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HOUSE BILL 849

43RD LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1997

INTRODUCED BY

DAVID M PARSONS

AN ACT

RELATING TO THE ECONOMIC DEVELOPMENT DEPARTMENT; AMENDING, REPEALING AND ENACTING SECTIONS OF THE NMSA 1978.

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

Section 1. Section 9-15-1 NMSA 1978 (being Laws 1983, Chapter 297, Section 1, as amended) is amended to read:

"9-15-1. SHORT TITLE.--[Sections 9-15-1 through 9-15-15]

Chapter 9, Article 15 NMSA 1978 may be cited as the "Economic Development Department Act"."

Section 2. Section 9-15-2 NMSA 1978 (being Laws 1983, Chapter 297, Section 2, as amended) is amended to read:

"9-15-2. FINDINGS AND PURPOSE. --

A. The legislature finds that a need exists for economic diversification in the state in order to protect against dramatic changes in the state's economy and to increase

revenues to help state government finance the various services it provides to the state's communities and citizens.

- B. The legislature further finds that the goal of economic development and diversification can best be accomplished by creating a cabinet-level department [which] that will be concerned solely with the areas of economic development and diversification and business recruitment, expansion and retention.
- C. The purpose of the Economic Development

 Department Act is to create a cabinet-level department in order to:
- (1) provide a coordinated statewide perspectivewith regard to economic development activities;
- [(2) provide a data base for local and regional economic development groups and serve as a comprehensive source of information and assistance to businesses wishing to locate or expand in New Mexico;
- (3) actively encourage new economic enterprises
 to locate in New Mexico and assist existing businesses to
 expand;]
- (2) assist in gathering information on local and regional assets:
- (3) assist in the establishment of procedures for handling potential clients;
 - (4) monitor the progress of state-supported

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econon	nic developm	ment activiti	es and pre	pare annual	reports	of
such a	acti vi ti es,	their status	and their	impact;		

- (5) create and encourage methods designed to provide rapid economic diversification development that will create new employment opportunities for the citizens of the state, including the issuance of grants and loans to municipalities and counties for economic enhancement projects;
- [(6) provide for technology commercialization projects as an incentive to industry locating or expanding in the state:
 - (7) support technology transfer programs;
- (8) promote New Mexico as a technology conference center:
- (9) promote and market federal and state technology commercialization programs;
- (10) develop and implement enhanced statewide procurement programs; and
- (11) provide support and assistance in the creation and operation of development finance mechanisms such as business development corporations and the industrial and agricultural finance authorities in order to insure capital availability for business expansion and economic diversification.]
- (6) assist in the development of a plan for the expansion of the local regional economic base;

2	attract new labor forces or training local labor forces;
3	(8) identify barriers to local or regional
4	economic development and develop plans to overcome such
5	<u>barri ers;</u>
6	(9) promote investment by private sector in the
7	state: and
8	(10) provide support and assistance in the
9	creation and operation of development finance mechanisms such as
10	business development corporations and the New Mexico industrial
11	and agricultural finance authority in order to ensure capital
12	availability for business expansion and economic
13	di versi fi cati on. "
14	Section 3. Section 9-15-4 NMSA 1978 (being Laws 1983,
15	Chapter 297, Section 4, as amended) is amended to read:
16	"9-15-4. DEPARTMENT ESTABLISHEDThere is created in the
17	executive branch the "economic development department". The
18	department shall be a cabinet department and shall consist of,
19	but not be limited to, $[seven]$ \underline{six} divisions as follows:
20	A. the administrative services division;
21	B. the economic development division;
22	C. the New Mexico film division;
23	D. the <u>science and</u> technology [enterprise] division;
24	E. the trade division; <u>and</u>
25	[F. the state housing authority; and

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(7) assist in the establishment of programs to

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G.] F. the [office for] space commercialization division. "

Section 4. Section 9-15-5 NMSA 1978 (being Laws 1983, Chapter 297, Section 5, as amended) is amended to read:

