

1 SENATE BILL 481

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

3 INTRODUCED BY

4 Mimi Stewart

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10 AN ACT

11 RELATING TO PUBLIC FINANCES; ENACTING THE STATE FAIRGROUNDS
12 DISTRICT ACT; CREATING THE STATE FAIRGROUNDS DISTRICT OVER THE
13 LAND OWNED BY THE STATE, COMMONLY REFERRED TO AS THE "STATE
14 FAIRGROUNDS", AND CONTIGUOUS LAND THAT MAY BE SUBSEQUENTLY
15 ACQUIRED; PROVIDING POWERS; CREATING THE STATE FAIRGROUNDS
16 DISTRICT BOARD; AUTHORIZING THE ISSUANCE OF BONDS AND REFUNDING
17 BONDS BY THE STATE FAIRGROUNDS DISTRICT; CREATING THE STATE
18 FAIRGROUNDS DISTRICT FUND; PROVIDING A TAX EXEMPTION FROM BONDS
19 AND INCOME FROM BONDS ISSUED PURSUANT TO THE STATE FAIRGROUNDS
20 DISTRICT ACT; MAKING DISTRIBUTIONS OF THE NET RECEIPTS
21 ATTRIBUTABLE TO THE GROSS RECEIPTS TAX AND GAMING TAX FROM
22 BUSINESS LOCATIONS ON THE STATE FAIRGROUNDS; MAKING AN
23 APPROPRIATION.

24
25 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

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1 SECTION 1. A new section of Chapter 6 NMSA 1978 is
2 enacted to read:

3 "[NEW MATERIAL] SHORT TITLE.--Sections 1 through 10 of
4 this act may be cited as the "State Fairgrounds District Act"."

5 SECTION 2. A new section of Chapter 6 NMSA 1978 is
6 enacted to read:

7 "[NEW MATERIAL] DEFINITIONS.--As used in the State
8 Fairgrounds District Act:

9 A. "board" means the state fairgrounds district
10 board;

11 B. "bond" means an obligation of the district
12 issued pursuant to the State Fairgrounds District Act, whether
13 designated as a bond, note, loan, warrant, debenture, lease-
14 purchase agreement or other instrument evidencing an obligation
15 of the district to make payments;

16 C. "district" means the state fairgrounds district
17 that consists of all land owned by the state, commonly known as
18 the "state fairgrounds", and lying within the exterior
19 boundaries of the city of Albuquerque;

20 D. "project" means planning and design work for and
21 development, construction, reconstruction, enlargement,
22 improvement, installation, rehabilitation, remodeling and
23 renovation of the state fairgrounds in the district, of a new
24 site and facilities to host the state fair and of public
25 schools in the close vicinity of the district; and

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1 E. "property owner" means a person owning real
2 property within the boundaries of the district."

3 SECTION 3. A new section of Chapter 6 NMSA 1978 is
4 enacted to read:

5 "[NEW MATERIAL] STATE FAIRGROUNDS DISTRICT--CREATED--
6 POWERS.--

7 A. The "state fairgrounds district" is created as a
8 political subdivision of the state, separate and apart from a
9 municipality or county. The district consists of all land
10 owned by the state, commonly known as the "state fairgrounds",
11 lying within the exterior boundaries of the city of
12 Albuquerque, and land contiguous to the state fairgrounds that
13 may be subsequently acquired and included in the boundaries of
14 the district.

15 B. The district may:

16 (1) enter into contracts or expend money for
17 any public purpose with respect to projects of the district;

18 (2) enter into agreements with a municipality,
19 county or other local government entity in connection with real
20 property located within the district;

21 (3) enter into an intergovernmental agreement
22 in accordance with the Joint Powers Agreements Act for the
23 planning, design, inspection, ownership, control, maintenance,
24 operation or repair of public infrastructure or the provision
25 of enhanced services by the municipality or county in which the

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1 district lies or for any other purpose authorized the State
2 Fairgrounds District Act;

3 (4) sell, lease or otherwise dispose of
4 district property if the sale, lease or conveyance is not a
5 violation of the terms of any contract or bond covenant of the
6 district;

7 (5) reimburse a municipality or county in
8 which the district is located for providing services within the
9 area of the district;

10 (6) operate, maintain and repair public
11 infrastructure until dedicated to the governing body;

12 (7) employ staff, counsel, advisors and
13 consultants;

14 (8) reimburse a municipality or county in
15 which the district is located for staff and consultant services
16 and support facilities supplied by the municipality;

17 (9) accept gifts or grants and incur and repay
18 loans for a public purpose;

