating to the IRA Program to ensure all employers with five or more employees participate (with an opt-out component for the employee). Additionally, encourage the Legislature to allocate direct funding to the program to guarantee its success. Small businesses want to offer benefits to their employees because it helps them attract and retain their workforce and compete with larger businesses for talent. New Mexico is currently struggling with significant workforce shortages and small businesses are reporting their inability to retain talent. Offering a robust benefits package that includes retirement is critical. A regional partnership collaboration with Colorado SecureSavings, could support New Mexico's retirement savings program's ability to reach more individuals.
- Allocate more funding to support New Mexico's childcare providers. Currently, childcare funding is mostly targeted to the parents' expenses. Additional dollars could help these providers expand and grow through free resources and funding.

Allow small businesses the opportunity to compete fairly

- Increase funding for Small Business Development Centers and other business resource centers to deal with the influx of small business owners in need of guidance and support.
- Conduct regular reviews of state and local business licensing requirements that can be onerous, complicated and expensive. While some of these regulations are essential for consumer safety, many can be improved and processes could be streamlined. Such a change would allow entrepreneurs the flexibility to maintain operations. For example:
 - [A California law](#) legalizes the sale of home-cooked meals, with appropriate health and safety standards and revenue limitations.
 - [A Missouri law](#) updates regulations around home hair braiding businesses.
- Oppose state and local tax policies that amount to “giveaways” to large corporations at the expense of investing in Main Street small businesses in local communities.
- Pass legislation that would require larger companies like Netflix and the film industry to procure and shop with small businesses as part of incentive packages.