"9-15-5. SECRETARY [OF THE ECONOMIC DEVELOPMENT

DEPARTMENT]--APPOINTMENT.--The chief executive and

administrative officer of the department is the "secretary of

economic development". The secretary shall be appointed by the

governor with the consent of the senate. The secretary shall

hold that office at the pleasure of the governor and shall serve

in the executive cabinet [provided, however, that the secretary

appointed to serve as the secretary of economic development and

tourism and whose appointment has been confirmed by the senate

may serve as the secretary of the economic development

department at the pleasure of the governor and without further

confirmation]."

Section 5. Section 9-15-6 NMSA 1978 (being Laws 1983, Chapter 297, Section 6, as amended) is amended to read:

"9-15-6. SECRETARY--DUTIES AND GENERAL POWERS. --

A. The secretary is responsible to the governor for the operation of the department. It is his duty to manage all operations of the department and to administer and enforce the laws with which he or the department is charged.

B. To perform his duties, the secretary has every power expressly enumerated in the laws, whether granted to the

secretary or the department or any division of the department, except where authority conferred upon any division is explicitly exempted from the secretary's authority by statute. In accordance with these provisions, the secretary shall:

- (1) except as otherwise provided in the Economic Development Department Act, exercise general supervisory and appointing authority over all department employees, subject to any applicable personnel laws and regulations;
- (2) delegate authority to subordinates as he deems necessary and appropriate, clearly delineating such delegated authority and the limitations thereto;
- (3) organize the department into those organizational units he deems will enable it to function most efficiently;
- (4) within the limitations of available appropriations and applicable laws, employ and fix the compensation of those persons necessary to discharge his duties;
- (5) take administrative action by issuing orders and instructions, not inconsistent with the law, to assure implementation of and compliance with the provisions of law for whose administration or execution he is responsible and to enforce those orders and instructions by appropriate administrative action in the courts;
 - (6) conduct research and studies that will

improve the operations of the department and the provision of services to the citizens of the state:

- (7) provide for courses of instruction and practical training for employees of the department and other persons involved in the administration of programs, with the objective of improving the operations and efficiency of administration;
- (8) prepare an annual budget of the department based upon the five-year economic development plan approved by the commission. The economic development plan shall be updated and approved annually by the commission;
- (9) provide cooperation, at the request of heads of administratively attached agencies, in order to:
- (a) minimize or eliminate duplication of services;
- (b) coordinate activities and resolve problems of mutual concern; and
- (c) resolve by agreement the manner and extent to which the department shall provide budgeting, recordkeeping and related clerical assistance to administratively attached agencies;
- (10) appoint a "director" for each division.

 These appointed positions are exempt from the provisions of the Personnel Act. Persons appointed to these positions shall serve at the pleasure of the secretary;

- (11) give bond in the penal sum of twenty-five thousand dollars (\$25,000) and require directors to each give bond in the penal sum of ten thousand dollars (\$10,000) conditioned upon the faithful performance of duties, as provided in the Surety Bond Act. The department shall pay the costs of these bonds; and
- (12) require performance bonds of such department employees and officers as he deems necessary, as provided in the Surety Bond Act. The department shall pay the costs of these bonds.
- C. The secretary may apply for and receive in the name of the department any public or private funds, including [but not limited to] United States government funds, available to the department to carry out its programs, duties or services.
- D. The secretary may make and adopt such reasonable and procedural rules and regulations as may be necessary to carry out the duties of the department and its divisions. No rule or regulation promulgated by the director of any division in carrying out the functions and duties of the division shall be effective until approved by the secretary unless otherwise provided by statute. Unless otherwise provided by statute, no regulation affecting any person or agency outside the department shall be adopted, amended or repealed without a public hearing on the proposed action before the secretary or a hearing officer designated by him. The public hearing shall be held in Santa Fe

unless otherwise permitted by statute. Notice of the subject matter of the regulation, the action proposed to be taken, the time and place of the hearing, the manner in which interested persons may present their views and the method by which copies of the proposed regulation, proposed amendment or repeal of an existing regulation may be obtained shall be published once at least thirty days prior to the hearing date in a newspaper of general circulation and mailed at least thirty days prior to the hearing date to all persons who have made a written request for advance notice of hearing. All rules and regulations shall be filed in accordance with the State Rules Act."