19 (10) enter into an agreement with a property
20 owner concerning the advance of money by the owner for a public
21 purpose or the granting of real property by the owner for a
22 public purpose with respect to a project;

23 (11) pay the financial, legal and
24 administrative costs of the district;

25 (12) enter into contracts, agreements and

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1 trust indentures to obtain credit enhancement or liquidity
2 support for the district's bonds and process the issuance,
3 registration, transfer and payment of the district's bonds and
4 the disbursement and investment of proceeds of the bonds;

5 (13) borrow money and issue bonds to fund
6 projects; and

7 (14) use public easements and rights of way in
8 or across public property, roadways, highways, streets or other
9 thoroughfares and other public easements and rights of way of
10 the district, municipality or county.

11 C. Notwithstanding the provisions of the
12 Procurement Code or local procurement requirements that may
13 otherwise be applicable to the municipality in which the
14 district is located, the board may enter into contracts to
15 carry out any of the district's authorized powers, including
16 the planning, design, engineering, financing, construction and
17 acquisition of public improvements for the district, with a
18 contractor, a property owner or other person or entity, on such
19 terms and with such persons as the board determines to be
20 appropriate."

21 SECTION 4. A new section of Chapter 6 NMSA 1978 is
22 enacted to read:

23 "[NEW MATERIAL] STATE FAIRGROUNDS DISTRICT BOARD.--The
24 district shall be governed by a five-member board composed of
25 the governor, the lieutenant governor, a member appointed by

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1 the state senator representing the senate district inclusive of
2 the district, the Bernalillo county commissioner representing
3 the commission district inclusive of the district and the mayor
4 of the city of Albuquerque for the term of the district. The
5 board shall separately account for all revenues and
6 indebtedness based on gross receipts tax and gaming tax
7 distributed to the state fairgrounds district fund. The board
8 shall individually account for all gross receipts tax and
9 gaming tax distributed to the state fairgrounds district fund.
10 The secretary of finance and administration or the secretary's
11 designee shall serve as clerk and treasurer of the district."

12 SECTION 5. A new section of Chapter 6 NMSA 1978 is
13 enacted to read:

14 "[NEW MATERIAL] AUTHORIZATION OF ISSUANCE OF BONDS.--

15 A. The district may issue revenue bonds not to
16 exceed one billion dollars (\$1,000,000,000) in net proceeds for
17 projects. The district shall pledge irrevocably all of the
18 revenue received by the district from the gross receipts tax
19 distribution and the gaming tax distribution pursuant to
20 Sections 11 and 12 of this 2025 act to the payment of the
21 principal and interest of the bonds.

22 B. Revenue bonds or refunding bonds or loans may be
23 authorized only by resolution of the board, which shall be
24 approved by a majority of the members of the board. Prior to
25 the board issuing bonds, the New Mexico finance authority,

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1 state board of finance and state bond counsel shall approve the
2 proposed issuance of the bonds and determine that the proceeds
3 of the bonds will be used for a project, in accordance with the
4 State Fairgrounds District Act.

5 C. Revenue bonds or refunding bonds issued pursuant
6 to the State Fairgrounds District Act and other loans to the
7 district are:

8 (1) not general obligations of the state or
9 any other agency of the state; and

10 (2) payable only from properly pledged
11 revenues and each bond or loan shall state that it is payable
12 solely from the properly pledged revenues and that the
13 bondholders or lenders may not look to any other fund for the
14 payment of the principal and interest of the bond or the loan.

15 D. Bonds issued pursuant to the State Fairgrounds
16 District Act:

17 (1) may have principal value, interest or any
18 part thereof payable at intervals or at maturity as may be
19 determined by the board;

20 (2) may be subject to a prior redemption at
21 the district's option at a time and upon terms and conditions,
22 with or without the payment of a premium, as determined by the
23 board;

24 (3) may mature at any time not exceeding
25 twenty-five years after the date of issuance;

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1 (4) may be serial in form and maturity, may
2 consist of one bond payable at one time or in installments or
3 may be in another form determined by the board;

4 (5) shall be sold for cash at, above or below
5 par and at a price that results in a net effective interest
6 rate that does not exceed the maximum permitted by the Public
7 Securities Act and the Public Securities Short-Term Interest
8 Rate Act; and

9 (6) may be sold at public or negotiated sale."

