

HOUSE COMMERCE AND ECONOMIC DEVELOPMENT  
COMMITTEE SUBSTITUTE FOR  
HOUSE BILL 396

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

AN ACT

RELATING TO REGIONAL SPACEPORT DISTRICTS; CHANGING BOARD  
COMPOSITION; LIMITING THE ISSUANCE OF BONDS UNDER THE SPACEPORT  
DEVELOPMENT ACT THAT ARE SECURED WITH REVENUE FROM A COUNTY  
REGIONAL SPACEPORT GROSS RECEIPTS TAX; PROVIDING THAT A COUNTY  
REGIONAL SPACEPORT GROSS RECEIPTS TAX BE IMPOSED ONLY UNTIL THE  
BONDS ISSUED ARE FULLY DISCHARGED OR OTHERWISE PROVIDED FOR IN  
FULL; REQUIRING THAT A CERTAIN PERCENTAGE OF REVENUE FROM A  
COUNTY REGIONAL SPACEPORT GROSS RECEIPTS TAX BE DEDICATED TO  
THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON BONDS ISSUED  
UNDER THE SPACEPORT DEVELOPMENT ACT.

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

**SECTION 1.** Section 5-16-5 NMSA 1978 (being Laws 2006,  
Chapter 15, Section 5) is amended to read:

"5-16-5. BOARD.--

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1           A. All powers, privileges and duties vested in or  
2 imposed upon the district shall be exercised and performed by  
3 the board. The board may delegate its powers by resolution to  
4 an officer or agent of the board, with the exception of the  
5 following:

- 6                   (1) adoption of board policies and procedures;
- 7                   (2) initiation or continuation of legal  
8 action;
- 9                   (3) establishment of policies regarding the  
10 use of revenues; and
- 11                   (4) request to the authority to issue bonds.

12           B. Only an elected official may vote on resolutions  
13 regarding Paragraph (4) of Subsection A of this section.

14           C. The board shall adopt rules to govern its  
15 conduct and provide meaningful opportunities for public input,  
16 which shall include standards and procedures for calling  
17 emergency meetings.

18           D. The board shall be composed of at least one  
19 director from each governmental unit that is a member of the  
20 district. A director shall be an elected official or the  
21 official's designee. A governmental unit shall not have a  
22 majority of membership on the board, unless there are three or  
23 fewer participating governmental units in the district, in  
24 which case each governmental unit that is a member shall have  
25 one director for every one million dollars (\$1,000,000) in

1 gross receipts tax provided in the previous taxable year to the  
 2 regional spaceport district board pursuant to Section 7-20E-25  
 3 NMSA 1978, up to a maximum of four directors from each  
 4 governmental unit that is a member.

5 E. A director of the board shall not vote on an  
 6 issue when the director has a conflict of interest. A director  
 7 of the board, officer of the board or employee of the board  
 8 shall not:

9 (1) acquire a financial interest in a new or  
 10 existing business venture or business property of any kind when  
 11 the person believes or has reason to believe that the new  
 12 financial interest will be directly affected by the official  
 13 act;

14 (2) use confidential information acquired by  
 15 virtue of the person's office or employment for the person's or  
 16 another's private gain; or

17 (3) contract with the district without public  
 18 notice and competitive bidding and full disclosure of the  
 19 person's financial or other interest in the business that is  
 20 party to the contract.

21 F. The attorney general shall investigate and  
 22 prosecute, when appropriate, a complaint brought to the  
 23 attorney general's attention involving a violation of  
 24 Subsection E of this section. Violation of the provisions of  
 25 Subsection E of this section by a director of the board,

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1 officer of the board or employee of the board is grounds for  
2 removal or suspension of the director or officer and dismissal,  
3 demotion or suspension of the employee.

4 G. In addition to all other powers conferred by the  
5 Regional Spaceport District Act, the board may:

6 (1) adopt bylaws;

7 (2) fix the time and place of meetings and the  
8 method of providing notice of the meetings;

9 (3) make and pass orders and resolutions  
10 necessary for the government and management of the affairs of  
11 the district and the execution of the powers vested in the  
12 district;

13 (4) adopt and use a seal; and

14 (5) appoint advisory committees and define the  
15 duties of the committees."

16 **SECTION 2.** Section 5-16-7 NMSA 1978 (being Laws 2006,  
17 Chapter 15, Section 7) is amended to read:

18 "5-16-7. BONDS.--A district may enter into contracts with  
19 the authority pursuant to which the authority may issue bonds  
20 under the Spaceport Development Act for the purpose of  
21 financing the planning, designing, engineering and construction  
22 of a regional spaceport; ~~[or spaceport-related project]~~  
23 provided that a district shall not enter into a contract with  
24 the authority and bonds shall not be issued without a  
25 referendum being passed in accordance with the Election Code by

1 all governmental unit members of a district. The district  
 2 shall request that the authority issue bonds pursuant to  
 3 resolution of the board, and the bonds shall be payable solely  
 4 out of all [~~or a specified portion~~] of the revenues as  
 5 designated by the board."

6 **SECTION 3.** Section 7-20E-25 NMSA 1978 (being Laws 2006,  
 7 Chapter 15, Section 15) is amended to read:

8 "7-20E-25. COUNTY REGIONAL SPACEPORT GROSS RECEIPTS TAX--  
 9 AUTHORITY TO IMPOSE--RATE--ELECTION REQUIRED.--

10 A. A majority of the members of the governing body  
 11 of a county that desires to become a member of a regional  
 12 spaceport district pursuant to the Regional Spaceport District  
 13 Act shall impose by ordinance an excise tax at a rate not to  
 14 exceed one-half percent of the gross receipts of a person  
 15 engaging in business in the district area of the county for the  
 16 privilege of engaging in business. A tax imposed pursuant to  
 17 this section may be imposed by one or more ordinances, each  
 18 imposing any number of tax rate increments, but an increment  
 19 shall not be less than one-sixteenth percent of the gross  
 20 receipts of a person engaging in business in the district area  
 21 of the county, and the aggregate of all rates shall not exceed  
 22 one-half percent of the gross receipts of a person engaging in  
 23 business in the district area of the county. The tax shall be  
 24 imposed only until the bonds issued pursuant to the Regional  
 25 Spaceport District Act are fully discharged or otherwise

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1 provided for in full. The tax may be referred to as the  
2 "county regional spaceport gross receipts tax".

