

1 SENATE BILL 181

2 **57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025**

3 INTRODUCED BY

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10 AN ACT

11 RELATING TO ECONOMIC DEVELOPMENT; AMENDING THE LOCAL ECONOMIC
12 DEVELOPMENT ACT TO PROVIDE NEW QUALIFYING ENTITIES.

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

15 SECTION 1. Section 5-10-3 NMSA 1978 (being Laws 1993,
16 Chapter 297, Section 3, as amended by Laws 2021, Chapter 3,
17 Section 1 and by Laws 2021, Chapter 135, Section 1) is amended
18 to read:

19 "5-10-3. DEFINITIONS.--As used in the Local Economic
20 Development Act:

21 A. "arts and cultural district" means a developed
22 district of public and private uses that is created pursuant to
23 the Arts and Cultural District Act;

24 B. "broadband telecommunications network
25 facilities" means the electronics, equipment, transmission

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1 facilities, fiber-optic cables and any other item directly
2 related to a system capable of transmission of internet
3 protocol or other formatted data at current federal
4 communications commission baseline speed standard, all of which
5 will be owned and used by a provider of internet access
6 services;

7 C. "cultural facility" means a facility that is
8 owned by the state, a county, a municipality or a qualifying
9 entity that serves the public through preserving, educating and
10 promoting the arts and culture of a particular locale,
11 including theaters, museums, libraries, galleries, cultural
12 compounds, educational organizations, performing arts venues
13 and organizations, fine arts organizations, studios and media
14 laboratories and live-work housing facilities;

15 D. "dental clinic" means a person, corporation,
16 organization, facility or institution licensed or certified by
17 this state to provide dental health care that does not receive
18 state government revenues pursuant to the Local Economic
19 Development Act;

20 ~~[D.]~~ E. "department" means the economic development
21 department;

22 ~~[E.]~~ F. "economic development project" or "project"
23 means the project of a qualifying entity for which public
24 support may be provided pursuant to the Local Economic
25 Development Act;

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1 [F-] G. "governing body" means the city council,
2 city commission or board of trustees of a municipality or the
3 board of county commissioners of a county;

4 H. "independent medical practice" means a person,
5 corporation, organization, facility or institution licensed or
6 certified by this state to provide health care or professional
7 services as or by a doctor of medicine, doctor of osteopathy,
8 podiatric physician, physician assistant, certified nurse
9 practitioner or certified nurse-midwife that does not receive
10 state government revenues pursuant to the Local Economic
11 Development Act; "independent medical practice" does not
12 include a hospital licensed in this state or a hospital-
13 controlled facility;

14 [G-] I. "local government" means a municipality or
15 county;

16 [H-] J. "municipality" means an incorporated city,
17 town or village;

18 [F-] K. "new full-time economic base job" means a
19 job:

- 20 (1) that is primarily performed in New Mexico;
- 21 (2) that is held by an employee who is hired
22 to work an average of at least thirty-two hours per week for at
23 least forty-eight weeks per year;
- 24 (3) that is:
 - 25 (a) involved, directly or in a

1 supervisory capacity, with the production of: 1) a service;
2 provided that the majority of the revenue generated from the
3 service is from sources outside the state; or 2) tangible or
4 intangible personal property for sale; or

5 (b) held by an employee who is employed
6 at a regional, national or international headquarters operation
7 or at an operation that primarily provides services for other
8 operations of the qualifying entity that are located outside
9 the state; and

10 (4) that is not directly involved with natural
11 resources extraction or processing, on-site services where the
12 customer is present for the delivery of the service, retail,
13 construction or agriculture except for value-added processing
14 performed on agricultural products that would then be sold for
15 wholesale or retail consumption;

16 [~~J-~~] L. "person" means an individual, corporation,
17 association, partnership or other legal entity;

18 [~~K-~~] M. "public support" means the provision of
19 assistance by the state to a local or regional government or
20 the provision of direct or indirect assistance to a qualifying
21 entity by a local or regional government for an economic
22 development project. "Public support":

23 (1) includes the provision of:

24 (a) land, buildings or other
25 infrastructure, by purchase, lease, grant, construction,

