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HOUSE BILL 229

**54TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2019**

INTRODUCED BY

Candy Spence Ezzell and Phelps Anderson and Greg Nibert

AN ACT

RELATING TO SPECIAL DISTRICTS; CREATING THE REGIONAL AIR CENTER  
SPECIAL ECONOMIC DISTRICT ACT; ALLOWING FOR THE FORMATION OF  
INDUSTRIAL AIR CENTER SPECIAL ECONOMIC DISTRICTS AND  
AUTHORITIES TO GOVERN THE DISTRICTS; PROVIDING POWERS AND  
DUTIES.

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

SECTION 1. [NEW MATERIAL] SHORT TITLE.--This act may be  
cited as the "Regional Air Center Special Economic District  
Act".

SECTION 2. [NEW MATERIAL] DEFINITIONS.--As used in the  
Regional Air Center Special Economic District Act:

A. "authority" means the governing body of a  
district; and

B. "district" means an industrial air center

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1 special economic district governed by an authority.

2 SECTION 3. [NEW MATERIAL] CREATION OF A DISTRICT.--A

3 municipality and the county in which the municipality is  
4 located may agree to form a district:

5 A. the initial boundaries of which lie within the  
6 jurisdiction of the municipality, the county or both;

7 B. that includes an industrial air center composed  
8 of infrastructure associated with a former United States  
9 military base; and

10 C. that consists of land and real property formerly  
11 associated with the former United States military base and  
12 other land and real property made part of the district.

13 SECTION 4. [NEW MATERIAL] CREATION OF AN AUTHORITY--  
14 MEMBERS--TERMS--QUALIFICATIONS.--

15 A. A municipality and county that form a district  
16 shall create an authority to govern the district that consists  
17 of an odd number of members, but not fewer than five or more  
18 than nine in number.

19 B. The terms of the members shall be reasonably  
20 staggered. Of the members initially appointed, that number of  
21 members closest to, but not more than, one-half of the  
22 membership shall serve for two years. The term of all other  
23 members shall be four years.

24 C. A member shall not serve more than two  
25 consecutive four-year terms on the authority. A member who has

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1 served two consecutive four-year terms on the authority shall  
2 not serve another term until after four years following the  
3 second term have elapsed.

4 D. The authority may authorize a county that  
5 borders the county that created the district or a municipality  
6 or an Indian nation, tribe or pueblo in a county that borders  
7 the county that created the district to become part of the  
8 authority. The municipality and county that created the  
9 district and any subsequently accepted entities, as set forth  
10 in this subsection, may change the membership of the authority,  
11 up to the maximum allowed by Subsection A of this section, and  
12 change the terms of the members to allow the newly accepted  
13 entity to appoint one or more members to the authority.

14 E. An elected official shall not serve on the  
15 authority. A member of the authority shall not receive a  
16 salary or other compensation from the authority, but the  
17 authority may reimburse any reasonable expenses incurred by a  
18 member in conducting the business of the authority.

19 F. Before appointing a person to the authority, an  
20 appointing entity shall first determine that the person:

21 (1) has experience in the field of aviation,  
22 business, economic development, finance, commercial real estate  
23 investment or accounting; or

24 (2) possesses other qualifications that the  
25 entity determines are necessary or appropriate for carrying out

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1 the duties of the authority; and

2 (3) has no direct substantial conflict of  
3 interest in the business or operation of the authority.

4 G. An authority member shall abstain from an  
5 authority vote if the matter voted on poses a conflict of  
6 interest for the member. A member or employee of the authority  
7 shall not:

8 (1) acquire a financial interest in a new or  
9 existing business venture or business property if the member or  
10 employee believes or has reason to believe that the financial  
11 interest will be directly affected by an official act conducted  
12 in that membership or employment capacity;

13 (2) use confidential information acquired by  
14 virtue of membership on or employment by the authority for the  
15 member's or employee's or another person's private gain; or

16 (3) as a person with a financial or other  
17 interest in a business that is party to a contract, enter into  
18 a contract with the authority without there being public notice  
19 of the contract, a competitive bidding process for entry into  
20 the contract and full disclosure of that financial or other  
21 interest.

