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HOUSE BILL 445

43RD LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 1998

INTRODUCED BY

JOE M STELL

AN ACT

RELATING TO PROPERTY TAX REVENUES; REQUIRING LOCAL GOVERNMENT ISSUERS OF INDUSTRIAL REVENUE BONDS TO PROVIDE TIMELY NOTICE OF THE BOND ISSUANCE TO ALL LOCAL PUBLIC BODIES WHOSE PROPERTY TAX BASE IS AFFECTED BY THE ISSUANCE; ALLOWING LOCAL PUBLIC BODIES TO COMMENT ON THE IMPACT OF THE BONDS; REQUIRING NEGOTIATION OF PAYMENTS IN LIEU OF TAXES FOR CERTAIN SCHOOL DISTRICTS WHOSE PROPERTY TAX BASE IS IMPACTED BY THE PROPOSED ISSUANCE OF INDUSTRIAL REVENUE BONDS.

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

Section 1. A new section of the Industrial Revenue Bond Act is enacted to read:

" [NEW MATERIAL] NOTIFICATION REQUIREMENT. -- Every municipality that proposes to issue industrial revenue bonds for a project shall provide timely notice of the proposed

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[bracketed material] = delete

1 issuance to all local public bodies with property taxing  
2 authority that will be affected by the issuance of the bonds.  
3 Upon the request of a local public body, the municipality  
4 shall provide an opportunity for comment on the impact of the  
5 proposed bond issuance. "

6 Section 2. A new section of the Industrial Revenue Bond  
7 Act is enacted to read:

8 "[NEW MATERIAL] SCHOOL DISTRICT IMPACT--WHEN NEGOTIATION  
9 OF PAYMENT IN LIEU OF TAXES REQUIRED. --

10 A. Prior to issuing industrial revenue bonds, a  
11 municipality and the company proposing the project, upon a  
12 request from the local school board of a school district that  
13 has determined the bond issuance may have a significant impact  
14 on the district, shall determine the projected impact of the  
15 project on school district membership. Any study necessary to  
16 develop this data shall be carried out as agreed upon by the  
17 municipality and the company, with any cost borne by the  
18 company requesting the bonds.

19 B. If the project is projected to result in an  
20 increase of more than fifteen percent in the school district's  
21 membership over a three-year period or if the local school  
22 board determines that the capital costs of meeting the  
23 projected growth with general obligation bonds would result in  
24 the school district exceeding seventy-five percent of its  
25 general obligation bonding capacity, then the municipality and

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1 the company shall negotiate a payment in lieu of taxes  
2 acceptable to the school district. A majority of the members  
3 of the local school board of that school district may vote to  
4 waive the negotiation requirement. "

5 Section 3. A new section of the County Industrial  
6 Revenue Bond Act is enacted to read:

7 "[NEW MATERIAL] NOTIFICATION REQUIREMENT. -- Every county  
8 that proposes to issue industrial revenue bonds for a project  
9 shall provide timely notice of the proposed issuance to all  
10 local public bodies with property taxing authority that will  
11 be affected by the issuance of the bonds. Upon the request of  
12 a local public body, the county shall provide an opportunity  
13 for comment on the impact of the proposed bond issuance. "

14 Section 4. A new section of the County Industrial  
15 Revenue Bond Act is enacted to read:

16 "[NEW MATERIAL] SCHOOL DISTRICT IMPACT-- WHEN NEGOTIATION  
17 OF PAYMENT IN LIEU OF TAXES REQUIRED. --

18 A. Prior to issuing industrial revenue bonds, a  
19 county and the company proposing the project, upon a request  
20 from the local school board of a school district that has  
21 determined the bond issuance may have a significant impact on  
22 the district, shall determine the projected impact of the  
23 project on school district membership. Any study necessary to  
24 develop this data shall be carried out as agreed upon by the  
25 county and the company, with any cost borne by the company

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[bracketed material] = delete

1 requesting the bonds.

