

1 HOUSE BILL 203

2 **54TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2019**

3 INTRODUCED BY

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5 Andrea Romero and Anthony Allison
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10 AN ACT

11 RELATING TO ECONOMIC DEVELOPMENT; EXPANDING THE STATEWIDE
12 ECONOMIC DEVELOPMENT FINANCE ACT TO INCLUDE AGRICULTURAL
13 ENTERPRISES.
14

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

16 SECTION 1. Section 6-25-3 NMSA 1978 (being Laws 2003,
17 Chapter 349, Section 3, as amended) is amended to read:

18 "6-25-3. DEFINITIONS.--As used in the Statewide Economic
19 Development Finance Act:

20 A. "authority" means the New Mexico finance
21 authority;

22 B. "department" means the economic development
23 department;

24 C. "community development entity" means an entity
25 designed to take advantage of the federal new markets tax

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1 credit program;

2 D. "economic development assistance provisions"
3 means the economic development assistance provisions of
4 Subsection D of Article 9, Section 14 of the constitution of
5 New Mexico;

6 E. "project revenue bonds" means bonds, notes or
7 other instruments authorized in Section 6-25-7 NMSA 1978 and
8 issued by the authority pursuant to the Statewide Economic
9 Development Finance Act on behalf of eligible entities;

10 F. "economic development goal" means:

11 (1) assistance to rural and underserved areas
12 designed to increase business activity, including agricultural
13 enterprises, such as new or ongoing agricultural projects that
14 add value to New Mexico agricultural products;

15 (2) retention and expansion of existing
16 business, including agricultural enterprises, such as new or
17 ongoing agricultural projects that add value to New Mexico
18 agricultural products;

19 (3) attraction of new business, including
20 agricultural enterprises, such as new or ongoing agricultural
21 projects that add value to New Mexico agricultural products; or

22 (4) creation and promotion of an environment
23 suitable for the support of start-up and emerging business,
24 including agricultural enterprises, such as new or ongoing
25 agricultural projects that add value to New Mexico agricultural

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1 products within the state;

2 G. "economic development revolving fund bonds"
3 means bonds, notes or other instruments payable from the fund
4 and issued by the authority pursuant to the Statewide Economic
5 Development Finance Act;

6 H. "eligible entity" means a for-profit or not-for-
7 profit business, including an agricultural enterprise, such as
8 new or ongoing agricultural projects that add value to New
9 Mexico agricultural products and including a corporation,
10 limited liability company, partnership or other entity,
11 determined by the department to be engaged in an enterprise
12 that serves an economic development goal and is suitable for
13 financing assistance;

14 I. "federal new markets tax credit program" means
15 the tax credit program codified as Section 45D of the Internal
16 Revenue Code of 1986, as that section may be amended or
17 renumbered, and regulations issued pursuant to that section;

18 J. "financing assistance" means project revenue
19 bonds, loans, loan participations or loan guarantees provided
20 by the authority to or for eligible entities pursuant to the
21 Statewide Economic Development Finance Act;

22 K. "fund" means the economic development revolving
23 fund;

24 L. "mortgage" means a mortgage, deed of trust or
25 pledge of any assets as a collateral security;

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1 M. "opt-in agreement" means an agreement entered
2 into between the department and a qualifying county, a school
3 district and, if applicable, a qualifying municipality that
4 provides for county, school district and, if applicable,
5 municipal approval of a project, subject to compliance with all
6 local zoning, permitting and other land use rules, and for
7 payments in lieu of taxes to the qualifying county, school
8 district and, if applicable, qualifying municipality as
9 provided by the Statewide Economic Development Finance Act;

10 N. "payment in lieu of taxes" means the total
11 annual payment, including any state in-lieu payment, paid as
12 compensation for the tax impact of a project, in an amount
13 negotiated and determined in the opt-in agreement between the
14 department and the qualifying county, the school district and,
15 if applicable, the qualifying municipality, which payment shall
16 be distributed to the county, municipality and school district
17 in the same proportion as property tax revenues are normally
18 distributed to those recipients;

19 O. "standard project" means land, buildings,
20 improvements, machinery and equipment, operating capital and
21 other personal property for which financing assistance is
22 provided for adequate consideration, taking into account the
23 anticipated quantifiable benefits of the standard project, for
24 use by an eligible entity as:

- 25 (1) industrial or manufacturing facilities;

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1 (2) commercial facilities, including
2 facilities for wholesale sales and services;

3 (3) health care facilities, including
4 hospitals, clinics, laboratory facilities and related office
5 facilities;

6 (4) educational facilities, including schools;

7 (5) arts, entertainment or cultural
8 facilities, including museums, theaters, arenas or assembly
9 halls; ~~and~~

10 (6) recreational and tourism facilities,
11 including parks, pools, trails, open space and equestrian
12 facilities; and

13 (7) agricultural enterprises, including new or
14 ongoing agricultural projects and projects that add value to
15 New Mexico agricultural products;

16 P. "project" means a standard project or a state
17 project;

18 Q. "qualifying municipality or county" means a
19 municipality or county that enters into an opt-in agreement;

20 R. "quantifiable benefits" means a project's
21 advancement of an economic development goal as measured by a
22 variety of factors, including:

23 (1) the benefits an eligible entity contracts
24 to provide, such as local hiring quotas, job training
25 commitments and installation of public facilities or

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1 infrastructure; and

2 (2) other benefits such as the total number of
3 direct and indirect jobs created by the project, total amount
4 of annual salaries to be paid as a result of the project, total
5 gross receipts and occupancy tax collections, total property
6 tax collections, total state corporate and personal income tax
7 collections and other fee and revenue collections resulting
8 from the project;

9 S. "school district" means a school district where
10 a project is located that is exempt from property taxes
11 pursuant to the Statewide Economic Development Finance Act;

12 T. "state in-lieu payment" means an annual payment,
13 in an amount determined by the department, that will be
14 distributed to a qualifying county, a school district and, if
15 applicable, a qualifying municipality in the same proportion as
16 property tax revenues are normally distributed to those
17 recipients;

18 U. "state project" means land, buildings or
19 infrastructure for facilities to support new or expanding
20 eligible entities for which financing assistance is provided
21 pursuant to the economic development assistance provisions; and

22 V. "tax impact of a project" means the annual
23 reduction in property tax revenue to affected property tax
24 revenue recipients directly resulting from the conveyance of a
25 project to the department."

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