1	HOUSE BILL 13
2	56TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2023
3	INTRODUCED BY
4	Raymundo Lara and Nathan P. Small
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10	AN ACT
11	RELATING TO BORDER DEVELOPMENT; AMENDING THE BORDER DEVELOPMENT
12	ACT; CHANGING THE COMPOSITION OF THE BORDER AUTHORITY;
13	PROVIDING PROFESSIONAL QUALIFICATION REQUIREMENTS FOR THE
14	POSITION OF EXECUTIVE DIRECTOR; MAKING TECHNICAL AND CLARIFYING
15	CHANGES; AMENDING AND REPEALING SECTIONS OF THE NMSA 1978.
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17	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:
18	SECTION 1. Section 58-27-3 NMSA 1978 (being Laws 1991,
19	Chapter 131, Section 3, as amended) is amended to read:
20	"58-27-3. DEFINITIONSAs used in the Border Development
21	Act:
22	A. "authority" means the border authority;
23	B. "bond" includes notes and obligations;
24	C. "bondholder" means the owner of a registered or
25	unregistered bond;
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1 [B.] D. "financial assistance" means grants and 2 loans provided for projects to a qualified entity on terms and 3 conditions approved by the authority; 4 [C.] E. "mortgage" means a mortgage or a mortgage 5 and deed of trust or the pledge and hypothecation of any assets as collateral security; 6 7 [D.] F. "port of entry" means an international port of entry in New Mexico at which customs services are provided 8 9 by the United States customs and border protection; 10 [E.] G. "project" means [any] land, [or] a building or [any] other [improvements] improvement acquired as a part of 11 12 a port of entry, [or] associated with a port of entry or to aid 13 commerce in connection with a port of entry, including [all] 14 real [and] or personal property [deemed] acquired as necessary 15 in connection therewith, whether or not now in existence. A 16 project shall be suitable for use by, or for, one or more of 17 the following: 18 (1) a port of entry, a foreign trade zone, an 19 inspection station, an emergency response station or any other 20 facilities to be used by [any] an agency or entity of the 21 United States government, [by] another qualified entity or [by]22 any other] a foreign international state; 23 an industry for the manufacturing, (2) 24 processing or [assembling of any] assembly of an agricultural, 25 mining or manufactured product; .224510.3

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1 a railroad switching yard, railroad (3) 2 station, bus terminal, airport or other passenger, commuter or 3 mass transportation system or freight transportation system; 4 a commercial business or other enterprise (4) 5 engaged in storing, warehousing, distributing or selling products of manufacturing, agriculture, mining or related 6 7 industries, not including facilities designed for the 8 distribution to the public of electricity or gas; 9 an enterprise in which all or part of the (5) 10 activities of the enterprise involve supplying services to the 11 general public or to governmental agencies or to a specific 12 industry or customer; 13 any industrial, commercial, agricultural, (6) 14 professional or other business enterprise seeking to occupy 15 office space; 16 infrastructure development involving (7) 17 acquiring, repairing, improving or maintaining storm sewers and 18 other drainage improvements, sanitary sewers, sewage treatment, 19 water utilities or solid waste disposal facilities, including 20 acquiring rights of way or water rights; 21 infrastructure development involving (8) 22 reconstructing, resurfacing, maintaining, repairing or 23 improving existing alleys, streets, roads or bridges or laying 24 off, opening, constructing or acquiring new alleys, streets, 25 roads or bridges, including acquiring rights of way; .224510.3 - 3 -