22 H. The governing body that appoints a member to an  
23 authority may remove the member if it determines that the  
24 member:

25 (1) willfully neglected or refused to perform

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1 an official duty;

2 (2) has violated the policies or procedures  
3 adopted by the authority; or

4 (3) has developed a direct, substantial  
5 conflict of interest in the business of the authority.

6 SECTION 5. [NEW MATERIAL] AUTHORITY--POWERS--DUTIES.--

7 A. An authority is a political subdivision of the  
8 state that may, in accordance with law and to effectuate the  
9 purposes of the district it governs:

10 (1) have perpetual existence;

11 (2) sue and be sued;

12 (3) adopt bylaws, policies and procedures;

13 (4) employ a director, who may employ staff as  
14 necessary to administer the authority;

15 (5) fix the time and place of meetings and the  
16 method of providing notice of the meetings;

17 (6) make and pass orders and resolutions  
18 necessary for governing and managing the authority and  
19 executing the powers of the authority;

20 (7) adopt and use a seal;

21 (8) create and define the duties of advisory  
22 committees;

23 (9) enter into contracts and agreements;

24 (10) borrow money and issue bonds;

25 (11) pledge all or a portion of its revenue to

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1 the payment of its bonds;

2 (12) issue refunding revenue bonds to  
3 refinance, pay or discharge all or part of its outstanding  
4 revenue bonds;

5 (13) impose liens;

6 (14) acquire, dispose of or encumber real or  
7 personal property or interests in real or personal property,  
8 including leases and easements;

9 (15) manage the land and property constituting  
10 and associated with the district, including by imposing rental  
11 charges and fees for the use of that land and property;

12 (16) exercise the power of eminent domain  
13 within the boundaries of the district as provided by law for  
14 the condemnation of private property for public use with just  
15 compensation;

16 (17) sell, transfer or convey real or personal  
17 property or interests in real or personal property acquired by  
18 the authority;

19 (18) alter the boundaries of the district with  
20 the approval of the affected municipality or county;

21 (19) construct and maintain airport  
22 facilities;

23 (20) establish standards and long-term  
24 development plans;

25 (21) apply to a public or private source for a

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1 loan, grant, guarantee or other type of financial assistance;

2 (22) exercise the rights and powers necessary  
3 or incidental to or implied by the specific powers granted by  
4 this section; and

5 (23) by resolution, delegate to a member or  
6 agent of the authority any of its powers, except the power to:

7 (a) adopt authority policies or  
8 procedures;

9 (b) initiate or continue legal action;

10 (c) establish policies on the use of  
11 revenue;

12 (d) acquire real or personal property or  
13 interests in real or personal property;

14 (e) expand the district; or

15 (f) issue bonds.

16 B. An authority shall:

17 (1) govern the district;

18 (2) adopt rules to govern its conduct,  
19 including standards and procedures for calling emergency  
20 meetings and a conflicts-of-interest policy;

21 (3) provide meaningful opportunities for  
22 public input on its policymaking;

23 (4) accept title to the real and personal  
24 property within the area constituting the district's initial  
25 boundaries;

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1 (5) use district property to manage airport  
2 operations, create jobs and foster economic development in all  
3 areas it deems appropriate and in the public welfare; and

4 (6) comply with all applicable laws,  
5 ordinances or rules enacted by the municipality or county  
6 having jurisdiction over the district's land or real property.

7 SECTION 6. [NEW MATERIAL] REVENUE BONDS--EXEMPTION FROM  
8 TAXATION.--

9 A. To effectuate the purposes of the district it  
10 governs, an authority may issue revenue bonds to:

11 (1) encourage the location of commercial,  
12 research or industrial or other enterprises to a district; or

13 (2) acquire, purchase, lease, construct or  
14 improve commercial, research or industrial sites or buildings  
15 or make other capital improvements, including the construction  
16 or maintenance of energy or pollution abatement or control  
17 facilities, as necessary.

18 B. An authority may issue special facility revenue  
19 bonds backed by a long-term lease of the facility to finance a  
20 specific tenant facility.

21 C. The bonds authorized by the Regional Air Center  
22 Special Economic District Act, the income from those bonds,  
23 mortgages or other security instruments executed as security  
24 for those bonds, lease agreements authorized by the Regional  
25 Air Center Special Economic District Act and revenue derived

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1 from a lease or sale by an authority are exempt from taxation  
2 by the state and its subdivisions.

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