

HOUSE JUDICIARY COMMITTEE SUBSTITUTE FOR
HOUSE BILL 197

53RD LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2018

Pursuant to House Rule 24-1, this document incorporates amendments that have been adopted prior to consideration of this measure by the House. It is a tool to show the amendments in context and is not to be used for the purpose of amendments.

AN ACT

RELATING TO SPECIAL DISTRICTS; CREATING THE REGIONAL AIR CENTER SPECIAL ECONOMIC DISTRICT ACT; ALLOWING FOR THE FORMATION OF INDUSTRIAL AIR CENTER SPECIAL ECONOMIC DISTRICTS AND AUTHORITIES TO GOVERN THE DISTRICTS; PROVIDING POWERS AND DUTIES.

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

SECTION 1. [NEW MATERIAL] SHORT TITLE.--This act may be cited as the "Regional Air Center Special Economic District Act".

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SJC→~~SECTION 2. [NEW MATERIAL] PURPOSES.--The purposes of the Regional Air Center Special Economic District Act are to:~~

~~A. allow for the creation of an authority to own, operate and govern a special economic district consisting of an industrial air center and other related property;~~

~~B. capitalize on the economic potential of infrastructure associated with a former United States military base for the benefit of surrounding communities and the state; and~~

~~C. stimulate aviation-related economic activity and investment in the state, including in the areas of avionics, military operations, transportation and emerging high-technology research.~~←SJC

SECTION SJC→3 2←SJC . [NEW MATERIAL] DEFINITIONS.--As used in the Regional Air Center Special Economic District Act:

A. "authority" means the governing body of a district; and

B. "district" means an industrial air center special economic district governed by an authority.

SECTION SJC→4 3←SJC. [NEW MATERIAL] CREATION OF A DISTRICT.--A municipality and the county in which the municipality is located may agree to form an industrial air center special economic district:

A. whose initial boundaries lie within the jurisdiction of the municipality, the county or both;

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B. that includes an industrial air center composed of infrastructure associated with a former United States military base; and

C. that consists of land and real property formerly associated with the former United States military base and other land and real property made part of the district.

SECTION SJC→5 4←SJC. [NEW MATERIAL] CREATION OF AN AUTHORITY--MEMBERS--TERMS--QUALIFICATIONS.--

A. The municipality and county that form a district shall create an authority to govern the district that consists of an odd number of members, but not less than five or more than nine in number.

B. The terms of the members shall be reasonably staggered. Of the members initially appointed, that number of members closest to, but not more than, one-half of the membership shall serve for two years. The term of all other members shall be four years.

C. A member shall not serve more than two consecutive four-year terms on the authority. A member who has served two consecutive four-year terms on the authority shall not serve another term until after four years following the second term have elapsed.

D. The authority may authorize a county that borders the county that created the district or a municipality or an Indian nation, tribe or pueblo in a county that borders the county that created the district to become part of the authority. The municipality and county that created the district and any subsequently accepted entities, as set forth

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in this subsection, may change the membership of the authority, up to the maximum allowed by Subsection A of this section, and change the terms of the members to allow the newly accepted entity to appoint one or more members to the authority.

E. An elected official shall not serve on the authority. A member of the authority shall not receive a salary or other compensation from the authority, but the authority may reimburse any reasonable expenses incurred by a member in conducting the business of the authority.

F. Before appointing a person to the authority, an appointing entity shall first determine that the person:

(1) has experience in the field of aviation, business, economic development, finance, commercial real estate investment or accounting; or

(2) possesses other qualifications that the entity determines are necessary or appropriate for carrying out the duties of the authority; and

(3) has no direct substantial conflict of interest in the business or operation of the authority.

G. An authority member shall abstain from an authority vote if the matter voted on poses a conflict of interest for the member. A member or employee of the authority shall not:

(1) acquire a financial interest in a new or existing business venture or business property if the member or

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employee believes or has reason to believe that the financial interest will be directly affected by an official act conducted in that membership or employment capacity;

(2) use confidential information acquired by virtue of membership on or employment by the authority for the member's or employee's or another person's private gain; or

(3) as a person with a financial or other interest in a business that is party to a contract, enter into a contract with the authority without there being public notice of the contract, a competitive bidding process for entry into the contract and full disclosure of that financial or other interest.

