

1 HOUSE BILL 382

2 **53RD LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2017**

3 INTRODUCED BY

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5 and David M. Gallegos and Bob Wooley
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10 AN ACT

11 RELATING TO COUNTIES; ENACTING THE MINERAL LEASE DISTRICTS ACT;
12 PROVIDING FOR CREATION OF SPECIAL MINERAL LEASE DISTRICTS;
13 PROVIDING FOR APPOINTMENT, POWERS AND DUTIES OF BOARDS OF
14 DIRECTORS OF MINERAL LEASE DISTRICTS.
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16 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

17 SECTION 1. [NEW MATERIAL] SHORT TITLE.--This act may be
18 cited as the "Mineral Lease Districts Act".

19 SECTION 2. [NEW MATERIAL] FINDINGS.--The legislature
20 finds that:

21 A. it is of statewide concern to maximize the
22 amount of payment in lieu of taxes that counties in New Mexico
23 receive annually;

24 B. counties help manage thousands of acres of
25 public lands in New Mexico, and payment in lieu of taxes

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1 funding from the federal government defrays county public land
2 management costs;

3 C. counties would not be able to fund important
4 services and programs for New Mexico residents' enjoyment of
5 public lands without maximizing payment in lieu of taxes
6 funding to New Mexico;

7 D. as a result of the United States department of
8 the interior declaring that federal mineral lease payments to
9 counties are to be counted as prior-year payments under the
10 payment in lieu of taxes payment formula pursuant to 31 U.S.C.
11 6902, New Mexico counties will lose millions of dollars
12 otherwise dedicated to public land management; and

13 E. in order to maximize the amount of payment in
14 lieu of taxes funding that New Mexico receives, county federal
15 mineral lease payments must be protected from the new federal
16 prior-year payment method. To that end, counties should have
17 the ability to collaborate with state and local stakeholders
18 within the framework of a mineral lease district to ensure
19 protection of payment in lieu of taxes funding dedicated to
20 public land management in New Mexico.

21 SECTION 3. [NEW MATERIAL] DEFINITIONS.--As used in the
22 Mineral Lease Districts Act:

23 A. "district" means a mineral lease district
24 created pursuant to the Mineral Lease Districts Act; and

25 B. "funding" means the direct distribution of money

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1 from the federal mineral leasing program to New Mexico
2 counties.

3 SECTION 4. [NEW MATERIAL] POWER TO CREATE MINERAL LEASE
4 DISTRICTS.--

5 A. A county may create a mineral lease district
6 through a resolution adopted by the board of county
7 commissioners that sets forth:

8 (1) the name of the county creating the
9 district;

10 (2) the names of any municipalities to be
11 included in the proposed district that have enacted ordinances
12 pursuant to the Mineral Lease Districts Act;

13 (3) a description of the boundaries of the
14 district;

15 (4) the name of the district; and

16 (5) the number of directors of the district.

17 B. A district shall have no fewer than three
18 directors for a district, and the total number of directors
19 shall be an odd number.

20 C. The governing body of a municipality may enact
21 an ordinance proposing to join a district before the adoption
22 of a resolution by a board of county commissioners.

23 D. No later than the first business day after the
24 adoption of a resolution creating a district, the county clerk
25 and recorder shall transmit a certified copy of the resolution

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1 to:

2 (1) the governing body of each municipality
3 named in the resolution; and

4 (2) the secretary of finance and
5 administration.

6 E. A district shall be active for two years from
7 the date of the resolution creating the district. Prior to the
8 end of the two-year period, the board of county commissioners
9 may pass a reauthorizing resolution to continue the existence
10 of the district for another two years.

11 SECTION 5. [NEW MATERIAL] APPROVAL OF SERVICE PLAN.--The
12 board of county commissioners of a county that creates a
13 district shall adopt a district service plan no later than
14 ninety days after the date of creating the district. The
15 service plan shall include requirements for annual audits of
16 all funding the district receives. Copies of the audits shall
17 be sent annually to the state treasurer, the legislative
18 finance committee and the state auditor.

19 SECTION 6. [NEW MATERIAL] BOARD OF DIRECTORS--APPOINTMENT
20 OR REMOVAL.--

21 A. Immediately after the creation of a district,
22 the board of county commissioners shall appoint a board of
23 directors for the district. The number of directors on the
24 board shall be as set forth in the resolution creating the
25 district. At least one member of the board of directors shall

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1 be a county commissioner from the county that created the
2 district. Other members may be representatives of the
3 governing body of municipalities included in the district or
4 other officials representing the interests of areas impacted by
5 mineral lease activities.

6 B. County commissioners from the county that
7 creates a district that serve on the board of directors of the
8 district shall not constitute a majority on the board of
9 directors. The officers of the board of directors shall be the
10 president and a secretary, who shall be elected annually by the
11 board of directors from its own members.

12 C. The term of each member of the board of
13 directors shall be two years unless the district is
14 reauthorized and the member is reappointed. The board of
15 county commissioners of the county that creates a district
16 shall have the power to remove any member of the board of
17 directors for the district. Vacancies on the board of
18 directors shall be filled by the board of county commissioners.

19 D. All meetings of the board of directors for a
20 district shall be held at locations that are within the
21 boundaries of the district. The provisions of the location of
22 meetings may be waived only if the proposed change of location
23 of a meeting of the board appears on the agenda of a meeting of
24 the board and if a resolution is adopted by the board stating
25 the reason for which a meeting of the board is to be held in a

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1 location other than under the provisions of this subsection and
2 further stating the date, time and place of such meeting.

3 SECTION 7. [NEW MATERIAL] BOARD OF DIRECTORS--POWERS AND
4 DUTIES.--

5 A. The board of directors of a district shall
6 annually distribute all of the funding the district receives
7 from the federal mineral leasing program to areas within the
8 district that are socially or economically impacted by the
9 development, processing or energy conversion of fuels and
10 minerals leased under the federal Mineral Leasing Act. The
11 district may use up to ten percent of the annual funding for
12 any administrative costs of the district. The board of
13 directors may review any reports or studies made and seek any
14 additional reports or studies it deems necessary regarding the
15 distribution of funding in the district.

16 B. A district may cooperate or contract with any
17 other district to provide any function or service lawfully
18 authorized to each of the cooperating or contracting districts,
19 including the sharing of costs, only if the cooperation or
20 contracts are authorized by each district with the approval of
21 each district's board of directors. Any contract providing for
22 the sharing of costs may be entered into for any period, not to
23 exceed the existence of the district and notwithstanding any
24 provision of law limiting the length of any financial contracts
25 or obligations of governments. Any such contract shall set

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1 forth fully the purposes, powers, rights, obligations and
2 responsibilities, financial and otherwise, of the contracting
3 parties. Where other provisions of law provide requirements
4 for special types of intergovernmental contracting or
5 cooperation, those special provisions shall control.

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