

1 SENATE BILL 131

2 **52ND LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2015**

3 INTRODUCED BY

4 Mimi Stewart

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9  
10 AN ACT

11 RELATING TO PROPERTY TAX REVENUES; REQUIRING LOCAL GOVERNMENT  
12 ISSUERS OF INDUSTRIAL REVENUE BONDS TO PROVIDE TIMELY NOTICE OF  
13 THE BOND ISSUANCE TO ALL LOCAL PUBLIC BODIES WHOSE PROPERTY TAX  
14 BASE IS AFFECTED BY THE ISSUANCE; ALLOWING LOCAL PUBLIC BODIES  
15 TO COMMENT ON THE IMPACT OF THE BONDS; REQUIRING NEGOTIATION OF  
16 PAYMENTS IN LIEU OF TAXES FOR CERTAIN SCHOOL DISTRICTS WHOSE  
17 PROPERTY TAX BASE IS IMPACTED BY THE PROPOSED ISSUANCE OF  
18 INDUSTRIAL REVENUE BONDS.

19  
20 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

21 SECTION 1. Section 3-32-6.1 NMSA 1978 (being Laws 1997,  
22 Chapter 216, Section 2 and Laws 1997, Chapter 226, Section 2,  
23 as amended) is amended to read:

24 "3-32-6.1. [~~NOTICE TO COUNTY~~] NOTIFICATION REQUIREMENT.--

25 A. Prior to adopting an ordinance issuing

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1 industrial revenue bonds, [~~the municipality shall give notice~~  
2 ~~to the board of county commissioners and the county assessor of~~  
3 ~~its intent to consider the matter. The board and the county~~  
4 ~~assessor shall be notified at least thirty days prior to the~~  
5 ~~meeting at which final action is to be taken so that comments~~  
6 ~~can be transmitted to the municipality.~~

7 B. ~~The board of county commissioners and the county~~  
8 ~~assessor shall be able to forward their comments and any~~  
9 ~~concerns to the city council, but there is no approval required~~  
10 ~~from the board or the county assessor and they do not have veto~~  
11 ~~over the proposed industrial revenue bond issuance.~~

12 C. ~~The municipality and county shall jointly~~  
13 ~~develop criteria for issuance of industrial revenue bonds by~~  
14 ~~either government; provided, however, that industrial revenue~~  
15 ~~bonds may be authorized and issued before development of the~~  
16 ~~criteria is completed] every municipality that proposes to~~

17 issue industrial revenue bonds for a project shall provide  
18 notice of the proposed issuance to all local public bodies with  
19 property taxing authority that will be affected by the issuance  
20 of the bonds. The notice shall be delivered at least thirty  
21 days prior to the meeting at which final action on the  
22 ordinance is to be taken. Upon the request of a local public  
23 body, the municipality shall provide an opportunity for comment  
24 on the impact of the proposed bond issuance.

25 [~~D.~~] B. The municipality shall notify the board of

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1 county commissioners and the county assessor when an industrial  
2 revenue bond has matured, expired or been replaced by a  
3 refunding bond."

4 SECTION 2. A new section of the Industrial Revenue Bond  
5 Act is enacted to read:

6 "[NEW MATERIAL] SCHOOL DISTRICT IMPACT--REQUIREMENT FOR  
7 NEGOTIATION OF PAYMENT IN LIEU OF TAXES.--

8 A. Prior to adopting an ordinance issuing  
9 industrial revenue bonds, a municipality and the company  
10 proposing the project, upon a request from the local school  
11 board of a school district that has determined the bond  
12 issuance may have a significant impact on the school district,  
13 shall determine the projected impact of the project on school  
14 district membership. Any study necessary to develop this data  
15 shall be carried out as agreed upon by the municipality and the  
16 company, with any cost borne by the company requesting the  
17 bonds. Any request made pursuant to this subsection shall be  
18 delivered to the municipality and the company at least twenty-  
19 one days prior to the meeting at which final action on the  
20 ordinance is to be taken.

