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HOUSE BILL 90

53RD LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2017

INTRODUCED BY

Bill McCamley and Candie G. Sweetser

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AN ACT

RELATING TO BORDER DEVELOPMENT; AMENDING THE BORDER DEVELOPMENT ACT; CHANGING THE NAME OF THE BORDER AUTHORITY TO THE BORDER AND PORT AUTHORITY; CHANGING THE COMPOSITION OF THE BORDER AND PORT AUTHORITY; MAKING TECHNICAL AND CLARIFYING CHANGES TO LAW; REPEALING A SECTION OF THE NMSA 1978.

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

SECTION 1. Section 9-15-30 NMSA 1978 (being Laws 1988, Chapter 80, Section 4, as amended) is amended to read:

"9-15-30. MEXICAN AFFAIRS DIVISION CREATED--DUTIES.--

- The "Mexican affairs division" is created as a division of the department.
- The division [shall be] is responsible for conducting and coordinating the state's relations with the Republic of Mexico and the state of Chihuahua and shall promote .205147.1

New Mexico products and services in Mexico. The division is created to coordinate activities of the department, the tourism department, the cultural affairs department, the department of transportation, the department of health, the department of environment, the department of public safety, the New Mexico-Chihuahua commission, the border and port authority and the joint border research institute at New Mexico state university as those activities relate to improving New Mexico-Mexico relations and trade and encouraging or funding appropriate border development.

C. The division shall provide periodic reports to the New Mexico finance authority oversight committee on its activities and the activities of the state pertaining to New Mexico-Mexico relations, trade and border development."

SECTION 2. Section 15-3B-2 NMSA 1978 (being Laws 1972, Chapter 74, Section 2, as amended) is amended to read:

"15-3B-2. DEFINITIONS.--As used in the Property Control Act:

A. "capital outlay project" means the acquisition, improvement, alteration or reconstruction of assets of a long-term character that are intended to continue to be held or used, including land, buildings, machinery, furniture and equipment. A "capital outlay project" includes all proposed expenditures related to the entire undertaking;

B. "department" means the general services
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- "director" means the director of the division: C.
- D. "division" means the facilities management division of the department;
- Ε. "jurisdiction" means all state buildings and land except those under the control and management of the state armory board, the border and port authority, the cultural affairs department, the state fair commission, the department of game and fish, the department of transportation, the commissioner of public lands, the state parks division of the energy, minerals and natural resources department, the state institutions of higher learning, regional education cooperatives, the New Mexico school for the deaf, the New Mexico school for the blind and visually impaired, the judicial branch, the legislative branch, property acquired by the economic development department pursuant to the Statewide Economic Development Finance Act and property acquired by the public school facilities authority pursuant to the Public School Capital Outlay Act; and
- "secretary" means the secretary of general services."
- SECTION 3. Section 58-27-2 NMSA 1978 (being Laws 1991, Chapter 131, Section 2) is amended to read:
- "58-27-2. LEGISLATIVE PURPOSE.--[By enacting] The .205147.1

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purpose	of	<u>the</u>	Border	Development	Act	[it]	is	[the purpose	-of
the leg	isla	ture	e] to:						

- A. encourage and foster development of the state and its cities and counties by developing port facilities at international ports of entry;
- B. actively promote and assist public and private sectors' infrastructure development to attract new industries and businesses, thereby creating new job opportunities in the state while resolving transportation and logistical problems that may arise as ports of entry develop; and
- C. create the statutory framework that will enable the state to design, finance, construct, equip and operate port facilities necessary to ensure the timely, planned and efficient development of the border area between New Mexico and [the Mexican state of Chihuahua] Mexico."
- SECTION 4. Section 58-27-3 NMSA 1978 (being Laws 1991, Chapter 131, Section 3, as amended) is amended to read:
- "58-27-3. DEFINITIONS.--As used in the Border Development Act:
- A. "authority" means the border <u>and port</u> authority;
 - B. "bond" includes notes and obligations;
- C. "bondholder" means the owner of a registered or unregistered bond;
- [B_{\bullet}] D_{\bullet} "financial assistance" means grants and .205147.1

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loans provided for projects to a qualified entity on terms and conditions approved by the authority;

[C.] E. "mortgage" means a mortgage, [or] a mortgage and deed of trust or the pledge and hypothecation of [any] assets as collateral security;

 $[\frac{D_{\bullet}}{F_{\bullet}}]$ "port of entry" means an international port of entry in New Mexico at which customs services are provided by the United States customs and border protection;