Section 6. Section 9-15-10 NMSA 1978 (being Laws 1983, Chapter 297, Section 10, as amended) is amended to read:

"9-15-10. ORGANIZATIONAL UNITS OF DEPARTMENT--POWERS AND DUTIES SPECIFIED BY LAW--ACCESS TO INFORMATION.--Those organizational units of the department and the officers of those units specified by law shall have all of the powers and duties enumerated in the specific laws involved. However, the carrying out of those powers and duties shall be subject to the direction and supervision of the secretary, and he shall retain the final decision-making authority and responsibility for the administration of any such laws as provided in Subsection B of Section 9-15-6 NMSA 1978. The department shall have access to all records, data and information of other state departments, agencies and institutions, including its own organizational

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units, not specifically held confidential by law. Any information obtained by the department that is deemed by the secretary to be proprietary technical or business information shall be held in confidence. Proprietary technical or business information shall not be deemed a public record pursuant to the Public Records Act or be open to inspection pursuant to Section 14-2-1 NMSA 1978. The department shall take such steps as are necessary to safeguard the confidentiality of the information."

Section 7. Section 9-15-11 NMSA 1978 (being Laws 1988, Chapter 81, Section 5, as amended) is amended to read:

"9-15-11. ECONOMIC DEVELOPMENT COMMISSION CREATED--MEMBERSHIP--ADMINISTRATIVELY ATTACHED TO THE DEPARTMENT.--

The "economic development commission" is created. The commission shall be a planning commission administratively attached to the [economic development] department. The commission shall provide advice to the department on policy The commission shall be responsible for the annual matters. approval and update of the state's five-year economic The commission shall consist of [seven] eight development plan. members who shall be qualified electors of the state [of New Mexico], no more than four of whom at the time of their appointment shall be members of the same political party and at least one of whom shall be a Native American. Members shall be appointed by the governor and confirmed by the senate. members shall be appointed from each of the three congressional

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districts. The seventh member shall be the governor's "science advisor", hereby named. The governor's science advisor shall advise the governor on matters relating to science and technology, technological innovation, technical excellence, technology-based new business development, research and development and other science and technology projects conducted at research institutes and institutions of higher education throughout the state, with emphasis on commercialization of such projects and technology transfer for economic development purposes. Seven members shall be appointed from their respective planning districts, and the eighth member shall be a Native American and represent the interests of the Indian tribes and pueblos.

- Appointments shall be made for [seven-year] five-<u>vear</u> terms expiring on January 1 of the appropriate year. Commission members shall serve staggered terms as determined by the governor at the time of their initial appointment. Annually, the governor shall designate a chairman of the commission from among the members.
- C. The commission shall meet at the call of the chairman, not less than once each quarter, and shall invite representatives of appropriate legislative committees, other state agencies and interested persons to its meetings for the purpose of information exchange and coordination.
 - Commission members shall not vote by proxy. D.

majority of the members constitutes a quorum for the conduct of business.

E. Members of the commission shall not be removed

- E. Members of the commission shall not be removed except for incompetence, neglect of duty or malfeasance in office; provided, however, no removal shall be made without notice of hearing and an opportunity to be heard having first been given the member being removed. The senate shall be given exclusive original jurisdiction over proceedings to remove members of the commission [under such rules as it may promulgate]. The senate's decision in connection with such matters shall be final. A vacancy in the membership of the commission occurring other than by expiration of term shall be filled in the same manner as the original appointment, but for the unexpired term only.
- F. Commission members shall not be paid, but shall receive per diem and mileage as provided in the Per Diem and Mileage Act."
- Section 8. A new section of the Economic Development Department Act is enacted to read:

"[NEW MATERIAL] ECONOMIC DEVELOPMENT DIVISION--CREATED-DUTIES. -- The "economic development division" is created as a
division of the department. The division shall:

- A. actively encourage new economic enterprises to locate in New Mexico and assist existing business to expand;
 - B. provide a database for local and regional

economic development groups and serve as a comprehensive source
of information and assistance to businesses wishing to locate or
expand in New Mexico;
C. serve as staff to the governor's rural economic
development council;
D. serve as lead agency in the coordination of the
census program at the state data center;

E. promote Indian economic potential and establish a business mentor program to enhance Indian business exports; and

F. assist New Mexico communities to enhance their ability to attract economic development through main street, enterprise zone, retention and expansion and rural readiness programs."

Section 9. A new section of the Economic Development Department Act is enacted to read:

"NEW MATERIAL] ENTERPRISE DEVELOPMENT BUREAU--CREATED-DUTI ES. --

A. The "enterprise development bureau" is created in the economic development division. The bureau shall:

- (1) serve as the state's primary source of business information regarding licensing, permitting and taxation requirements and procedures and other matters relevant to business and economic development;
- (2) develop and maintain a comprehensive statewide business information database and referral service;

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- (4) establish a reporting procedure to monitor the success of the referral service; and
- (5) provide professional assistance to businesses involved in state licensing, permitting and taxation procedures.
- B. The secretary shall develop a budget for the bureau and hire a chief and other staff as necessary to carry out the provisions of this section."

Section 10. Section 9-15-16 NMSA 1978 (being Laws 1991, Chapter 21, Section 21) is amended to read:

"9-15-16. <u>SCIENCE AND</u> TECHNOLOGY [ENTERPRISE] DIVISION

CREATED. -- The "science and technology [enterprise] division" is created as a division of the [economic development] department.

The division shall:

A. enhance the business climate to encourage the start-up, relocation, development and growth of <u>science-and</u> technology-based industry in New Mexico;

- B. promote an expanded, diversified <u>science-and</u> technology-based economy, emphasizing areas that:
- (1) derive from the state's <u>scientific and</u> technological strengths;
 - (2) provide a commercial advantage;
 - (3) lend themselves to a distributed science-

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and technology-based industry network; and

- $(4) \quad [\underline{utilize}] \ \underline{use} \ i\, maginative \ state, \ federal \\ and \ private \ partnerships; \ and$
- C. attain sufficient levels of human, financial and physical resources to support in-state industries and attract new industries to New Mexico."
- Section 11. Section 9-15-17 NMSA 1978 (being Laws 1991, Chapter 21, Section 22) is amended to read:
- "9-15-17. DIRECTOR--DUTIES.--The director of the <u>science</u> and technology [enterprise] division is responsible for the overall supervision of the division [in accordance with the provisions of Section 9-15-16 NMSA 1978] and shall serve as the governor's science adviser. The governor's science adviser shall advise the governor on matters related to science, technology, education and economic development. In addition, the director shall:
- A. formulate and submit to the commission a fiveyear state <u>science and</u> technology development plan;
- B. develop and be responsible for the operating and capital budgets of the division;
- C. develop agreements with federal research, development, testing and evaluating organizations and universities to facilitate the transfer and commercialization of technology;
 - D. recommend to the secretary proposed projects and

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contracts in accordance with the policies, procedures and guidelines established by the department;

- subject to the approval of the secretary, apply for and accept any federal funds or grants and private donations:
- F. develop requests for proposals in science and technology commercialization areas given priority by the commission in the state's economic development [and tourism] plan; receive and refer with commentary to the secretary proposals submitted in response to requests for proposals; confer with research investigators to assist them when needed; monitor progress on state-funded research and development projects; maintain contact with research and development offices of the universities, federal laboratories and private research operations; and receive reports of individual projects;
 - prepare an annual report on: G.
- the status of the [technology enterprise] (1) di vi si on:
- the status of ongoing research and **(2)** development projects;
- the results obtained from completed projects and the dissemination of those results; and
 - **(4)** other activities of the division;
- H. maintain and update records on the status of all completed and ongoing projects;

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- I. request from each entity under contract with the division a detailed description of tasks and associated budgets for review and approval by the commission; and
- J. perform such other duties as are assigned to him by the secretary [in order to further the purposes of Section 9-15-17 NMSA 1978]."