1 any industry that involves any water (9) 2 distribution or irrigation system, including pumps, 3 distribution lines, transmission lines, fences, dams and similar facilities and equipment, including acquiring rights of 4 5 way; or fire protection services or equipment or 6 (10)7 police protection services or equipment; [F.] H. "property" means land, improvements to the 8 9 land, buildings and improvements to the buildings, machinery 10 and equipment of any kind necessary to the project, operating 11 capital and any other personal properties deemed necessary in 12 connection with the project; and 13 [G.] I. "qualified entity" means the state or one 14 of its agencies, instrumentalities, institutions or political 15 subdivisions or the United States or any corporation, 16 department, instrumentality or agency of the federal government 17 [H. "bond" means any bonds, notes or other 18 obligations; and 19 I. "bondholder" means a person who is the owner of 20 a bond, regardless of whether the bond is registered]." 21 SECTION 2. Section 58-27-4 NMSA 1978 (being Laws 1991, 22 Chapter 131, Section 4, as amended) is amended to read: 23 "58-27-4. BORDER AUTHORITY CREATED--MEMBERSHIP.--24 Α. The "border authority" is created. The 25 authority is a state agency and is administratively attached to .224510.3

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the economic development department.

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2	[B. The authority consists of seven voting members,
3	six of whom shall be appointed by the governor. No more than
4	three of those appointed shall belong to the same political
5	party. The seventh member shall be the secretary of economic
6	development or the secretary's designee. The voting members
7	appointed by the governor shall be confirmed by the senate.
8	The lieutenant governor shall serve as a nonvoting ex-officio
9	member. The chair may appoint a nonvoting advisory committee
10	to provide advice and recommendations on authority matters.
11	C. The six voting members of the authority
12	appointed by the governor shall be citizens of the state and
13	shall serve for terms of four years except for the initial
14	appointees who shall be appointed so that the terms are
15	staggered after initial appointment. Initial appointees shall
16	serve terms as follows: two members for two years, two members
17	for three years and two members for four years.
18	B. The authority consists of the following eight
19	members:
20	(1) the secretary of economic development or
21	the secretary's designee;
22	(2) the secretary of transportation or the
23	secretary's designee;
24	(3) three members appointed by the governor,
25	subject to the advice and consent of the senate, who:
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1	<u>(a) are New Mexico residents;</u>
2	(b) represent the private sector; and
3	(c) have professional experience in: 1)
4	accounting; 2) agriculture; 3) business logistics or freight
5	shipping; 4) business management; 5) economic or land
6	<pre>development; 6) economics; 7) engineering; 8) finance; 9)</pre>
7	international commerce; or 10) the practice of law;
8	(4) one member appointed by the governor,
9	subject to the advice and consent of the senate, who is a city
10	councilor or mayor of a municipality with a jurisdiction that
11	is within twenty miles of a port of entry;
12	(5) one member appointed by the governor,
13	subject to the advice and consent of the senate, who is a
14	member of a board of county commissioners of a county with a
15	jurisdiction that includes a port of entry; and
16	(6) one member appointed by the governor,
17	subject to the advice and consent of the senate, who is a state
18	legislator whose district borders Mexico.
19	C. The members of the authority appointed by the
20	governor pursuant to Subsection B of this section shall serve
21	the following terms:
22	(1) one initial appointee, a one-year term;
23	(2) one initial appointee, a two-year term;
24	(3) one initial appointee, a three-year term;
25	(4) one initial appointee, a four-year term;
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1	and
2	(5) all other appointees, a five-year term.
3	D. The authority shall invite the following
4	officials to serve as advisory members of the authority:
5	(1) the two United States senators
6	representing New Mexico or those senators' designees;
7	(2) the United States representative
8	representing New Mexico's second congressional district or the
9	representative's designee;
10	(3) the lieutenant governor or the lieutenant
11	governor's designee;
12	(4) the governor of the state of Chihuahua,
13	Mexico, or the governor's designee;
14	(5) the governor of the state of Sonora,
15	Mexico, or the governor's designee;
16	(6) a person involved with business
17	development in Mexico; and
18	(7) additional members as deemed necessary and
19	approved by the authority."
20	SECTION 3. Section 58-27-6 NMSA 1978 (being Laws 1991,
21	Chapter 131, Section 6, as amended) is amended to read:
22	"58-27-6. OFFICERS OF THE AUTHORITYThe [secretary of
23	economic development shall serve as the chairman of the
24	authority. Authority members shall elect any other officers
25	from the membership that the authority determines appropriate]
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1 members of the authority shall elect a voting member to be its 2 chair and a voting member to be its vice chair. The members of the authority may establish other officer positions as the 3 4 members deem appropriate. All officer positions shall be for a 5 term of one year." SECTION 4. Section 58-27-10 NMSA 1978 (being Laws 1991, 6 7 Chapter 131, Section 10, as amended) is amended to read: 8 "58-27-10. POWERS AND DUTIES OF AUTHORITY .--9 Α. The authority shall: 10 advise the governor and the governor's (1) 11 staff and the New Mexico finance authority oversight committee 12 on [methods, proposals] programs and initiatives [involving the 13 New Mexico-Chihuahua] for development in the New Mexico-Mexico 14 border area that may [further] stimulate the border economy and 15 provide additional employment opportunities for New Mexico 16 [citizens] residents and on the methods and proposals related 17 to those programs and initiatives; 18 (2) subject to the provisions of the Border 19 Development Act, initiate, develop, acquire, own, construct and 20 maintain border development projects; 21 create programs to expand economic (3) 22 opportunities beyond the [New Mexico-Chihuahua] New Mexico-23 Mexico border area to other areas of the state; 24 (4) create avenues of communication between 25 New Mexico and [Chihuahua and the Republic of] Mexico .224510.3 - 8 -

