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SENATE BILL 317

43RD LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 1998

INTRODUCED BY

MANNY M ARAGON

AN ACT

RELATING TO PROPERTY TAX REVENUES; REQUIRING THE APPROVAL OF
THE GOVERNING BODIES OF OTHER AFFECTED GOVERNMENTAL UNITS
BEFORE INDUSTRIAL REVENUE BONDS OR COUNTY INDUSTRIAL REVENUE
BONDS ARE ISSUED.

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

Section 1. Section 3-32-1 NMSA 1978 (being Laws 1965,
Chapter 300, Section 14-31-1, as amended) is amended to read:

"3-32-1. INDUSTRIAL REVENUE BOND ACT--DEFINITIONS.--

Wherever used in the Industrial Revenue Bond Act unless a
different meaning clearly appears in the context, the
following terms whether used in the singular or plural shall
be given the following respective interpretations:

A. "municipality" means any city, town or village
in the state of New Mexico;

Underscored material = new
[bracketed material] = delete

1 B. "project" means any land and building or other
2 improvements thereon, the acquisition by or for a New Mexico
3 corporation of the assets or stock of an existing business or
4 corporation located outside the state of New Mexico to be
5 relocated within or near the municipality in the state of New
6 Mexico and all real and personal properties deemed necessary
7 in connection therewith, whether or not now in existence,
8 which shall be suitable for use by the following or by any
9 combination of two or more thereof:

10 (1) any industry for the manufacturing,
11 processing or assembling of any agricultural or manufactured
12 products;

13 (2) any commercial enterprise in storing,
14 warehousing, distributing or selling products of agriculture,
15 mining or industry but does not include facilities designed
16 for the sale of goods or commodities at retail or distribution
17 to the public of electricity, gas, water or telephone or other
18 services commonly classified as public utilities;

19 (3) any business in which all or part of the
20 activities of such business involve the supplying of services
21 to the general public or to governmental agencies or to a
22 specific industry or customer but does not include
23 establishments primarily engaged in the sale of goods or
24 commodities at retail; and

25 (4) any water distribution or irrigation

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1 system, including without limitation, pumps, distribution
2 lines, transmission lines, towers, dams and similar facilities
3 and equipment, designed to provide water to any vineyard or
4 winery;

5 C. "governing body" means the board or body in
6 which the legislative powers of the municipality or other
7 governmental unit are vested;

8 D. "property" means any land, improvements
9 thereon, buildings and any improvements thereto, machinery and
10 equipment of any and all kinds necessary to the project,
11 operating capital and any other personal properties deemed
12 necessary in connection with the project;

13 E. "mortgage" means a mortgage or a mortgage and
14 deed of trust or the pledge and hypothecation of any assets as
15 collateral security;

16 F. "health care services" means the diagnosis or
17 treatment of sick or injured persons or medical research and
18 includes the ownership, operation, maintenance, leasing and
19 disposition of health care facilities such as hospitals,
20 clinics, laboratories, x-ray centers and pharmacies and, for
21 any small municipality only, includes office facilities for
22 physicians; [and]

23 G. "refinance a hospital project" means the
24 issuance of bonds by a municipality and the use of all or
25 substantially all of the proceeds to liquidate any obligations

Underscored material = new
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1 previously incurred to finance or aid in financing a project
2 of any nonprofit corporation engaged in health care services,
3 including nursing homes, which would constitute a project
4 under the Industrial Revenue Bond Act had it been originally
5 undertaken and financed by a municipality pursuant to the
6 Industrial Revenue Bond Act; and

7 H. "governmental unit" means a political
8 subdivision of the state. "

9 Section 2. A new section of the Industrial Revenue
10 Bond Act is enacted to read:

11 "[NEW MATERIAL] APPROVAL OF OTHER GOVERNING BODIES
12 REQUIRED. --

13 A. No industrial revenue bonds shall be issued
14 without the approval of the governing body of each
15 governmental unit that has imposed a property tax that would
16 be applicable to the project if not acquired by the
17 municipality.

18 B. A governing body shall approve the issuance of
19 the industrial revenue bonds if:

20 (1) it determines that the benefits derived
21 by the governmental unit from the project will outweigh any
22 loss in property tax revenue; or

23 (2) the governing body has entered into an
24 agreement with the operator of the project under which the
25 operator agrees to make a payment or provide a beneficial

Underscored material = new
[bracketed material] = delete

1 service to the governmental unit in lieu of taxes."

2 Section 3. Section 4-59-2 NMSA 1978 (being Laws 1975,
3 Chapter 286, Section 2, as amended) is amended to read:

4 "4-59-2. DEFINITIONS. -- As used in the County Industrial
5 Revenue Bond Act, unless the context clearly indicates
6 otherwise:

7 A. "commission" means the governing body of a
8 county;

9 B. "county" means those counties organized or
10 incorporated in New Mexico;

11 C. "health care services" means the diagnosis or
12 treatment of sick or injured persons or medical research and
13 includes the ownership, operation, maintenance, leasing and
14 disposition of health care facilities, such as hospitals,
15 clinics, laboratories, x-ray centers and pharmacies;

16 D. "mortgage" means a mortgage or a mortgage and
17 deed of trust or the pledge and hypothecation of any assets as
18 collateral security;

19 E. "project" means any land and building or other
20 improvements thereon, the acquisition by or for a New Mexico
21 corporation of the assets or stock of an existing business or
22 corporation located outside the state to be relocated within a
23 county, but not within the boundaries of any incorporated
24 municipality, in the state, and all real and personal
25 properties deemed necessary in connection therewith, whether