[E.] G. "project" means [any] land, [or] a building or [any] other [improvements] improvement acquired as a part of a port of entry, [or] associated with a port of entry or to aid commerce in connection with a port of entry, including all existing or not yet existing real and personal property deemed necessary in connection [therewith, whether or not now in existence. A project shall be] with a port of entry, that is suitable for use by, as or for one or more of the following:

- (1) a port of entry, a foreign trade zone, an inspection station, an emergency response station or [any other facilities to be another facility used by [any] an agency or entity of the United States government, by another qualified entity or by [any other] a foreign international state;
- an industry for the manufacturing, (2) processing or assembling of [any] an agricultural, mining or .205147.1

manufactured product;

- (3) a railroad switching yard, railroad station, bus terminal, airport or other passenger, commuter or mass transportation system or freight transportation system;
- (4) a commercial business or other enterprise engaged in storing, warehousing, distributing or selling products of manufacturing, agriculture, mining or related industries, not including facilities designed for the distribution to the public of electricity or gas;
- (5) an enterprise in which all or part of the activities of the enterprise involve supplying services to the general public, [or] to governmental agencies or to a specific industry or customer;
- (6) [any] an industrial, commercial, agricultural, professional or other business enterprise seeking to occupy office space;
- (7) infrastructure development involving [acquiring, repairing, improving or maintaining] the acquisition, repair, improvement or maintenance of storm sewers [and] or other drainage [improvements] systems, sanitary sewers, sewage treatment systems, water utilities or solid waste disposal facilities, including [acquiring] the acquisition of rights of way or water rights;
- (8) infrastructure development involving .205147.1

[reconstructing] the reconstruction, resurfacing,
[maintaining, repairing or improving] maintenance, repair or
improvement of existing alleys, streets, roads or bridges or
the laying off, opening, [constructing] construction or
[acquiring] acquisition of new alleys, streets, roads or
bridges, including [acquiring] the acquisition of rights of
way;

(9) [any] an industry that involves [any] a water distribution or irrigation system [including] and the pumps, distribution lines, transmission lines, fences, dams and similar facilities, [and] equipment [including acquiring] and the acquisition of rights of way [or] associated with those systems; and

(10) fire protection services or equipment or police protection services or equipment;

[F.] H. "property" means, as necessary to a project, land, improvements to [the] land, buildings, [and] improvements to [the] buildings, machinery, [and] equipment, [of any kind necessary to the project] operating capital and [any] other personal [properties deemed necessary in connection with the project] property; and

[6.] I. "qualified entity" means the state, [or] one of its agencies, instrumentalities, institutions or political subdivisions, [or] the United States or [any corporation, department, instrumentality or agency of the

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H. "bond" means any bonds, notes or other obligations; and

I. "bondholder" means a person who is the owner of a bond, regardless of whether the bond is registered] one of its corporations, departments, instrumentalities or agencies."

SECTION 5. Section 58-27-4 NMSA 1978 (being Laws 1991, Chapter 131, Section 4, as amended) is amended to read:

"58-27-4. BORDER <u>AND PORT</u> AUTHORITY CREATED--MEMBERSHIP.--

A. The "border <u>and port</u> authority" is created.

The authority is a state agency and is administratively attached to the economic development department.

B. The authority consists of [seven] five voting members [six]:

the governor. No more than three of those appointed shall belong to the same political party. The seventh member shall be the secretary of economic development or the secretary's designee. The voting members appointed by the governor shall be confirmed by the senate. The lieutenant governor shall serve as a nonvoting ex-officio member. The chair may appoint a nonvoting advisory committee to provide advice and recommendations on authority matters.