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1	concerning economic development, trade, [and] commerce,
2	transportation and industrial affairs;
3	(5) promote legislation that will further the
4	goals of the authority and development of the border [region]
5	<u>area</u> ;
6	(6) produce or cause to have produced
7	promotional literature [related to explanation and fulfillment
8	of] explaining the authority's goals and reporting on the
9	progress made toward those goals;
10	(7) actively recruit industries and establish
11	programs that will result in the location and relocation of new
12	industries in the state;
13	(8) coordinate and expedite the involvement of
14	the [executive department's] <u>state agency</u> border area
15	<u>development</u> efforts;
16	(9) perform or cause to be performed
17	environmental, transportation, communication, land use and
18	other technical studies necessary or advisable for projects or
19	programs or to secure port-of-entry approval by the United
20	States and the Mexican governments and other appropriate
21	governmental agencies; and
22	(10) administer the border project fund and
23	projects financed with expenditures from that fund pursuant to
24	Section 58-27-25.1 NMSA 1978.
25	B. The authority may:
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1 solicit and accept federal, state, local (1) 2 and private grants of funds, property or financial or other aid 3 in any form [for the purpose of carrying out] to carry out the 4 provisions of the Border Development Act; 5 adopt rules governing [the manner in which (2) 6 its business is transacted and the manner in which the powers 7 of the authority are exercised and its duties performed] its transaction of business, the exercise of its powers or the 8 9 performance of its duties; 10 (3) act as an applicant for and the operator 11 of port-of-entry facilities and, as the applicant, carry out 12 all related tasks and functions, including: [acquisition by 13 purchase or gift of any real property necessary for port-of-14 entry facilities, acquisition by purchase, gift or construction 15 of any facilities or other real or personal property necessary 16 for a port of entry and filing all necessary documents and 17 follow-up of such filings with appropriate agencies] 18 (a) acquiring by purchase or gift real 19 property necessary for port-of-entry facilities; 20 (b) acquiring by purchase, gift or 21 construction facilities or other real or personal property 22 necessary for a port of entry; and 23 (c) filing necessary documents and 24 following up on those filings with the appropriate agencies; 25 (4) as part of a port of entry, give or .224510.3