21 B. If the project is projected to result in a  
22 significant impact, the municipality and the company shall  
23 negotiate a payment in lieu of taxes acceptable to the school  
24 district. A majority of the members of the local school board  
25 of that school district may vote to waive the requirement of a

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1 payment in lieu of taxes.

2 C. As used in this section, "significant impact"  
3 means:

4 (1) an increase of more than fifteen percent  
5 in the school district's membership over a three-year period;  
6 or

7 (2) an increase in the capital costs of  
8 meeting the projected growth payable from general obligation  
9 bonds that would result in the school district's exceeding  
10 seventy-five percent of its general obligation bonding  
11 capacity."

12 SECTION 3. Section 4-59-4.1 NMSA 1978 (being Laws 1997,  
13 Chapter 216, Section 4 and Laws 1997, Chapter 226, Section 4,  
14 as amended by Laws 2011, Chapter 80, Section 1 and by Laws  
15 2011, Chapter 82, Section 1) is amended to read:

16 "4-59-4.1. ~~[NOTICE]~~ NOTIFICATION REQUIREMENT.--

17 A. Prior to adopting an ordinance issuing county  
18 industrial revenue bonds, a county shall give notice to the  
19 county assessor and any entity located within the county  
20 authorized to levy taxes on property in the county of its  
21 intent to consider the matter. The county assessor and  
22 entities authorized to levy taxes shall be notified by  
23 certified mail, return receipt requested, at least thirty  
24 calendar days prior to the meeting at which final action is to  
25 be taken so that comments can be transmitted to the county.

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1 The notice shall include the amount, the purpose and the time  
2 period of the proposed industrial revenue bonds.

3 ~~[B. The county assessor and entities authorized to~~  
4 ~~levy taxes shall be able to forward their comments and any~~  
5 ~~concerns to the board of county commissioners, but there is no~~  
6 ~~approval required from the county assessor or entities~~  
7 ~~authorized to levy taxes and they do not have veto over the~~  
8 ~~proposed county industrial revenue bond issuance.~~

9 ~~C. The county and entities authorized to levy taxes~~  
10 ~~shall jointly develop criteria for issuance of industrial~~  
11 ~~revenue bonds; provided, however, that county industrial~~  
12 ~~revenue bonds may be authorized and issued before development~~  
13 ~~of the criteria is completed.~~

14 ~~D.]~~ B. The county shall notify the board of county  
15 commissioners, the county assessor and any entity levying taxes  
16 on property in the county when an industrial revenue bond has  
17 matured, expired or been replaced by a refunding bond."

18 SECTION 4. A new section of the County Industrial Revenue  
19 Bond Act is enacted to read:

20 "[NEW MATERIAL] SCHOOL DISTRICT IMPACT--REQUIREMENT FOR  
21 NEGOTIATION OF PAYMENT IN LIEU OF TAXES.--

22 A. Prior to adopting an ordinance issuing  
23 industrial revenue bonds, a county and the company proposing  
24 the project, upon a request from the local school board of a  
25 school district that has determined the bond issuance may have

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1 a significant impact on the school district, shall determine  
2 the projected impact of the project on school district  
3 membership. Any study necessary to develop this data shall be  
4 carried out as agreed upon by the county and the company, with  
5 any cost borne by the company requesting the bonds. Any  
6 request made pursuant to this subsection shall be delivered to  
7 the county and the company at least twenty-one days prior to  
8 the meeting at which final action on the ordinance is to be  
9 taken.

10 B. If the project is projected to result in a  
11 significant impact, the county and the company shall negotiate  
12 a payment in lieu of taxes acceptable to the school district.  
13 A majority of the members of the local school board of that  
14 school district may vote to waive the requirement of a payment  
15 in lieu of taxes.

16 C. As used in this section, "significant impact"  
17 means:

18 (1) an increase of more than fifteen percent  
19 in the school district's membership over a three-year period;  
20 or

21 (2) an increase in the capital costs of  
22 meeting the projected growth payable from general obligation  
23 bonds that would result in the school district exceeding  
24 seventy-five percent of its general obligation bonding  
25 capacity."

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