Section 12. Section 9-15-31 NMSA 1978 (being Laws 1988, Chapter 80, Section 5, as amended) is amended to read:

"9-15-31. DIRECTOR--DUTIES.--The director of the trade division of the department is responsible for the overall supervision of the division's activities [in accordance with the purposes of Sections 9-15-28 through 9-15-34 NMSA 1978]. In addition, the director shall:

- A. work with individuals and organizations outside of state government to formulate a trade promotion plan for inclusion in the department's five-year economic development [and tourism] plan;
- B. establish and annually update the New Mexico trade registry of New Mexico businesses and the products and services they offer to consumers;
- C. develop and maintain a database of trade opportunities;
- D. work with individuals and organizations outside of state government to promote New Mexico trade; and
 - E. prepare an annual report on the activities of the

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Section 13. Section 9-15-43 NMSA 1978 (being Laws 1994, Chapter 127, Section 2, as amended) is amended to read:

"9-15-43. DEFINITIONS. -- As used in [the Spaceport

Development Act] Sections 9-15-43 through 9-15-47 NMSA 1978:

A. "commission" means the [spaceport] space commission;

[B. "department" means the economic development department;

C.] <u>B.</u> "director" means the director of the [officefor] space commercialization <u>division</u>;

C. "division" means the space commercialization division;

D. "secretary" means the secretary of economic development; $\left[\frac{and}{a}\right]$

E. "space" means any location beyond altitudes of sixty thousand feet above the earth's mean sea level; and

[E.] F. "spaceport" means an installation and related facilities [utilized] used for the launching, landing, recovery, servicing and monitoring of vehicles capable of entering or returning from space."

Section 14. Section 9-15-44 NMSA 1978 (being Laws 1994, Chapter 127, Section 3, as amended) is amended to read:

"9-15-44. [OFFICE FOR] SPACE COMMERCIALIZATION DIVISION
CREATED--DUTIES OF DIRECTOR. --

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- A. The "[office for] space commercialization division" is created as a division in the department.
- The duties of the [office for space commercialization division shall be discharged by a director, who shall be hired by the secretary.
 - C. The director shall:
- employ such other staff as is necessary to carry out the work of the [office for space commercialization] division and the commission and the purposes of [the Spaceport Development Act] Sections 9-15-43 through 9-15-47 NMSA 1978;
- discharge the responsibilities of the (2)[office for space commercialization] division in accordance with the policies established and approved by the secretary;
- administer federally funded grants for the **(3)** purpose of determining the feasibility of developing and operating a regional spaceport and other space development-related activities in the state;
- manage all aspects of the spaceport **(4)** program;
- **(5)** coordinate the promotion and marketing of space-related resources of New Mexico and a regional spaceport;
- serve as the interface between New Mexico (6)and national and international users of the regional spaceport;
- (7)schedule user mission support with other elements of the regional spaceport;

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- (8) develop a comprehensive inventory of New Mexico's space-related assets;
- (9) cooperate with the commission in performing tasks necessary to establish the criteria for overflight; and
- (10) support the commission in executing the tasks approved by the secretary."

Section 15. Section 9-15-45 NMSA 1978 (being Laws 1994, Chapter 127, Section 4, as amended) is amended to read:

"9-15-45. COMMISSION CREATED--MEMBERSHIP. --

- A. The "[spaceport] space commission" is created.