3 B. A governing body, at the time of enacting an  
4 ordinance imposing the tax authorized in Subsection A of this  
5 section, shall dedicate a minimum of seventy-five percent of  
6 the proceeds of the revenue to the regional spaceport district  
7 for payment of the principal and interest of bonds issued under  
8 the Spaceport Development Act for the financing, planning,  
9 designing and engineering and construction of a spaceport or  
10 for projects or services of the district pursuant to the  
11 Regional Spaceport District Act and may dedicate no more than  
12 twenty-five percent of the revenue for spaceport-related  
13 projects as approved by resolution of the governing body of the  
14 county.

15 C. An ordinance imposing a county regional  
16 spaceport gross receipts tax shall not go into effect until  
17 after an election is held and a majority of the voters of the  
18 district area of the county voting in the election votes in  
19 favor of imposing the tax. The governing body shall adopt an  
20 ordinance calling for an election within seventy-five days of  
21 the date the resolution is adopted on the question of imposing  
22 the tax. The question shall be submitted to the voters of the  
23 district area of the county as a separate question at a general  
24 election or at a special election called for that purpose by  
25 the governing body. A special election shall be called,

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1 conducted and canvassed substantially in the same manner as  
 2 provided by law for general elections. If a majority of the  
 3 voters voting on the question approves the ordinance imposing  
 4 the county regional spaceport gross receipts tax, the ordinance  
 5 shall become effective in accordance with the provisions of the  
 6 County Local Option Gross Receipts and Compensating Taxes Act.  
 7 If the question of imposing the county regional spaceport gross  
 8 receipts tax fails, the governing body shall not again propose  
 9 the imposition of an increment of the tax for a period of one  
 10 year from the date of the election.

11 D. The governing body of a county imposing a county  
 12 regional spaceport gross receipts tax shall transfer a minimum  
 13 of seventy-five percent of all proceeds from the tax to the  
 14 regional spaceport district of which it is a member for the  
 15 payment of the principal and interest of bonds issued under the  
 16 Spaceport Development Act for purposes in accordance with the  
 17 provisions of the Regional Spaceport District Act. The  
 18 governing body of a county imposing a county regional spaceport  
 19 gross receipts tax may retain no more than twenty-five percent  
 20 of the county regional spaceport gross receipts tax for  
 21 spaceport-related projects as approved by the resolution of the  
 22 governing body of the county.

23 E. A county regional spaceport gross receipts tax  
 24 imposed pursuant to this section shall be repealed and no  
 25 longer imposed once the bonds to which the tax revenue is

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1 dedicated are fully discharged or otherwise provided for in  
2 full.

3 [E-] F. As used in this section, "district area of  
4 the county" means that portion of a county that is outside the  
5 boundaries of a municipality and that is within the boundaries  
6 of a regional spaceport district of which the county is a  
7 member; provided that if no municipality within the county has  
8 imposed a municipal regional spaceport gross receipts tax,  
9 "district area of the county" may mean the area within the  
10 boundaries of the county that is within the boundaries of a  
11 regional spaceport district of which the county is a member."

12 **SECTION 4.** Section 58-31-9 NMSA 1978 (being Laws 2005,  
13 Chapter 128, Section 9) is amended to read:

14 "58-31-9. AUTHORITY REVENUE BONDS--LIMITATIONS--  
15 AUTHORIZATION--AUTHENTICATION.--

16 A. Revenue bonds or refunding bonds issued pursuant  
17 to the Spaceport Development Act and other loans to the  
18 authority are:

19 (1) not general obligations of the state or  
20 any other agency of the state or of the authority; and

21 (2) payable only from properly pledged  
22 revenues and each bond or loan shall state that it is payable  
23 solely from the properly pledged revenues and that the  
24 bondholders or lenders may not look to any other fund for the  
25 payment of the [~~interest and~~] principal and interest of the

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1 bond or the loan.

2 B. Revenue or refunding bonds or loans may be  
 3 authorized by resolution of the authority, which shall be  
 4 approved by a majority of the voting members of the authority  
 5 and by the state board of finance.

6 C. The bonds or loans shall be executed by the  
 7 chair of the authority and may be authenticated by any public  
 8 or private transfer agent or registrar, or its successor, named  
 9 or otherwise designated by the authority. Bonds, notes or  
 10 other certificates of indebtedness of the authority may be  
 11 executed as provided under the Uniform Facsimile Signature of  
 12 Public Officials Act, and the coupons, if any, shall bear the  
 13 facsimile signature of the chair of the authority.

14 D. The authority shall pledge irrevocably a minimum  
 15 of seventy-five percent of the proceeds of the revenue received  
 16 from a county regional spaceport gross receipts tax to the  
 17 payment of the principal and interest of the bonds issued for  
 18 the financing, planning, designing, engineering and  
 19 construction of a spaceport."

20 **SECTION 5. APPLICABILITY.**--The provisions of this act  
 21 apply to county regional spaceport gross receipts taxes imposed  
 22 and bonds issued under the Spaceport Development Act on or  
 23 after July 1, 2025.

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