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1 reconstruction, improvement or other acquisition or conveyance;

2 (b) the placement of new broadband
3 telecommunications network facilities; provided that the
4 facilities shall not serve a public facility or location that
5 already meets federal communications commission baseline speed
6 standards;

7 (c) rights-of-way infrastructure,
8 including trenching and conduit, for the placement of new
9 broadband telecommunications network facilities;

10 (d) public works improvements essential
11 to the location or expansion of a qualifying entity;

12 (e) payments for professional services
13 contracts necessary for local or regional governments to
14 implement a plan or provide public support for a project;

15 (f) direct loans or grants for land,
16 buildings or infrastructure;

17 (g) technical assistance to cultural
18 facilities;

19 (h) loan guarantees securing the cost of
20 land, buildings or infrastructure in an amount not to exceed
21 the revenue that may be derived from an increment of the: 1)
22 municipal gross receipts tax imposed at a rate not to exceed
23 one-fourth percent and dedicated by the ordinance imposing the
24 increment for projects; or 2) county gross receipts tax imposed
25 at a rate not to exceed one-eighth percent and dedicated by the

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1 ordinance imposing the increment for projects;

2 (i) grants for public works
3 infrastructure improvements essential to the location or
4 expansion of a qualifying entity and grants or subsidies to
5 cultural facilities;

6 (j) land for a publicly held industrial
7 park or a publicly owned cultural facility, by purchase; and

8 (k) the construction of a building for
9 use by a qualifying entity; but

10 (2) does not include the purchase, lease,
11 grant or other acquisition or conveyance of water rights;

12 ~~[E.]~~ N. "qualifying entity" means a corporation,
13 limited liability company, partnership, joint venture,
14 syndicate, association or other person that is one or a
15 combination of two or more of the following:

16 (1) an industry for the manufacturing,
17 processing or assembling of agricultural or manufactured
18 products;

19 (2) a commercial enterprise for storing,
20 warehousing, distributing or selling products of agriculture,
21 mining or industry, but, other than as provided in Paragraph
22 (5), (6) or ~~[(9)]~~ (12) of this subsection, not including any
23 enterprise for sale of goods or commodities at retail or for
24 distribution to the public of electricity, gas, water or
25 telephone or other services commonly classified as public

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1 utilities;

2 (3) a business, including a restaurant or
3 lodging establishment, in which all or part of the activities
4 of the business involves the supplying of services to the
5 general public or to governmental agencies or to a specific
6 industry or customer, but, other than as provided in Paragraph
7 (5) or ~~[(9)]~~ (12) of this subsection, not including businesses
8 primarily engaged in the sale of goods or commodities at
9 retail;

10 (4) an Indian nation, tribe or pueblo or a
11 federally chartered tribal corporation;

12 (5) a telecommunications sales enterprise that
13 makes the majority of its sales to persons outside New Mexico;

14 (6) a facility for the direct sales by growers
15 of agricultural products, commonly known as farmers' markets;

16 (7) a business that is the developer of a
17 metropolitan redevelopment project;

18 (8) a cultural facility;

19 (9) an independent medical practice;

20 (10) a veterinary facility;

21 (11) a dental clinic; and

22 ~~[(9)]~~ (12) a retail business;

23 ~~[M.]~~ O. "regional government" means any combination
24 of municipalities and counties that enter into a joint powers
25 agreement to provide public support for economic development

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1 projects pursuant to a plan adopted by all parties to the joint
2 powers agreement; ~~and~~

3 ~~N.]~~ P. "retail business" means a business that is
4 primarily engaged in the sale of goods or commodities at retail
5 and that is located:

6 (1) in a municipality with a population,
7 according to the most recent federal decennial census, of:

8 (a) fifteen thousand or less; or

9 (b) more than fifteen thousand if the
10 economic development project is not funded or financed with
11 state government revenues; or

12 (2) in an unincorporated area of a county; and

13 Q. "veterinary facility" means a facility that is
14 licensed by this state to practice veterinary medicine as
15 defined pursuant to Section 61-14-2 NMSA 1978 and does not
16 receive state government revenues pursuant to the Local
17 Economic Development Act."