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1 transfer real property, facilities and improvements owned by 2 the authority to the United States government; 3 acquire by construction, purchase, gift or (5) 4 lease projects [that shall be located within] in the state; 5 (6) sell, lease or otherwise dispose of a project upon terms and conditions acceptable to the authority 6 7 and in the best interests of the state; 8 enter into agreements with the [federal] (7) 9 United States government for the operation, improvement and 10 expansion of federal border facilities; 11 (8) enter into joint ventures, partnerships or 12 other business relationships with qualified entities and 13 private persons for the joint funding and operation of 14 projects; 15 (9) enter into agreements with private persons 16 concerning the advance of money by private persons for public 17 purposes or the granting of real property by private persons 18 for public purposes; 19 [(9)] (10) issue revenue bonds and borrow 20 money [for the purpose of defraying] to defray the cost of 21 acquiring a project by purchase or construction and to secure 22 the payment of [the] project bonds or [repayment of a] the 23 repayment of a project loan; 24 [(10)] (11) expend funds or incur debt for the 25 improvement, maintenance, repair or addition to property owned .224510.3 - 11 -

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1 by the authority, the state or the United States government; 2 and 3 [(11)] (12) refinance a project. 4 C. In exercising its authority, the authority shall not incur debt as a general obligation of the state or pledge 5 the full faith and credit of the state to repay debt." 6 7 SECTION 5. Section 58-27-12 NMSA 1978 (being Laws 1991, Chapter 131, Section 12, as amended) is amended to read: 8 9 "58-27-12. AUTHORITY STAFF--CONTRACTS.--10 [A. The authority shall hire an executive director 11 who shall employ the necessary professional, technical and 12 clerical staff to enable the authority to function efficiently. 13 B. The executive director of the authority shall 14 direct the affairs and business of the authority, subject to 15 the policies, control and direction of the authority.] 16 The authority shall hire an executive director, Α. 17 who shall have the following minimum qualifications: 18 (1) a doctorate in jurisprudence or a 19 baccalaureate degree in accounting, agronomy, business, 20 economics, engineering or finance; and 21 (2) four years of professional experience in 22 business management, economic or land development or freight 23 shipping or supply chain logistics, including at least two 24 years of experience in a managerial and policy-making position 25 at a business entity. .224510.3

1	B. The executive director of the authority shall:
2	(1) hire professional, technical and clerical
3	staff as necessary to enable the authority to function
4	efficiently; and
5	(2) direct the affairs and business of the
6	authority, subject to the policies, control and direction of
7	the authority.
8	C. The authority may contract with any other
9	competent private or public organization or individual to
10	assist in the fulfillment of its duties."
11	SECTION 6. Section 58-27-13 NMSA 1978 (being Laws 1991,
12	Chapter 131, Section 13) is amended to read:
13	"58-27-13. LOCATION OF AUTHORITYThe authority shall be
14	located in the [New Mexico-Chihuahua] <u>New Mexico-Mexico</u> border
15	area."
16	SECTION 7. Section 58-27-21 NMSA 1978 (being Laws 1991,
17	Chapter 131, Section 21) is amended to read:
18	"58-27-21. [BORDER] AUTHORITY REVENUE BONDSREFUNDING
19	AUTHORIZATION
20	A. The authority may issue refunding revenue bonds
21	[for the purpose of refinancing, paying and discharging all or
22	any] <u>to refinance, pay or discharge all or</u> part of <u>the</u>
23	outstanding authority revenue bonds of [any] one or more [or
24	all] outstanding issues <u>to</u> :
25	(1) [for the acceleration, deceleration or
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1 other modification of] accelerate, decelerate or otherwise
2 modify the payment of such obligations, including [without
3 limitation] any capitalization of [any] interest [thereon] on
4 those obligations in arrears or about to become due for [any
5 period not exceeding] a period of one year from the date of the
6 refunding bonds;

7 (2) [for the purpose of reducing] reduce
8 interest costs or [effecting] effect other economies; and
9 (3) [for the purpose of modifying or

eliminating] modify or eliminate restrictive contractual limitations pertaining to the issuance of additional bonds, otherwise concerning the outstanding bonds or to any facilities relating [thereto; or

(4) for any combination of those purposes] <u>to</u> those bonds.

