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HOUSE BILL 396

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

INTRODUCED BY

Joanne J. Ferrary

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 ALL 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

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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~~]. The
23 district shall request that the authority issue bonds pursuant
24 to resolution of the board, and the bonds shall be payable
25 solely out of all [~~or a specified portion~~] of the revenues as

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1 designated by the board."

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

4 "7-20E-25. COUNTY REGIONAL SPACEPORT GROSS RECEIPTS TAX--
5 AUTHORITY TO IMPOSE--RATE--ELECTION REQUIRED.--

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

24 B. A governing body, at the time of enacting an
25 ordinance imposing the tax authorized in Subsection A of this

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1 section, shall dedicate [~~a minimum of seventy-five percent~~] all
2 of the proceeds of the revenue to the regional spaceport
3 district for payment of the principal and interest of bonds
4 issued under the Spaceport Development Act for the financing,
5 planning, designing and engineering and construction of a
6 spaceport [~~or for projects or services of the district pursuant~~
7 ~~to the Regional Spaceport District Act and may dedicate no more~~
8 ~~than twenty-five percent of the revenue for spaceport-related~~
9 ~~projects as approved by resolution of the governing body of the~~
10 ~~county~~].

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

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1 shall become effective in accordance with the provisions of the
2 County Local Option Gross Receipts and Compensating Taxes Act.
3 If the question of imposing the county regional spaceport gross
4 receipts tax fails, the governing body shall not again propose
5 the imposition of an increment of the tax for a period of one
6 year from the date of the election.

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

19 E. A county regional spaceport gross receipts tax
20 imposed pursuant to this section shall be repealed and no
21 longer imposed once the bonds to which the tax revenue is
22 dedicated are fully discharged or otherwise provided for in
23 full.

24 [~~E.~~] F. As used in this section, "district area of
25 the county" means that portion of a county that is outside the

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1 boundaries of a municipality and that is within the boundaries
2 of a regional spaceport district of which the county is a
3 member; provided that if no municipality within the county has
4 imposed a municipal regional spaceport gross receipts tax,
5 "district area of the county" may mean the area within the
6 boundaries of the county that is within the boundaries of a
7 regional spaceport district of which the county is a member."

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

10 "58-31-9. AUTHORITY REVENUE BONDS--LIMITATIONS--
11 AUTHORIZATION--AUTHENTICATION.--

12 A. Revenue bonds or refunding bonds issued pursuant
13 to the Spaceport Development Act and other loans to the
14 authority are:

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

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

23 B. Revenue or refunding bonds or loans may be
24 authorized by resolution of the authority, which shall be
25 approved by a majority of the voting members of the authority

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1 and by the state board of finance.

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

10 D. Revenue bonds or refunding bonds issued pursuant
11 to the Spaceport Development Act that are secured by revenue
12 from a county regional spaceport gross receipts tax may be
13 issued only for the financing, planning, designing, engineering
14 and construction of a spaceport. The authority shall pledge
15 irrevocably all of the revenue received from the county
16 regional spaceport gross receipts tax to the payment of the
17 principal and interest of the bonds."

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