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SENATE BILL 236

46TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2004

INTRODUCED BY

Phil A. Griego

AN ACT

RELATING TO LOCAL GOVERNMENTS; AMENDING THE CIVIC AND CONVENTION CENTER FUNDING ACT TO INCREASE THE MAXIMUM RATE OF A CONVENTION CENTER FEE, TO ALLOW RATE DECREASES UNDER CERTAIN CIRCUMSTANCES AND TO BROADEN THE PURPOSES FOR WHICH FEE REVENUES MAY BE EXPENDED; DECLARING AN EMERGENCY.

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

Section 1. Section 5-14-4 NMSA 1978 (being Laws 2003, Chapter 374, Section 4) is amended to read:

"5-14-4. IMPOSITION OF CONVENTION CENTER FEE-- USE OF PROCEEDS. --

A. A local governmental entity that has met the requirements of Section [~~3 of the Civic and Convention Center Funding Act~~] 5-14-3 NMSA 1978 may impose by ordinance a fee on the use of a room at a lodging facility within the local

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1 governmental entity; provided that a fee imposed by a county  
2 shall only apply to lodging facilities located within twenty  
3 miles of the corporate limits of the qualified municipality.  
4 The fee may be referred to as the "convention center fee". The  
5 amount of the convention center fee shall not exceed ~~[one]~~ two  
6 percent of the gross room revenue for each day the room is  
7 occupied by a vendee. The convention center fee may be imposed  
8 in increments and, pursuant to Subsection D of this section,  
9 may be decreased in increments.

10 B. The convention center fee shall be imposed only  
11 for the period necessary for payment of principal and interest  
12 on revenue bonds issued to accomplish the purpose for which the  
13 revenue is dedicated, but the period shall not exceed thirty  
14 years from the date of the ordinance imposing the fee.

15 ~~[C. A local governmental entity shall not decrease~~  
16 ~~the convention center fee while revenue bonds to which the~~  
17 ~~revenue of the convention center fee is pledged remain~~  
18 ~~outstanding.]~~

19 ~~D.]~~ C. A local governmental entity shall dedicate  
20 the revenue from the convention center fee at the time that the  
21 ordinance imposing the fee is enacted and limit the use of the  
22 revenue to the following:

23 (1) the design, construction, equipping,  
24 furnishing, landscaping and other costs associated with the  
25 development of a civic and convention center and adjoining

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1 parking garage located within the qualified municipality;

2 (2) payments of principal, interest or prior  
3 redemption premiums due in connection with and any other  
4 charges pertaining to revenue bonds authorized by the Civic and  
5 Convention Center Funding Act, ~~[and]~~ including payments into  
6 any sinking fund or reserve fund required by the revenue bond  
7 ordinance;

8 (3) costs of collecting and otherwise  
9 administering the convention center fee; provided that  
10 administration costs shall not be paid ~~[until all required~~  
11 ~~payments on the revenue bonds issued pursuant to the Civic and~~  
12 ~~Convention Center Funding Act are made]~~ if there are current  
13 payments due pursuant to Paragraph (2) of this subsection and  
14 that no more than ten percent of the revenue collected in any  
15 fiscal year shall be used to pay administration costs;

16 (4) operation costs of the civic and  
17 convention center and adjoining parking garage located within  
18 the qualified municipality; provided that no such costs shall  
19 be paid if there are current payments due pursuant to Paragraph  
20 (2) of this subsection; and

21 (5) payments into a capital reserve fund  
22 established for the future payment for capital maintenance and  
23 improvements and equipment replacement costs of the civic and  
24 convention center and adjoining parking garage located within  
25 the qualified municipality; provided that:

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1                   (a) no payments shall be made pursuant  
2 to this paragraph if there are current payments due pursuant to  
3 Paragraph (2) of this subsection; and

4                   (b) at least once every five years, the  
5 local governmental entity shall compare the amount of money in  
6 the fund with the expected future expenditures from the fund  
7 and decide if the convention center fee can be reduced pursuant  
8 to Subsection D of this section.

9                   D. A local governmental entity may decrease the  
10 rate of a convention center fee if:

11                   (1) all required payments have been made  
12 pursuant to Subsection C of this section and the required  
13 levels of and estimated payments from any reserve fund, sinking  
14 fund or capital reserve fund can be sustained at a decreased  
15 rate;

16                   (2) the decreased fee will not otherwise  
17 directly or indirectly impair outstanding revenue bonds issued  
18 under Section 5-14-13 NMSA 1978; and

19                   (3) the local government division of the  
20 department of finance and administration finds that the  
21 requirements of Paragraphs (1) and (2) of this subsection have  
22 been satisfied and otherwise approves the fee decrease."

23                   Section 2. Section 5-14-13 NMSA 1978 (being Laws 2003,  
24 Chapter 374, Section 13) is amended to read:

25                   "5-14-13. REVENUE BONDS. --

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1           A. Revenue bonds may be issued at any time by a  
2 qualified municipality that has imposed a convention center fee  
3 to defray wholly or in part the costs authorized in Paragraph  
4 (1) of Subsection ~~[D]~~ C of Section ~~[4 of the Civic and~~  
5 ~~Convention Center Funding Act]~~ 5-14-4 NMSA 1978. The revenue  
6 bonds may be payable from and payment may be secured by a  
7 pledge of and lien on the revenue derived from:

8                   (1) the proceeds of the convention center fee  
9 of the qualified municipality and the proceeds of the  
10 convention center fee of a county that has entered into a joint  
11 powers agreement with the qualified municipality to impose a  
12 convention center fee, the proceeds of which shall be dedicated  
13 to the payment of revenue bonds for a civic and convention  
14 center in the qualified municipality;

15                   (2) a civic and convention center to which the  
16 bonds pertain, after provision is made for the payment of the  
17 operation and maintenance expenses of the civic and convention  
18 center;

19                   (3) that portion of the proceeds of the  
20 occupancy tax of the qualified municipality available for  
21 payment of revenue bonds pursuant to Paragraph (1) of  
22 Subsection B of Section 3-38-23 NMSA 1978;

23                   (4) any other legal available revenues of the  
24 qualified municipality; or

25                   (5) a combination of revenues from the sources

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1 designated in Paragraphs (1) through (4) of this subsection.

2 B. The bonds shall bear interest at a rate or rates  
3 as authorized in the Public Securities Act, and the first  
4 interest payment may be for any period authorized in the Public  
5 Securities Act.

6 C. Except as otherwise provided in the Civic and  
7 Convention Center Funding Act, revenue bonds authorized in that  
8 act shall be issued in accordance with the provisions of  
9 Sections 3-31-2 through 3-31-6 NMSA 1978. "

10 Section 3. EMERGENCY.--It is necessary for the public  
11 peace, health and safety that this act take effect immediately.