B. The authority may pledge irrevocably for the payment of interest and principal on refunding bonds the appropriate pledged revenues [which] that may be pledged to an original issue of bonds.

C. Bonds for refunding and bonds for any purpose permitted by the Border Development Act may be issued separately or issued in combination in one series or more."

SECTION 8. Section 58-27-25 NMSA 1978 (being Laws 1991, Chapter 131, Section 25, as amended) is amended to read:

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"58-27-25. FUND CREATED.--

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1 The "border authority fund" is created in the Α. 2 state treasury. Separate accounts within the fund may be 3 created for [any project] projects. Money in the fund is appropriated to the authority for the purposes of carrying out 4 5 the provisions of the Border Development Act. Money in the fund shall not revert at the end of a fiscal year. 6 7 Except as provided in Subsections E and F of Β. this section, money received by the authority shall be 8 9 deposited in the border authority fund, including [but not 10 limited to] all: 11 (1)[the] proceeds of bonds issued by the 12 authority or from any loan to the authority made pursuant to 13 the Border Development Act; 14 interest earned [upon] on money in the (2) 15 fund; 16 [any] property or securities acquired (3) 17 through the use of money belonging to the fund and earnings 18 from those assets; 19 [(4) all earnings of such property or 20 securities; 21 (5)] (4) lease or rental payments received by 22 the authority from [any] a project and distributed to the fund 23 pursuant to Subsection F of this section; 24 [(6) all] (5) other money received by the 25 authority from any public or private source except [that, if .224510.3

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the public or private source expresses an intent that the money be used] money designated by the source for projects pursuant to Section 58-27-25.1 NMSA 1978, [then the money] which shall instead be deposited into the border project fund [and not the border authority fund]; and

[(7)] (6) tolls, fees, rents or other charges imposed and collected by the authority and distributed to the fund pursuant to Subsection F of this section.

C. Disbursements from the border authority fund shall be made only upon warrant drawn by the secretary of finance and administration pursuant to vouchers signed by the executive director of the authority or the executive director's designee pursuant to the Border Development Act; provided that in the event the position of executive director is vacant, vouchers may be signed by the chair of the authority.

D. Earnings on the balance in the border authority fund shall be credited to the fund. In addition, in the event that the proceeds from the issuance of bonds or from money borrowed by the authority are deposited in the state treasury, interest earned on that money during the period commencing with the deposit in the state treasury until the actual transfer of the money to the fund shall be credited to the fund.

E. All proceeds from issuing revenue bonds shall be placed in trust with a chartered bank to be [dispersed] <u>disbursed</u> by the trustee, pursuant to the terms [set forth] in .224510.3

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the bonding resolution adopted by the authority.

2 F. Ten percent of the tolls, fees, rents, lease 3 payments and other charges that are imposed, collected and 4 received by the authority shall be deposited [into] in the 5 border project fund and the remaining ninety percent shall be deposited into the border authority fund; provided that the 6 7 money deposited [into] in the border authority fund shall be 8 expended only as appropriated and in accordance with a budget 9 approved by the state budget division of the department of 10 finance and administration."

SECTION 9. Section 58-27-25.1 NMSA 1978 (being Laws 2011, Chapter 59, Section 4) is amended to read:

"58-27-25.1. BORDER PROJECT FUND--CREATED--PURPOSE--EXPENDITURES. --

The "border project fund" is created in the Α. 16 state treasury.