H. The governing body that appoints a member to an authority may remove the member if it determines that the member:

(1) willfully neglected or refused to perform an official duty;

(2) has violated the policies or procedures adopted by the authority; or

(3) has developed a direct, substantial conflict of interest in the business of the authority.

SECTION SJC→6 5←SJC. [NEW MATERIAL] AUTHORITY--POWERS--DUTIES.--

A. An authority is a political subdivision of the state that may, in accordance with law and to effectuate the purposes of thSJC→e ~~Regional Air Center Special Economic~~

~~District Act~~←SJC SJC→district it governs←SJC:

(1) have perpetual existence;

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- (2) sue and be sued;
- (3) adopt bylaws, policies and procedures;
- (4) employ a director, who may employ staff as necessary to administer the authority;
- (5) fix the time and place of meetings and the method of providing notice of the meetings;
- (6) make and pass orders and resolutions necessary for governing and managing the authority and executing the powers of the authority;
- (7) adopt and use a seal;
- (8) create and define the duties of advisory committees;
- (9) enter into contracts and agreements;
- (10) borrow money and issue bonds;
- (11) pledge all or a portion of its revenue to the payment of its bonds;
- (12) issue refunding revenue bonds to refinance, pay or discharge all or part of its outstanding revenue bonds;
- (13) impose liens;
- (14) acquire, dispose of or encumber real or personal property or interests in real or personal property, including leases and easements;
- (15) manage the land and property constituting and associated with the district, including by imposing rental

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charges and fees for the use of that land and property;

(16) exercise the power of eminent domain within the boundaries of the district as provided by law for the condemnation of private property for public use with just compensation;

(17) sell, transfer or convey real or personal property or interests in real or personal property acquired by the authority;

(18) alter the boundaries of the district with the approval of the affected municipality or county;

(19) construct and maintain airport facilities;

(20) establish standards and long-term development plans;

(21) apply to a public or private source for a loan, grant, guarantee or other type of financial assistance;

(22) exercise the rights and powers necessary or incidental to or implied by the specific powers granted by this section; and

(23) by resolution, delegate to a member or agent of the authority any of its powers, except the power to:

(a) adopt authority policies or procedures;

(b) initiate or continue legal action;

(c) establish policies on the use of revenue;

(d) acquire real or personal property or interests in real or personal property;

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(e) expand the district; or

(f) issue bonds.

B. An authority shall:

(1) govern the district;

(2) adopt rules to govern its conduct, including standards and procedures for calling emergency meetings and a conflicts-of-interest policy;

(3) provide meaningful opportunities for public input on its policymaking;

(4) accept title to the real and personal property within the area constituting the district's initial boundaries;

(5) use district property to manage airport operations, create jobs and foster economic development in all areas it deems appropriate and in the public welfare; and

(6) comply with all applicable laws, ordinances or rules enacted by the municipality or county having jurisdiction over the district's land or real property.

SECTION SJC→7 6←SJC. [NEW MATERIAL] REVENUE BONDS-- EXEMPTION FROM TAXATION.--

A. To effectuate the purposes of the SJC→Regional Air Center Special Economic District Act←SJC SJC→district it governs←SJC, an authority may issue revenue bonds to:

(1) encourage the location of commercial, research or industrial or other enterprises to a district; or

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(2) acquire, purchase, lease, construct or improve commercial, research or industrial sites or buildings or make other capital improvements, including the construction or maintenance of energy or pollution abatement or control facilities, as necessary.

B. An authority may issue special facility revenue bonds backed by a long-term lease of the facility to finance a specific tenant facility.

SJC→~~G. Property owned by an authority, income derived from that property and the bonds, certificates and other evidence of indebtedness issued by an authority are exempt from taxation by the state.~~←SJC

SJC→C. The bonds authorized by the Regional Air Center Special Economic District Act, the income from those bonds, mortgages or other security instruments executed as security for those bonds, lease agreements authorized by the Regional Air Center Special Economic District Act and revenue derived from a lease or sale by an authority are exempt from taxation by the state and its subdivisions.←SJC