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HOUSE BILL 352

51ST LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2013

INTRODUCED BY

Jason C. Harper and Timothy M. Keller

AN ACT

RELATING TO LOCAL ECONOMIC DEVELOPMENT; REQUIRING SECURITY FOR
STATE CONTRIBUTIONS TO LOCAL ECONOMIC DEVELOPMENT PROJECTS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. Section 5-10-10 NMSA 1978 (being Laws 1993,
Chapter 297, Section 10) is amended to read:

"5-10-10. PROJECT PARTICIPATION AGREEMENT--DUTIES AND
REQUIREMENTS.--

A. The local or regional government and the
qualifying entity shall enter into a project participation
agreement.

B. The local or regional government shall require a
substantive contribution from the qualifying entity for each
economic development project. Public support provided for an
economic development project shall be in exchange for a

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1 substantive contribution from the qualifying entity. The
2 contribution shall be of value and may be paid in money, in-
3 kind services, jobs, expanded tax base, property or other thing
4 or service of value for the expansion of the economy.

5 C. The qualifying entity shall provide security to
6 each local or regional government, the state or any other New
7 Mexico governmental entity providing public support to the
8 economic development project. The security shall secure the
9 qualifying entity's obligations based on terms stated in the
10 project participation agreement with the local or regional
11 government and shall reflect the amount of public support and
12 substantive contribution expected. If a qualifying entity
13 fails to perform its substantive contribution, the local or
14 regional government shall enforce the project participation
15 agreement to recover that portion of the public support for
16 which the qualifying entity failed to provide a substantive
17 contribution. The recovery shall be proportional to the failed
18 performance of the substantive contribution and shall take into
19 account all previous substantive contributions performed by the
20 qualifying entity, based on the terms stated in the project
21 participation agreement.

22 [~~G-~~] D. The participation agreement at a minimum
23 shall set out:

24 (1) the contributions to be made by each party
25 to the participation agreement;

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1 (2) the security provided to ~~[the local or~~
2 ~~regional government]~~ each governmental entity that provides
3 public support for an economic development project by the
4 qualifying entity in the form of a lien, mortgage or other
5 indenture and the pledge of the qualifying business's financial
6 or material participation and cooperation to guarantee the
7 qualifying entity's performance pursuant to the project
8 participation agreement;

9 (3) a schedule for project development and
10 completion, including measurable goals and time limits for
11 those goals; and

12 (4) provisions for performance review and
13 actions to be taken upon a determination that project
14 performance is unsatisfactory."

15 SECTION 2. EFFECTIVE DATE.--The effective date of the
16 provisions of this act is July 1, 2013.