-	o. The SIX Voting members of the authority
2	appointed by the governor shall be citizens of the state and
3	shall serve for terms of four years except for the initial
4	appointees who shall be appointed so that the terms are
5	staggered after initial appointment. Initial appointees
6	shall serve terms as follows: two members for two years, two
7	members for three years and two members for four years.
8	(a) the governor shall appoint to
9	serve terms as follows: 1) one initial appointee, a two-year
10	term; 2) one initial appointee, a four-year term; and 3)
11	every other appointee, a six-year term;
12	(b) represent the private sector and
13	have professional experience in: 1) land development; 2)
14	economic development; 3) maritime or overland shipping by
15	truck or rail; 4) international commerce; 5) finance; 6)
16	economics; 7) accounting; 8) engineering; 9) law; or 10)
17	business management that consists of serving as the chief
18	executive officer, president or managing director of a
19	business or serving in another upper-level management
20	position of a business; and
21	(c) are appointed subject to
22	confirmation by the senate;
23	(2) one of whom is the secretary of economic
24	development or the secretary's designee; and
25	(3) one of whom is the secretary of
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1	transportation or the secretary's designee.
2	C. The authority shall invite the following to
3	serve as advisory members of the authority:
4	(1) the two United States senators
5	representing New Mexico or those senators' designees;
6	(2) a representative of the governor of the
7	state of Chihuahua;
8	(3) a representative of the governor of the
9	state of Sonora;
10	(4) a representative of the development
11	community in Mexico; and
12	(5) additional members as deemed necessary
13	and approved by the authority."
14	SECTION 6. Section 58-27-6 NMSA 1978 (being Laws 1991,
15	Chapter 131, Section 6, as amended) is amended to read:
16	"58-27-6. OFFICERS OF THE AUTHORITYThe [secretary of
17	economic development] authority shall select one of its
18	voting members to serve as the [chairman] chair of the
19	authority and one of its voting members to serve as vice
20	chair of the authority, each for a one-year term. Authority
21	members shall elect any other officers from the membership
22	that the authority [determines] deems appropriate."
23	SECTION 7. Section 58-27-10 NMSA 1978 (being Laws 1991,
24	Chapter 131, Section 10, as amended) is amended to read:
25	"58-27-10. POWERS AND DUTIES OF AUTHORITY
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A. The authority shall:

- (1) advise the governor and the governor's staff and the New Mexico finance authority oversight committee on methods, proposals, programs and initiatives involving the [New Mexico-Chihuahua] New Mexico-Mexico border area that may further stimulate the border economy and provide additional employment opportunities for New Mexico [citizens] residents;
- (2) subject to [the provisions of] the Border Development Act, initiate, develop, acquire, own, construct and maintain border development projects;
- (3) create programs to expand economic opportunities beyond the [New Mexico-Chihuahua] New Mexico-Mexico border area to other areas of the state;
- (4) create avenues of communication between New Mexico [and Chihuahua] and the Republic of Mexico concerning economic development, trade and commerce, transportation and industrial affairs;
- (5) promote legislation that will further the goals of the authority and development of the border region;
- (6) produce or cause to have produced
 promotional literature related to explanation and fulfillment
 of the authority's goals;
- (7) actively recruit industries and .205147.1

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establish programs that will result in the location and relocation of new industries in the state;

- (8) coordinate and expedite the involvement of the executive department's border area efforts;
- (9) perform or cause to be performed environmental, transportation, communication, land use and other technical studies necessary or advisable for projects or programs or to secure port-of-entry approval by the United States and the Mexican governments and other appropriate governmental agencies; and
- (10) administer the border project fund and projects financed with expenditures from that fund pursuant to Section 58-27-25.1 NMSA 1978.

B. The authority may:

- (1) solicit and accept federal, state, local and private grants of funds, property or financial or other aid in any form for the purpose of carrying out [the provisions of] the Border Development Act;
- (2) adopt rules governing the manner in which its business is transacted and the manner in which the powers of the authority are exercised and its duties performed;
- (3) act as an applicant for and operator of port-of-entry facilities and, as the applicant, carry out all tasks and functions, including acquisition by purchase or

gift of any real property necessary for port-of-entry
facilities, acquisition by purchase, gift or construction of
any facilities or other real or personal property necessary
for a port of entry and filing all necessary documents and
follow-up of such filings with appropriate agencies:

- (4) as part of a port of entry, give or transfer real property, facilities and improvements owned by the authority to the United States government;
- (5) acquire by construction, purchase, gift or lease projects that shall be located within the state;
- (6) sell, lease or otherwise dispose of a project upon terms and conditions acceptable to the authority and in the best interests of the state;
- (7) enter into agreements with the [federal]

 <u>United States</u> government for the operation, improvement and expansion of federal border facilities;
- (8) enter into joint ventures, partnerships or other business relationships with qualified entities and private persons for the joint funding and operation of projects;
- (9) issue revenue bonds and borrow money for the purpose of defraying the cost of acquiring a project by purchase or construction and to secure the payment of the bonds or repayment of a loan;
- (10) expend funds or incur debt for the .205147.1 $\,$

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improvement, maintenance, repair or addition to property owned by the authority, the state or the United States government; and

(11) refinance a project.