 The commission is administratively attached to the department.
- B. The commission is composed of up to eleven voting members. Three members shall be ex officio and [four] all others shall be appointed by the governor. The ex-officio members are the secretary, the [secretary of finance and administration] governor's science adviser and the lieutenant governor. In selecting the appointed members of the commission, the governor shall appoint at least three members knowledgeable of [the] government and commercial space [industry] activities. One member shall be a resident of Sierra county, one member shall be a representative of a federal space development project in the state and one member shall be a representative of one of the state's national laboratories.
- C. Appointed members of the commission shall serve for terms of three years; provided, when making his initial

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appointments, the governor shall appoint one member to a term of one year, two members to terms of two years and $[\frac{\text{three}}{\text{two}}]$ members to terms of three years.

- D. The governor shall appoint a chairman of the commission from among the appointed members. Other necessary officers shall be elected by the commission from among its membership.
- E. Commission members shall meet at the call of the chairman, not less than four times a year. <u>Meetings shall be</u> conducted in different geographic locations in the state on an alternating basis.
- F. Members of the commission appointed by the governor [of the state of New Mexico] shall be reimbursed for per diem and mileage pursuant to the Per Diem and Mileage Act, but shall not receive any other compensation, perquisite or allowance."

Section 16. Section 9-15-46 NMSA 1978 (being Laws 1994, Chapter 127, Section 5, as amended) is amended to read:

- "9-15-46. COMMISSION--POWERS--DUTIES.--The commission shall:
- A. in cooperation with the [office for space commercialization] division, promote [spaceport] the development of a spaceport and other space-related activities in the state;
- B. advise the secretary on methods for soliciting and accepting, on behalf of the state, federal, state, local and

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private funds for the purpose of developing, constructing,
maintaining and operating a regional spaceport <u>and other space</u>
<u>development-related projects</u>;

- C. act in an advisory capacity to the secretary on matters that pertain to the development and operation of [the regional spaceport] space development projects;
- D. advise the secretary on methods for providing for the development, construction and acceptance of a regional spaceport; and
- E. report annually to the governor and the legislature on the status of the [regional spaceport and other space-related] space development-related activities and projects undertaken by the commission."

Section 17. A new section of the Economic Development Department Act is enacted to read:

"[NEW MATERIAL] NEW MEXICO FILM DIVISION--CREATED-DUTIES.--The "New Mexico film division" is created as a division
of the department. The division shall promote and facilitate
location productions by:

- A. promoting New Mexico's communities and their resources to potential domestic and international production companies;
- B. establishing a database of New Mexico business and personnel relevant to the film industry; and
 - C. fostering and supporting the recruitment,

retention and expansion of film-related businesses in the state."

Section 18. A new section of the Economic Development

Department Act is enacted to read:

"[NEW MATERIAL] NEW MEXICO FILM DIVISION DIRECTOR-DUTIES. -- The director of the New Mexico film division of the
department is responsible for the overall supervision of the
division's activities. In addition, the director shall:

- A. develop and maintain a network of communityappointed volunteers to aid in further promoting New Mexico's communities and regions for location production;
- B. establish and maintain a photographic library of potential location sites statewide;
- C. produce and disseminate collateral materials for the promotion of location production; and
- D. prepare an annual report on the activities of the division."

Section 19. REPEAL. -- Sections 9-15-7. 1, 9-15-18, 9-15-29 and 9-15-32 through 9-15-42 NMSA 1978 (being Laws 1983, Chapter 296, Section 21, Laws 1991, Chapter 21, Section 23, Laws 1988, Chapter 80, Section 3, Laws 1989, Chapter 205, Sections 1 through 3, Laws 1991, Chapter 27, Sections 1 and 2, Laws 1993, Chapter 211, Sections 1 through 5 and also by Laws 1993, Chapter 216, Sections 1 through 5 and Laws 1994, Chapter 127, Section 1, as amended) are repealed.

Section 20. EFFECTIVE DATE. -- The effective date of the provisions of this act is July 1, 1997.

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