

**HIGHLIGHTS OF SENATE (HOUSE) BILL \_\_\_\_\_**  
**INDUSTRIAL REVENUE BONDS FOR**  
**NON-UTILITY ELECTRIC TRANSMISSION LINES**

**WHAT PROBLEM DOES THIS BILL SOLVE?**

Current law for Industrial Revenue Bonds (IRBs) includes a wide variety of business activities, such as electrical generation facilities and commercial enterprises, but not high voltage electric transmission facilities owned by independent companies. As transmission development is an important part of New Mexico's growing clean energy economy, this bill would extend the counties and municipalities' IRB options to include transmission.

**HOW ARE IRBS USED ALREADY IN NEW MEXICO?**

IRBs work as an economic development tool to not only generates new business activity but also produces direct and indirect economic activity to benefit the local economy. Counties and municipalities issue IRBs to grant projects state and local tax benefits.

IRBs benefit local communities as payments in lieu of taxes may be directed to local school districts or other local government units. Communities are further positively impacted by indirect economic activity, such as construction expenditures, and purchases from local businesses.

**WHAT THE BILL DOES**

- Amends the Municipal and County Industrial Revenue Bond Acts to:
  - expand our opportunity to develop renewable energy resources.
  - add electric power transmission facilities to longstanding existing authority of municipalities and counties to issue IRBs to finance electric power generating facilities.
  - “complete the loop” on incentivizing construction of renewable energy facilities in the State by allowing use of the IRB mechanism to develop capacity for transmission of renewable energy generated in the State.

**KEY FEATURES OF THE BILL**

- Authorizes issuance of IRBs to:
  - finance electric transmission facilities for independent owners, but not for public utilities.
  - provide for payments in lieu of taxes to the State when one or more projects are located in more than one municipality or county and payments in lieu of taxes are agreed to by the local governments involved.

**HOW ADDITIONAL REVENUE FLOWS BACK TO THE LOCAL COMMUNITIES**

- creation of jobs during construction of the project.
- creation of jobs during operation of the project.
- up front and annual payments to landowners.
- annual payments in lieu of taxes to local governments.