- In exercising its authority, the authority shall not incur debt as a general obligation of the state or pledge the full faith and credit of the state to repay debt."
- Section 58-27-12 NMSA 1978 (being Laws 1991, SECTION 8. Chapter 131, Section 12, as amended) is amended to read:

"58-27-12. AUTHORITY STAFF--CONTRACTS.--

The authority shall hire an executive director who has professional experience in land development, economic development, maritime or overland shipping by truck or rail, international commerce, finance, economics, accounting, engineering, law or business management that consists of serving as the chief executive officer, president or managing director of a business or serving in another upper-level management position of a business.

B. The executive director shall:

(1) employ the necessary professional, technical and clerical staff to enable the authority to function efficiently;

[B. The executive director of the authority shall] and

direct the affairs and business of the (2) .205147.1

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2	control and direction of the authority.
3	C. The authority may contract with any other
4	competent private or public organization or individual to
5	assist in the fulfillment of its duties."
6	SECTION 9. Section 58-27-13 NMSA 1978 (being Laws 1991,
7	Chapter 131, Section 13) is amended to read:
8	"58-27-13. LOCATION OF AUTHORITYThe authority shall
9	be located in the [New Mexico-Chihuahua] <u>New Mexico-Mexico</u>
10	border area."
11	SECTION 10. Section 58-27-15 NMSA 1978 (being Laws
12	1991, Chapter 131, Section 15, as amended) is amended to
13	read:
14	"58-27-15. [BORDER] AUTHORITYBONDING AUTHORITYPOWER
15	TO ISSUE REVENUE BONDS
16	A. The authority may act as an issuing authority
17	for the purposes of the Private Activity Bond Act.
18	B. The authority may issue revenue bonds for
19	authority projects. With the exception of the port of entry
20	or foreign trade zone, the [border] authority shall not [be
21	authorized to] issue bonds for projects for a qualified
22	entity, as defined in Section 6-21-3 NMSA 1978. Revenue
23	bonds so issued may be considered appropriate investments for
24	the severance tax permanent fund or collateral for the
25	deposit of public funds if the bonds are rated [not less

authority [subject to] in accordance with the policies,

than] "A" or higher by a national rating service and if both the principal and interest of the bonds are fully and unconditionally guaranteed by a lease agreement executed by an agency of the United States government or by a corporation organized and operating within the United States that [corporation] is, or [the] whose long-term debt [of that corporation being] is, rated [not less than] "A" or higher by a national rating service. All bonds issued by the authority are legal and authorized investments for banks, trust companies, savings and loan associations and insurance companies.

C. The authority may pay from the bond proceeds all expenses, premiums and commissions that the authority [may deem] deems necessary or advantageous in connection with the authorization, sale and issuance of the bonds."

SECTION 11. Section 58-27-21 NMSA 1978 (being Laws 1991, Chapter 131, Section 21) is amended to read:

"58-27-21. [BORDER] AUTHORITY REVENUE BONDS--REFUNDING AUTHORIZATION.--

A. The authority may issue refunding revenue bonds for the purpose of refinancing, paying and discharging all or any part of outstanding authority revenue bonds of any [one or more or all] number of outstanding issues:

(1) for the acceleration, deceleration or other modification of payment of [such] those obligations, .205147.1

including [without limitation] any capitalization of [any] interest [thereon] on those obligations in arrears or about to become due for [any] a period [not exceeding] of one year or less from the date of the refunding bonds;

- (2) for the purpose of reducing interest costs or effecting other economies;
- eliminating restrictive contractual limitations pertaining to the issuance of additional bonds, otherwise concerning the outstanding bonds or to any facilities relating [thereto] to those bonds; or
 - (4) for any combination of those purposes.
- B. The authority may pledge irrevocably for the payment of interest and principal on refunding bonds the appropriate pledged revenues [which] that may be pledged to an original issue of bonds.
- C. Bonds for refunding and bonds for any purpose permitted by the Border Development Act may be issued separately or issued in combination in one series or more."
- SECTION 12. Section 58-27-25 NMSA 1978 (being Laws 1991, Chapter 131, Section 25, as amended) is amended to read:

"58-27-25. FUND CREATED.--

A. The "border <u>and port</u> authority fund" is created in the state treasury. Separate accounts within the .205147.1

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1	fund may be created for [any project] projects. Money in the							
2	fund is appropriated to the authority for the purposes of							
3	carrying out the [provisions of the] Border Development Act.							
4	Money in the fund shall not revert at the end of a fiscal							
5	year.							
6	B. Except as provided in Subsections E and F of							
7	this section, money received by the authority shall be							
8	deposited in the border <u>and port</u> authority fund, including							
9	[but not limited to] all:							
10	(1) [the] proceeds of bonds issued by the							
11	authority or from any loan to the authority made pursuant to							
12	the Border Development Act;							
13	(2) interest earned [upon] <u>on</u> money in the							
14	fund;							
15	(3) [any] property or securities acquired							
16	through the use of money belonging to the fund;							
17	(4) [all] earnings of [such] <u>that</u> property							
18	or <u>those</u> securities;							
19	(5) lease or rental payments received by th							

or rental payments received by the authority from [any] a project and distributed to the fund pursuant to Subsection F of this section;

Money in the

(6) [all] other money received by the authority from any public or private source except [that, if the public or private source expresses an intent that the] money [be used] earmarked for projects pursuant to Section .205147.1

58-27-25.1 NMSA 1978, [then the money] which shall instead be deposited into the border project fund [and not the border authority fund]; and

- (7) tolls, fees, rents or other charges imposed and collected by the authority and distributed to the fund pursuant to Subsection F of this section.
- authority fund shall be made only upon warrant drawn by the secretary of finance and administration pursuant to vouchers signed by the executive director of the authority, [or] the executive director's designee [pursuant to the Border Development Act; provided that in the event] or, if the position of executive director is vacant, [vouchers may be signed by] the chair of the authority.
- D. Earnings on the balance in the border and port authority fund shall be credited to the fund. [In addition, in the event that] If the proceeds from the issuance of bonds or from money borrowed by the authority are deposited in the state treasury, interest earned on that money [during the period commencing with] from the date of its deposit in the state treasury until [the] its actual transfer [of the money] to the fund shall be credited to the fund.
- E. All proceeds from issuing revenue bonds shall be placed in trust with a chartered bank to be dispersed by the trustee [pursuant] according to the terms [set forth] in .205147.1

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the bonding resolution adopted by the authority.

Ten percent of the tolls, fees, rents, lease payments and other charges that are imposed, collected and received by the authority shall be deposited [into] in the border project fund, and the remaining ninety percent shall be deposited [into] in the border and port authority fund. [provided that the] Money deposited into the border and port authority fund shall be expended only as appropriated and in accordance with a budget approved by the state budget division of the department of finance and administration."

SECTION 13. Section 58-27-26 NMSA 1978 (being Laws 1995, Chapter 192, Section 21) is amended to read:

"58-27-26. NEW MEXICO FINANCE AUTHORITY OVERSIGHT COMMITTEE--OVERSIGHT POWERS AND DUTIES.--The New Mexico finance authority oversight committee shall serve as the oversight committee to the border and port authority. The New Mexico finance authority oversight committee shall:

- monitor and oversee the operation of the border and port authority;
- meet [on a regular basis] regularly to receive and review reports from the border and port authority on implementation of the [provisions of the] Border Development Act and to review and approve regulations proposed for adoption pursuant to that act;
- C. monitor, and [provide assistance and advice] .205147.1

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assist and advise on, the project financing program of the border and port authority;

- D. oversee and monitor state and local government capital planning and financing and take testimony from state and local officials on border and port-of-entry capital needs;
- [provide advice and assistance to] assist and advise the border and port authority and cooperate with the executive branch of state government and local governments on planning, setting priorities for and financing [of] border and port-of-entry capital projects;
- F. [undertake an ongoing examination of] continually examine the statutes, constitutional provisions, regulations and court decisions governing border and port-ofentry capital financing in New Mexico; and
- report its findings and recommendations, including recommended legislation or necessary changes, to the governor and to each session of the legislature. The report and proposed legislation shall be made available on or before December 15 of each year."
- SECTION 14. TEMPORARY PROVISION--REFERENCES IN LAW.--Beginning on the effective date of this act, all references in law to the border authority shall be deemed to be references to the border and port authority.
- SECTION 15. REPEAL. -- Section 58-27-7 NMSA 1978 (being .205147.1

Laws	1991.	Chapter	131.	Section 7	7)	is	repealed.
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EFFECTIVE DATE. -- The effective date of the SECTION 16. provisions of this act is July 1, 2017.

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