> The border project fund shall consist of: Β.

payments of principal and interest on (1)loans for projects;

(2) [the] that portion of the tolls, fees, rents, lease payments or other charges that are imposed, collected and received by the authority and distributed to the fund pursuant to Subsection F of Section 58-27-25 NMSA 1978;

(3) money from public or private sources [and] that is deposited into the fund pursuant to Paragraph [(6)] (5) .224510.3 - 17 -

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1 of Subsection B of Section 58-27-25 NMSA 1978; 2 (4) money appropriated by the legislature or distributed or otherwise allocated to the fund; 3 4 (5) the proceeds of severance tax bonds appropriated to the fund for projects; and 5 6 (6) income from investment of the fund, which 7 shall be credited to the border project fund. Except for severance tax bond proceeds required 8 C. 9 to revert to the severance tax bonding fund, balances in the 10 border project fund at the end of a fiscal year shall not 11 revert to any other fund. 12 The [border project fund may consist of D. 13 subaccounts as determined to be necessary by the] authority may 14 establish one or more subaccounts of the border project fund as 15 it deems necessary. 16 The border project fund is appropriated to the Ε. 17 authority for the following purposes: 18 (1) providing financial assistance in the form 19 of grants or loans with terms and conditions approved by the 20 authority to qualified entities for projects; 21 [costs incurred in the operation of a port (2) 22 of entry or related project pursuant to a joint powers 23 agreement entered into with the federal government] paying 24 costs incurred pursuant to agreements with private persons 25 concerning the advance of money by a private person for a .224510.3

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1 public purpose; or 2 (3) paying costs incurred in the joint funding 3 or operation of a project as part of a joint venture, 4 [partnership or other business relationship with a qualified 5 entity or private person]. The authority may establish procedures and adopt 6 F. 7 rules as required to: 8 administer the border project fund; (1) 9 (2) originate financial assistance in the form 10 of grants or loans with terms and conditions approved by the 11 authority for projects selected by the authority; and 12 govern the process through which qualified (3) entities may apply for financial assistance from the border 13 14 project fund." 15 SECTION 10. Section 58-27-26 NMSA 1978 (being Laws 1995, 16 Chapter 192, Section 21) is amended to read: 17 "58-27-26. NEW MEXICO FINANCE AUTHORITY OVERSIGHT 18 COMMITTEE--REPORTS--OVERSIGHT POWERS AND DUTIES.--19 A. On or before November 30, 2024 and on or before 20 November 30 of each subsequent year, the authority shall 21 provide a report concerning the status of its projects to the 22 legislative finance committee. 23 B. The New Mexico finance authority oversight 24 committee shall serve as the oversight committee to the border 25 authority. The New Mexico finance authority oversight .224510.3 - 19 -

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1 committee shall:

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[A.] (1) monitor and oversee the operation of the border authority;

 $[B_{\tau}]$ (2) meet on a regular basis to receive and review reports from the border authority on implementation of the provisions of the Border Development Act and to review and approve regulations proposed for adoption pursuant to that act;

9 [C.] (3) monitor and provide assistance and 10 advice on the project financing program of the border 11 authority;

12 [Đ.] (4) oversee and monitor state and local 13 government capital planning and financing and take testimony 14 from state and local officials on border and port of entry 15 capital needs;

[E.] (5) provide advice and assistance to the border authority and cooperate with the executive branch of state government and local governments on planning, setting priorities for and financing of border and port of entry capital projects;

[F.] (6) undertake an ongoing examination of the statutes, constitutional provisions, regulations and court decisions governing border and port of entry capital financing in New Mexico; and

[6.] (7) report its findings and

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1 recommendations, including recommended legislation or necessary 2 changes, to the governor and to each session of the 3 legislature. The report and proposed legislation shall be made 4 available on or before December 15 each year." 5 TEMPORARY PROVISION--RESTRUCTURING OF BORDER SECTION 11. AUTHORITY .-- On July 1, 2024 the terms of the voting members of 6 7 the border authority as of June 30, 2024 shall end, and voting 8 members appointed pursuant to Section 2 of this act shall be 9 installed as voting members of the authority. 10 SECTION 12. REPEAL. -- Section 58-27-7 NMSA 1978 (being 11 Laws 1991, Chapter 131, Section 7) is repealed. 12 SECTION 13. EFFECTIVE DATE.--The effective date of the 13 provisions of this act is July 1, 2023. 14 - 21 -15 16 17 18 19 20 21 22 23 24 25 .224510.3

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