

Breakout Room #2 -To address the top concern of stakeholders and improve overall regulatory business climate

Zoom Breakout Leader: Richard Anklam, President, New Mexico Tax Research Institute
Scribe: Denise Bissell, UNM Rainforest Innovations

Specific Strategies from New Mexico Chamber of Commerce "Driving New Mexico's Future: Empowering a Competitive Economy in a Post-Pandemic World":

Make the New Mexico Regulatory Environment Among the Most Business Friendly in America

1. Create a Governor's Office of Regulatory Reform to implement a new requirement that all state agencies do a comprehensive review of all current rules and regulations to identify opportunities to improve response speed, eliminate redundancy, and eliminate unnecessary restrictions. The office would then oversee an ongoing, regular effort to continue to minimize and simplify regulations.
 - Every state agency in Arizona is required by law to review all of its rules every five years, to uncover any that should be repealed or changed. This statute has helped Arizona maintain one of the least-complex regulatory codes in the country. Arizona's code has fewer than 64,000 restrictive words (terms like "shall," "must," "may not," "prohibited" and "required"). California, the country's most-regulated state, has nearly 400,000 restrictive words. Arizona has also created an online portal enabling those who live and work under its regulations to make recommendations, and it has exceeded its target to reduce red tape. Over a two-year period the state removed 1,100 regulations which it estimates saves businesses \$79 million.
 - In 2018, Virginia started a three-year pilot program to reduce red tape. The pilot program began with the state's Department of Professional and Occupational Regulation and the Department of Criminal Justice Services. This bill passed the Republican-controlled legislature with strong bipartisan support and was signed into law by Democratic Gov. Ralph Northam. Under the program, the agencies are required to review all existing regulations and reduce the number of restrictions by 25 percent over the three-year period. In 2019, Governor Northam reported that the agencies were ahead of schedule. That same year, Virginia was named America's Top State for Business by CNBC.¹¹)Conduct a review of the taxes that stand out as anti-competitive such as the tax on construction labor, manufacturing equipment, Weight Distance Tax and the Gross Receipts Tax
2. Conduct a review of the taxes that stand out as anti-competitive such as the tax on construction labor, manufacturing equipment, Weight Distance Tax and the Gross Receipts Tax
 - Only four states have a weight distance tax for truckers, creating a competitive disadvantage for realizing New Mexico's logistics potential.

3. Conduct an annual business survey to determine satisfaction and progress on the state's business climate. Broadly share the results with legislators and members of the executive branch and use the survey results to guide the Chamber's advocacy agenda.