Underscored material = new
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1 or not now in existence, which shall be suitable for use by
2 the following or by any combination of two or more thereof:

3 (1) any industry for the manufacturing,
4 processing or assembling of any agricultural or manufactured
5 products;

6 (2) any commercial enterprise in storing,
7 warehousing, distributing or selling products of agriculture,
8 mining or industry, but does not include facilities designed
9 for the sale or distribution to the public of electricity,
10 gas, telephone or other services commonly classified as public
11 utilities, except for water utilities;

12 (3) any business in which all or part of the
13 activities of such business involve the supplying of services
14 to the general public or to governmental agencies or to a
15 specific industry or customer;

16 (4) any nonprofit corporation engaged in
17 health care services;

18 (5) any mass transit or other transportation
19 activity involving the movement of passengers, any industrial
20 park, any office headquarters and any research facility; and

21 (6) any water distribution or irrigation
22 system, including without limitation, pumps, distribution
23 lines, transmission lines, towers, dams and similar facilities
24 and equipment; [~~and~~]

25 F. "property" means any land, improvements

Underscored material = new
[bracketed material] = delete

1 thereon, buildings and any improvements thereto, machinery and
2 equipment of any and all kinds necessary to the project,
3 operating capital and any other personal properties deemed
4 necessary in connection with the project; and

5 G. "governmental unit" means a political
6 subdivision of the state. "

7 Section 4. A new section of the County Industrial
8 Revenue Bond Act is enacted to read:

9 "[NEW MATERIAL] APPROVAL OF OTHER GOVERNING BODIES
10 REQUIRED. --

11 A. No county industrial revenue bonds shall be
12 issued without the approval of the governing body of each
13 governmental unit that has imposed a property tax that would
14 be applicable to the project if not acquired by the county.

15 B. A governing body shall approve the issuance of
16 the county industrial revenue bonds if:

17 (1) it determines that the benefits derived
18 by the governmental unit from the project will outweigh any
19 loss in property tax revenue; or

20 (2) the governing body has entered into an
21 agreement with the operator of the project under which the
22 operator agrees to make a payment or provide a beneficial
23 service to the governmental unit in lieu of taxes. "

24 Section 5. REPEAL. -- Sections 3-32-6.1 and 4-59-4.1 NMSA
25 1978 (being Laws 1997, Chapter 216, Sections 2 and 4 and Laws
. 120324. 1

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1 1997, Chapter 226, Sections 2 and 4) are repealed.

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1 FORTY-THIRD LEGISLATURE
2 SECOND SESSION, 1998
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6 February 5, 1998
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8 Mr. President:
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10 Your COMMITTEES' COMMITTEE, to whom has been referred
11

12 SENATE BILL 317
13

14 has had it under consideration and finds same to be GERMANE, in
15 accordance with constitutional provisions, and thence referred to the
16 WAYS & MEANS COMMITTEE.
17

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19 Respectfully submitted,
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25 _____
Manny M. Aragon, Chairman

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Adopted _____ Not Adopted _____

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(Chief Clerk)

(Chief Clerk)

Date _____

S0317CC1

1 FORTY-THIRD LEGISLATURE

2 SECOND SESSION, 1998

3 SB 317/a

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5
6 February 13, 1998

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8 Mr. President:

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10 Your WAYS AND MEANS COMMITTEE, to whom has been referred

11
12 SENATE BILL 317

13
14 has had it under consideration and reports same with recommendation
15 that it DO PASS, amended as follows:

16
17
18 1. On page 7, delete lines 24 and 25 in their entirety.

19
20 2. On page 8, delete line 1, in its entirety.,

21
22 and thence referred to the FINANCE COMMITTEE.

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24 Respectfully submitted,

25 . 120324. 1

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Carlos R. Cisneros, Chairman

Adopted _____ Not Adopted _____
(Chief Clerk) (Chief Clerk)

Date _____

The roll call vote was 5 For 3 Against

Yes: 5

No: Duran, Leavell, Wilson

Excused: Kidd

Absent: None

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FORTY-THIRD LEGISLATURE
SECOND SESSION, 1998

February 16, 1998

Mr. President:

Your FINANCE COMMITTEE, to whom has been referred

SENATE BILL 317, as amended

has had it under consideration and reports same with recommendation
that it DO PASS.

Respectfully submitted,

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Ben D. Altamirano, Chairman

Adopted _____ Not Adopted _____
(Chief Clerk) (Chief Clerk)

Date _____

The roll call vote was 6 For 0 Against

Yes: 6

No: None

Excused: Aragon, Campos, Carraro, Eisenstadt, Lyons

Absent: None

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FORTY-THIRD LEGISLATURE
SECOND SESSION, 1998

February 16, 1998

Mr. President:

Your FINANCE COMMITTEE, to whom has been referred

SENATE BILL 317, as amended

has had it under consideration and reports same with recommendation
that it DO PASS.

Respectfully submitted,

Underscored material = new
[bracketed material] = delete

Underscored material = new
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Ben D. Altamirano, Chairman

Adopted _____ Not Adopted _____
(Chief Clerk) (Chief Clerk)

Date _____

The roll call vote was 6 For 0 Against

Yes: 6

No: None

Excused: Aragon, Campos, Carraro, Eisenstadt, Lyons

Absent: None

S0317FC1