

HOUSE JUDICIARY COMMITTEE SUBSTITUTE FOR
HOUSE BILL 197

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

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".

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;

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

5 C. stimulate aviation-related economic activity and
6 investment in the state, including in the areas of avionics,
7 military operations, transportation and emerging high-
8 technology research.

9 SECTION 3. [NEW MATERIAL] DEFINITIONS.--As used in the
10 Regional Air Center Special Economic District Act:

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

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

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

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

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

24 C. that consists of land and real property formerly
25 associated with the former United States military base and

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1 other land and real property made part of the district.

2 SECTION 5. [NEW MATERIAL] CREATION OF AN AUTHORITY--
3 MEMBERS--TERMS--QUALIFICATIONS.--

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

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

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

18 D. The authority may authorize a county that
19 borders the county that created the district or a municipality
20 or an Indian nation, tribe or pueblo in a county that borders
21 the county that created the district to become part of the
22 authority. The municipality and county that created the
23 district and any subsequently accepted entities, as set forth
24 in this subsection, may change the membership of the authority,
25 up to the maximum allowed by Subsection A of this section, and

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1 change the terms of the members to allow the newly accepted
2 entity to appoint one or more members to the authority.

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

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

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

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

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

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

22 (1) acquire a financial interest in a new or
23 existing business venture or business property if the member or
24 employee believes or has reason to believe that the financial
25 interest will be directly affected by an official act conducted

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1 in that membership or employment capacity;

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

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

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

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

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

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

20 SECTION 6. [NEW MATERIAL] AUTHORITY--POWERS--DUTIES.--

21 A. An authority is a political subdivision of the
22 state that may, in accordance with law and to effectuate the
23 purposes of the Regional Air Center Special Economic District
24 Act:

25 (1) have perpetual existence;

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

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

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

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

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

11 (19) construct and maintain airport
12 facilities;

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

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

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

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

22 (a) adopt authority policies or
23 procedures;

24 (b) initiate or continue legal action;

25 (c) establish policies on the use of

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1 revenue;

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

4 (e) expand the district; or

5 (f) issue bonds.

6 B. An authority shall:

7 (1) govern the district;

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

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

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

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

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

22 SECTION 7. [NEW MATERIAL] REVENUE BONDS--EXEMPTION FROM
23 TAXATION.--

24 A. To effectuate the purposes of the Regional Air
25 Center Special Economic District Act, an authority may issue

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1 revenue bonds to:

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

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

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

12 C. Property owned by an authority, income derived
13 from that property and the bonds, certificates and other
14 evidence of indebtedness issued by an authority are exempt from
15 taxation by the state.

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