2 B. If the project is projected to result in an  
3 increase of more than fifteen percent in the school district's  
4 membership over a three-year period or if the local school  
5 board determines that the capital costs of meeting the  
6 projected growth with general obligation bonds would result in  
7 the school district exceeding seventy-five percent of its  
8 general obligation bonding capacity, then the county and the  
9 company shall negotiate a payment in lieu of taxes acceptable  
10 to the school district. A majority of the members of the  
11 local school board of that school district may vote to waive  
12 the negotiation requirement. "

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5  
6 February 14, 1998

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8 Mr. Speaker:

9  
10 Your GOVERNMENT AND URBAN AFFAIRS COMMITTEE, to  
11 whom has been referred

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14  
15 has had it under consideration and reports same with  
16 recommendation that it DO PASS, amended as follows:

17 1. On page 1, line 23, strike "Every" and insert in lieu  
18 thereof "Prior to adopting an ordinance issuing industrial  
19 revenue bonds, every".

20  
21 2. On page 1, line 25, strike "timely".

22  
23 3. On page 2, line 2, after the period insert:

24 "The notice shall be delivered at least thirty days prior  
25 to the meeting at which final action on the ordinance is to be

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4 taken. "

5  
6 4. On page 2, line 10, after "to" insert "adopting an  
7 ordinance".

8  
9 5. On page 2, line 18, after the period insert:

10  
11 "Any request made pursuant to this subsection shall be  
12 delivered to the municipality and the company at least twenty-  
13 one days prior to the meeting at which final action on the  
14 ordinance is to be taken. "

15 6. On page 2, line 23, strike "with" and insert in lieu  
16 thereof "payable from".

17  
18 7. On page 3, line 4, strike "negotiation" and after  
19 "requirement" insert "of a payment in lieu of taxes".

20 8. On page 3, line 4, strike the closing quotation marks  
21 and between lines 4 and 5, insert the following new subsection:

22  
23 "C. As used in this section, "significant impact"  
24 means likely to result in:

25 (1) an increase of more than fifteen percent in

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4 the school district's membership over a three-year period; or

5  
6 (2) an increase in the capital costs of meeting  
7 the projected growth payable from general obligation bonds that  
8 would result in the school district exceeding seventy-five  
9 percent of its general obligation bonding capacity. "".

10  
11 9. On page 3, line 7, strike "Every" and insert in lieu  
12 thereof "Prior to adopting an ordinance issuing industrial  
13 revenue bonds, every".

14 10. On page 3, line 9, strike "timely".

15  
16 11. On page 3, line 11, after the period insert "The  
17 notice shall be delivered at least thirty days prior to the  
18 meeting at which final action on the ordinance is to be taken.".

19 12. On page 3, line 18, after "to" insert "adopting an  
20 ordinance".

21  
22 13. On page 4, line 1, after the period insert:

23  
24 "Any request made pursuant to this subsection shall be  
25 delivered to the county and the company at least twenty-one days  
prior to the meeting at which final action on the ordinance is

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4 to be taken."

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6 14. On page 4, line 6, strike "with" and insert in lieu  
7 thereof "payable from".

8  
9 15. On page 4, line 12, strike "negotiation" and after  
10 "requirement" insert "of a payment in lieu of taxes".

11  
12 16. On page 4, line 12, strike the closing quotation  
13 marks and between lines 12 and 13, insert the following new  
14 subsection:

15 "C. As used in this section, "significant impact"  
16 means likely to result in:

17  
18 (1) an increase of more than fifteen percent in  
19 the school district's membership over a three-year period; or

20 (2) an increase in the capital costs of meeting  
21 the projected growth payable from general obligation bonds that  
22 would result in the school district exceeding seventy-five  
23 percent of its general obligation bonding capacity."",

24 and thence referred to the TAXATION AND REVENUE  
25 COMMITTEE.

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Respectfully submitted,

\_\_\_\_\_  
Lynda M. Lovejoy, Chairman

Adopted \_\_\_\_\_

Not Adopted \_\_\_\_\_

(Chief Clerk)

(Chief Clerk)

Date \_\_\_\_\_

The roll call vote was 3 For 2 Against

Yes: 3

No: Hobbs, Wallace

Excused: Pearce, Saavedra

Absent: None

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