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AN ACT

RELATING TO PUBLIC FINANCE; AUTHORIZING THE ISSUANCE OF BONDS SECURED BY A STATE GROSS RECEIPTS TAX INCREMENT FOR THE CITY OF LAS CRUCES MAIN STREET DOWNTOWN TAX INCREMENT DEVELOPMENT PROJECT; SUBJECTING THE AUTHORIZATION TO CERTAIN CONDITIONS.

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

Section 1. AUTHORIZATION OF ISSUANCE OF BONDS.--The legislature authorizes the issuance of bonds not to exceed eight million dollars (\$8,000,000) in net proceeds, secured by tax increments authorized pursuant to the Tax Increment for Development Act to be pledged to pay the principal of and interest on the bonds, including a gross receipts tax increment attributed to the imposition of the state gross receipts tax for the city of Las Cruces main street downtown tax increment development project, subject to:

A. the review by the New Mexico finance authority prior to issuance of any bonds of the master indenture applicable to bonds issued for the city of Las Cruces main street tax increment development project;

B. the review by the New Mexico finance authority of any amendments to the master indenture prior to the issuance of the bonds after any amendments; and

C. the determination by the New Mexico finance authority that the master indenture and any amendments to the

1 master indenture contain covenants and other provisions that  
2 ensure that the proceeds of the bonds will be used as  
3 described in the development plan for the city of Las Cruces  
4 main street tax increment development project.

5 Section 2. ADDITIONAL REQUIREMENTS.--The New Mexico  
6 finance authority may require additional covenants and  
7 provisions that it determines are reasonably necessary or  
8 advisable to ensure that the principal, interest and other  
9 payments due with respect to the bonds authorized pursuant to  
10 Section 1 of this act are paid as soon as possible after tax  
11 increment revenues pledged to pay the bonds are available.

12 Section 3. DURATION OF AUTHORIZATION.--The duration of  
13 the authorization for issuance of bonds in this act is  
14 twenty-five years except as this act may be amended or  
15 repealed by the legislature.

16 Section 4. CERTAIN CAPITAL PROJECTS PROHIBITED.--

17 A. The legislature shall not approve or authorize  
18 capital outlay projects within a city of Las Cruces main  
19 street downtown tax increment development district during the  
20 period that bonds issued pursuant to Section 1 of this act  
21 are outstanding for that specific district, except for those  
22 buildings or facilities that are owned by the state or one of  
23 its agencies, institutions or political subdivisions and that  
24 are:

25 (1) public school buildings or facilities;

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- (2) higher education buildings or facilities;
- (3) cultural buildings or facilities;
- (4) buildings or facilities, exclusive of roads, used for public safety; or
- (5) buildings used for other public purposes.

B. Nothing in this section prohibits the legislature from authorizing expenditures, pursuant to law, for economic development projects within a specific city of Las Cruces main street downtown tax increment development district for which any tax increment development bonds are outstanding.