10 SECTION 6. A new section of Chapter 6 NMSA 1978 is
11 enacted to read:

12 "[NEW MATERIAL] REFUNDING BONDS.--

13 A. After issuing bonds in accordance with the State
14 Fairgrounds District Act, the board may issue refunding bonds
15 for the purpose of refinancing, paying and discharging all or
16 any part of outstanding bonds for the:

17 (1) acceleration, deceleration or other
18 modification of the payment of the outstanding bonds,
19 including, without limitation, any capitalization of any
20 interest on the outstanding bonds in arrears or about to become
21 due for any period not exceeding two years from the date of the
22 refunding bonds;

23 (2) purpose of reducing interest costs or
24 effecting other economies; or

25 (3) purpose of modifying or eliminating

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1 restrictive contractual limitations:

2 (a) pertaining to the issuance of
3 additional bonds; or

4 (b) concerning the outstanding bonds or
5 facilities relating to the outstanding bonds.

6 B. The board shall pledge irrevocably for the
7 payment of principal, interest and premium, if any, on
8 refunding bonds the revenues received from distributions of the
9 gross receipts tax and gaming tax pursuant to Sections 11 and
10 12 of this 2025 act, which may be pledged to an original issue
11 of bonds, and the terms of refunding bonds shall expire not
12 more than twenty-five years after the date of the original
13 issue of bonds.

14 C. Refunding bonds may be issued separately or in
15 combination in one series or more.

16 D. Refunding bonds may be authorized only by
17 resolution of the board. Bonds that are refunded shall be paid
18 at maturity or on any permitted prior redemption date in the
19 amounts, at the time and places and, if called prior to
20 maturity, in accordance with any applicable notice provisions,
21 all as provided in the proceedings authorizing the issuance of
22 the refunded bonds or otherwise appertaining to them, except
23 for any such bond that is voluntarily surrendered for exchange
24 or payment by the holder or owner.

25 E. The principal amount of the refunding bonds may
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1 exceed the principal amount of the refunded bonds and may also
2 be less than or the same as the principal amount of the bonds
3 being refunded if provision is duly and sufficiently made for
4 the payment of the refunded bonds.

5 F. The proceeds of refunding bonds, including
6 accrued interest and premiums appertaining to the sale of
7 refunding bonds, shall be immediately applied to the retirement
8 of the bonds being refunded or placed in escrow in a commercial
9 bank or trust company that possesses and exercises trust powers
10 and that is a member of the federal deposit insurance
11 corporation. The proceeds shall be applied to the principal
12 of, interest on and any prior redemption premium due in
13 connection with the bonds being refunded; provided that the
14 refunding bond proceeds, including premiums and accrued
15 interest appertaining to a sale of refunding bonds, may be
16 applied to the establishment and maintenance of a reserve fund
17 and to the payment of expenses incidental to the refunding and
18 the issuance of the refunding bonds, the principal of those
19 bonds and the interest of those bonds or both principal and
20 interest as the board determines. This section does not
21 require the establishment of an escrow if the refunded bonds
22 and the amounts necessary to retire the refunded bonds within
23 that time are deposited with the paying agent for the refunded
24 bonds. Any such escrow shall not necessarily be limited to
25 proceeds of refunding bonds but may include other money

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1 available for its purpose. Proceeds in escrow pending such use
2 may be invested or reinvested in bills, certificates of
3 indebtedness, notes or bonds that are direct obligations of, or
4 the principal and interest of which obligations are
5 unconditionally guaranteed by, the United States or in
6 certificates of deposit of banks that are members of the
7 federal deposit insurance corporation; provided that the par
8 value of the certificates of deposit is collateralized by a
9 pledge of obligations or by a pledge of payment that is
10 unconditionally guaranteed by the United States; and further
11 provided that the par value of those obligations is at least
12 seventy-five percent of the par value of the certificates of
13 deposit. Such proceeds and investments in escrow, together
14 with any interest or other income to be derived from any such
15 investment, shall be in an amount at all times sufficient as to
16 principal, interest, any prior redemption premium due and any
17 charges of the escrow agent payable from the escrow to pay the
18 bonds being refunded as they become due at their respective
19 maturities or at any designated prior redemption date or dates
20 in connection with which the prior redemption option shall be
21 exercised. A purchaser of a refunding bond issued is not
22 responsible for the application of the proceeds by the district
23 or any of its officers, agents or employees.

24 G. Refunding bonds may bear additional terms and
25 provisions as determined by the board subject to the

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1 limitations in this section relating to original bond issues.

