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SENATE BILL 60

44TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1999

INTRODUCED BY

Carlos R. Cisneros

FOR THE REVENUE STABILIZATION AND TAX POLICY COMMITTEE

AN ACT

RELATING TO INDUSTRIAL REVENUE BONDS; IMPOSING CERTAIN REPORTING REQUIREMENTS ON MUNICIPALITIES AND COUNTIES; REQUIRING CONSIDERATION OF THE FISCAL IMPACT OF ISSUANCE OF INDUSTRIAL REVENUE BONDS; AMENDING AND ENACTING SECTIONS OF THE NMSA 1978.

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 REPORTING REQUIREMENTS. --

A. A municipality issuing bonds pursuant to the Industrial Revenue Bond Act shall report to the local government division of the department of finance and administration the following information:

- (1) for each bond authorization in the

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- 1 calendar year prior to the report:
- 2 (a) the amount of the bond authorized;
- 3 (b) the date of the authorization;
- 4 (c) the name of the company for whose
- 5 benefit the bonds were authorized; and
- 6 (d) a brief description of the project
- 7 for which the bonds were authorized; and
- 8 (2) for each bond issuance in the calendar
- 9 year prior to the report:
- 10 (a) the amount of the bond issued;
- 11 (b) the date of issuance;
- 12 (c) the name of the company for whose
- 13 benefit the bonds were issued;
- 14 (d) a brief description of the project
- 15 financed or to be financed;
- 16 (e) the term of the bonds;
- 17 (f) whether interest on the bonds is
- 18 excludable from gross income for federal income tax purposes;
- 19 and
- 20 (g) the general provisions of any
- 21 payment in lieu of taxes agreement.

22 B. A municipality issuing bonds pursuant to the  
23 Industrial Revenue Bond Act after July 1, 1999 shall, during  
24 the period the bonds are outstanding, submit an annual report  
25 to the local government division of the department of finance

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1 and administration on employment at the project. The report  
2 shall include information on the number of full-time, part-  
3 time and temporary employees as of the end of the preceding  
4 calendar year, aggregate data on the city and county of  
5 residence for those employees and some classification of those  
6 employees by type of position or work.

7 C. The reports required by this section shall be  
8 submitted to the local government division of the department  
9 of finance and administration on or before July 1 of each  
10 year. The reports shall be in a form the division, in  
11 consultation with the state board of finance, deems  
12 appropriate. "

13 Section 2. Section 3-32-7 NMSA 1978 (being Laws 1965,  
14 Chapter 300, Section 14-31-4, as amended) is amended to read:

15 "3-32-7. BONDS ISSUED TO FINANCE PROJECTS. -- Bonds issued  
16 by a municipality under authority of the Industrial Revenue  
17 Bond Act shall not be the general obligation of such  
18 municipality within the meaning of Article 9, Sections 12 and  
19 13 of the constitution of New Mexico. The bonds shall be  
20 payable solely out of the revenue derived from the projects to  
21 finance which the bonds are issued. Bonds and interest  
22 coupons, if any, issued under authority of the Industrial  
23 Revenue Bond Act shall never constitute an indebtedness of the  
24 municipality within the meaning of any state constitutional  
25 provision or statutory limitation and shall never constitute

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1 or give rise to a pecuniary liability of the municipality or a  
2 charge against its general credit or taxing powers, and such  
3 fact shall be plainly stated on the face of each bond. The  
4 bonds may be executed and delivered at any time, and from time  
5 to time, may be in such form and denominations, may be of such  
6 tenor, may be in registered or bearer form either as to  
7 principal or interest or both, may be payable in such  
8 installments and at such time or times not exceeding thirty  
9 years from their date, may be payable at such place or places,  
10 may bear interest at such rate or rates payable at such place  
11 or places and evidenced in such manner and may contain such  
12 provisions not inconsistent with the Industrial Revenue Bond  
13 Act, all as shall be provided in the ordinance and proceedings  
14 of the governing body whereunder the bonds are authorized to  
15 be issued. In connection with the adoption of the ordinance  
16 authorizing issuance of the bonds, the governing body of the  
17 municipality shall consider the fiscal impact on the  
18 municipality or any other governmental entity resulting from  
19 or related to the issuance of the bonds. Any bonds issued  
20 under the authority of the Industrial Revenue Bond Act may be  
21 sold at public or private sale in such manner and from time to  
22 time as may be determined by the governing body to be most  
23 advantageous, and the municipality may pay all expenses,  
24 attorneys', engineering and architects' fees, premiums and  
25 commissions which the governing body may deem necessary or

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1 advantageous in connection with the authorization, sale and  
2 issuance of the bonds. All bonds issued under the authority  
3 of the Industrial Revenue Bond Act and all interest coupons  
4 applicable thereto, if any, shall be construed to be  
5 negotiable. "

6 Section 3. Section 3-32-16 NMSA 1978 (being Laws 1965,  
7 Chapter 300, Section 14-31-13) is amended to read:

8 "3-32-16. NO NOTICE OR PUBLICATION REQUIRED. --No notice,  
9 consent or approval by any governmental body or public officer  
10 shall be required as a prerequisite to the sale or issuance of  
11 any bonds or the making of a mortgage under the authority of  
12 [~~Sections 14-31-1 through 14-31-13 New Mexico Statutes~~  
13 ~~Annotated, 1953 Compilation~~] the Industrial Revenue Bond Act  
14 except as provided in [~~these sections~~] that act. "

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

17 "[NEW MATERIAL] REPORTING REQUIREMENTS. --

18 A. A county issuing bonds pursuant to the County  
19 Industrial Revenue Bond Act shall report to the local  
20 government division of the department of finance and  
21 administration the following information:

22 (1) for each bond authorization in the  
23 calendar year prior to the report:

- 24 (a) the amount of the bond authorized;
- 25 (b) the date of the authorization;

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1 (c) the name of the company for whose  
2 benefit the bonds were authorized; and

3 (d) a brief description of the project  
4 for which the bonds were authorized; and

5 (2) for each bond issuance in the calendar  
6 year prior to the report:

7 (a) the amount of the bond issued;

8 (b) the date of issuance;

9 (c) the name of the company for whose  
10 benefit the bonds were issued;

11 (d) a brief description of the project  
12 financed or to be financed;

13 (e) the term of the bonds;

14 (f) whether interest on the bonds is  
15 excludable from gross income for federal income tax purposes;  
16 and

17 (g) the general provisions of any  
18 payment in lieu of taxes agreement.

19 B. A county issuing bonds pursuant to the County  
20 Industrial Revenue Bond Act after July 1, 1999 shall, during  
21 the period the bonds are outstanding, submit an annual report  
22 to the local government division of the department of finance  
23 and administration on employment at the project. The report  
24 shall include information on the number of full-time, part-  
25 time and temporary employees as of the end of the preceding

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1 calendar year, aggregate data on the city and county of  
2 residence for those employees and some classification of those  
3 employees by type of position or work.

4 C. The reports required by this section shall be  
5 submitted to the local government division of the department  
6 of finance and administration on or before July 1 of each  
7 year. The reports shall be in a form the division, in  
8 consultation with the state board of finance, deems  
9 appropriate. "

10 Section 5. Section 4-59-5 NMSA 1978 (being Laws 1975,  
11 Chapter 286, Section 5, as amended) is amended to read:

12 "4-59-5. BONDS ISSUED TO FINANCE PROJECTS. --

13 A. Bonds issued by a county under authority of the  
14 County Industrial Revenue Bond Act shall not be the general  
15 obligation of such county within the meaning of Article 9,  
16 Sections 10 and 13 of the constitution of New Mexico. The  
17 bonds shall be payable solely out of the revenue derived from  
18 the projects for which the bonds are issued. Bonds and  
19 interest coupons, if any, issued under authority of the County  
20 Industrial Revenue Bond Act shall never constitute an  
21 indebtedness of the county within the meaning of any state  
22 constitutional provision or statutory limitation and shall  
23 never constitute or give rise to a pecuniary liability of the  
24 county or a charge against its general credit or taxing  
25 powers, and such fact shall be plainly stated on the face of

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1 each bond.

2 B. Such bonds may be executed and delivered at any  
3 time, and from time to time, may be in such form and  
4 denominations, may be of such tenor, may be in registered or  
5 bearer form either as to principal or interest or both, may be  
6 payable in such installments and at such time or times not  
7 exceeding thirty years from their date, may be payable at such  
8 place or places, may bear interest at such rate payable at  
9 such place or places and evidenced in such manner and may  
10 contain such provisions not inconsistent with this section,  
11 all as shall be provided in the ordinance and proceedings of  
12 the governing body under which the bonds shall be authorized  
13 to be issued.

14 C. Any bonds issued under the authority of the  
15 County Industrial Revenue Bond Act may be sold at public or  
16 private sale in such manner and from time to time as may be  
17 determined by the commission to be most advantageous, and the  
18 county may pay all expenses, attorneys', engineering and  
19 architects' fees, premiums and commissions which the  
20 commission may deem necessary or advantageous in connection  
21 with the authorization, sale and issuance of the bonds.

22 D. All bonds issued under the authority of the  
23 County Industrial Revenue Bond Act and all applicable interest  
24 coupons shall be construed to be negotiable.

25 E. In connection with the adoption of the



1 ordinance authorizing issuance of the bonds, the board of  
2 county commissioners shall consider the fiscal impact on the  
3 county or any other governmental entity resulting from or  
4 related to the issuance of the bonds. "

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1 FORTY-FOURTH LEGISLATURE

2 FIRST SESSION, 1999

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5  
6 February 3, 1999

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8 Mr. President:

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10 Your WAYS & MEANS COMMITTEE, to whom has been referred

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12 SENATE BILL 60

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14 has had it under consideration and reports same with  
15 recommendation that it DO PASS.

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18 Respectfully submitted,

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24 Carlos R. Cisneros, Chairman

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

1 Adopted \_\_\_\_\_

2 (Chief Clerk)

(Chief Clerk)

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6 Date \_\_\_\_\_

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9 The roll call vote was 6 For 1 Against

10 Yes: 6

11 No: Rawson

12 Excused: Carraro, Duran

13 Absent: None

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16 S0060WM1

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1 FORTY-FOURTH LEGISLATURE  
2 FIRST SESSION, 1999  
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6 March 3, 1999  
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8 Mr. Speaker:  
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10 Your TAXATION AND REVENUE COMMITTEE, to whom has  
11 been referred  
12

13 SENATE BILL 60  
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15 has had it under consideration and reports same with  
16 recommendation that it DO PASS, and thence referred to the  
17 JUDICIARY COMMITTEE.

18 Respectfully submitted,  
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23 Jerry W. Sandel, Chairman  
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FORTY-FOURTH LEGISLATURE  
FIRST SESSION, 1999

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Adopted \_\_\_\_\_ Not Adopted \_\_\_\_\_  
(Chief Clerk) (Chief Clerk)

Date \_\_\_\_\_

The roll call vote was 10 For 0 Against

Yes: 10

Excused: Burpo, Lujan, Russell, Silva, Stell

Absent: None

J: \99BillSWP\S0060

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