2 H. District refunding bonds:

3 (1) may have principal value, interest or any
4 part thereof payable at intervals or at maturity, as determined
5 by the board;

6 (2) may be subject to prior redemption at the
7 board's option at a time or times and upon terms and conditions
8 with or without payment of premium or premiums, as determined
9 by the board;

10 (3) may be serial in form and maturity or may
11 consist of a single bond payable in one or more installments or
12 may be in another form, as determined by the board; and

13 (4) shall be exchanged for the bonds and any
14 matured unpaid interest being refunded at not less than par or
15 sold at public or negotiated sale at, above or below par and at
16 a price that results in a net effective interest rate that does
17 not exceed the maximum permitted by the Public Securities Act.

18 I. At a regular or special meeting, the board may
19 adopt a resolution by majority vote to authorize the issuance
20 of the refunding bonds."

21 SECTION 7. A new section of Chapter 6 NMSA 1978 is
22 enacted to read:

23 "[NEW MATERIAL] TAX MODIFICATIONS--BOND TERMS.--Nothing
24 herein shall prohibit the legislature from increasing or
25 decreasing the state gross receipts tax. The terms and

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1 conditions of any bond issued by the district pursuant to the
2 State Fairgrounds Act shall explicitly provide that the
3 repayment of such bonds, including interest and principal, is
4 subject to modifications based on the increase or decrease in
5 taxes imposed by the state."

6 SECTION 8. A new section of Chapter 6 NMSA 1978 is
7 enacted to read:

8 "[NEW MATERIAL] STATE FAIRGROUNDS DISTRICT FUND.--The
9 "state fairgrounds district fund" is created in the state
10 treasury. The fund consists of distributions, appropriations,
11 gifts, grants, donations and income from investment of the
12 fund. The board shall administer the fund. Money in the fund
13 is appropriated to the board for the issuance and payment of
14 bonds pursuant to the State Fairgrounds District Act.
15 Expenditures from the fund shall be by warrant of the secretary
16 of finance and administration pursuant to vouchers signed by
17 the secretary of finance and administration or the secretary's
18 authorized representative. Any unexpended or unencumbered
19 balance remaining at the end of fiscal year 2051 shall revert
20 to the general fund."

21 SECTION 9. A new section of Chapter 6 NMSA 1978 is
22 enacted to read:

23 "[NEW MATERIAL] EXEMPTION FROM TAXATION.--The bonds
24 authorized by the State Fairgrounds District Act and the income
25 from the bonds or any other instrument executed as security for
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1 the bonds shall be exempt from all taxation by the state or any
2 political subdivision of the state."

3 SECTION 10. A new section of Chapter 6 NMSA 1978 is
4 enacted to read:

5 "[NEW MATERIAL] REPORT REQUIRED.--By September 1 of each
6 year, beginning in 2025 and continuing until 2052, the board
7 shall report to the state board of finance and the legislative
8 finance committee on the implementation of the State
9 Fairgrounds District Act and expenditures to date, bonds
10 issued, debt service reserve funds held, progress made toward
11 retiring the bonds, estimated capital investment in the
12 district, the estimated total net new jobs and new full-time
13 economic base jobs created in the district and the total
14 revenues distributed to the district in each previous fiscal
15 year."

16 SECTION 11. A new section of the Tax Administration Act
17 is enacted to read:

18 "[NEW MATERIAL] DISTRIBUTION--STATE FAIRGROUNDS
19 DISTRICT.--A distribution pursuant to Section 7-1-6.1 NMSA 1978
20 shall be made to the state fairgrounds district fund in an
21 amount, subject to any increase or decrease made pursuant to
22 Section 7-1-6.15 NMSA 1978, equal to the net receipts
23 attributable to the gross receipts tax from business locations
24 on land owned by the state, commonly known as the "state
25 fairgrounds", and lying within the exterior boundaries of the
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1 city of Albuquerque. This distribution shall be made until the
2 bonds issued pursuant to the State Fairgrounds District Act are
3 fully discharged or otherwise provided for in full."

4 SECTION 12. A new section of the Gaming Control Act is
5 enacted to read:

6 "[NEW MATERIAL] DISTRIBUTION--STATE FAIRGROUNDS
7 DISTRICT.--A distribution pursuant to Section 7-1-6.1 NMSA 1978
8 shall be made to the state fairgrounds district fund in an
9 amount, subject to any increase or decrease made pursuant to
10 Section 7-1-6.15 NMSA 1978, equal to the net receipts
11 attributable to the gaming tax from business locations on land
12 owned by the state, commonly known as the "state fairgrounds",
13 and lying within the exterior boundaries of the city of
14 Albuquerque. This distribution shall be made until the bonds
15 issued pursuant to the State Fairgrounds District Act are fully
16 discharged or otherwise provided for in full."