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SENATE BILL 172

51ST LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2014

INTRODUCED BY

Lee S. Cotter

AN ACT

RELATING TO TAXATION; LIMITING THE USE OF CERTAIN PROCEEDS OF
THE COUNTY REGIONAL SPACEPORT GROSS RECEIPTS TAX.

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

SECTION 1. Section 5-16-13 NMSA 1978 (being Laws 2006,
Chapter 15, Section 13) is amended to read:

"5-16-13. USE OF REVENUE BY GOVERNMENTAL UNITS.--Each
governmental unit that is a county or municipality and is a
member of a combination shall have enacted a municipal regional
spaceport gross receipts tax or a county regional spaceport
gross receipts tax prior to December 31, 2008. At least
seventy-five percent of the municipal regional spaceport gross
receipts tax or county regional spaceport gross receipts tax
revenues received by each governmental unit must be used by the
district for the financing, planning, designing, engineering

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1 and construction of a regional spaceport; provided that
2 proceeds of the county regional spaceport gross receipts tax
3 that are received on or after July 1, 2014, but that were
4 dedicated to the district prior to July 1, 2014 pursuant to
5 Subsection B of Section 7-20E-25 NMSA 1978, shall only be used
6 to pay principal and interest on bonds issued pursuant to the
7 Spaceport Development Act to which the proceeds have been
8 pledged, for acceleration of the payment of principal and
9 interest on those bonds or to retire or discharge that bond
10 debt prior to the original term of those bonds. No more than
11 twenty-five percent of the municipal regional spaceport gross
12 receipts tax or county regional spaceport gross receipts tax
13 revenues may be used by the governmental unit enacting the tax
14 for spaceport-related projects as approved by resolution of the
15 governmental unit."

16 SECTION 2. Section 7-20E-25 NMSA 1978 (being Laws 2006,
17 Chapter 15, Section 15) is amended to read:

18 "7-20E-25. COUNTY REGIONAL SPACEPORT GROSS RECEIPTS TAX--
19 AUTHORITY TO IMPOSE--RATE--ELECTION REQUIRED.--

20 A. A majority of the members of the governing body
21 of a county that desires to become a member of a regional
22 spaceport district pursuant to the Regional Spaceport District
23 Act shall impose by ordinance an excise tax at a rate not to
24 exceed one-half percent of the gross receipts of a person
25 engaging in business in the district area of the county for the

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1 privilege of engaging in business. A tax imposed pursuant to
2 this section may be imposed by one or more ordinances, each
3 imposing any number of tax rate increments, but an increment
4 shall not be less than one-sixteenth percent of the gross
5 receipts of a person engaging in business in the district area
6 of the county, and the aggregate of all rates shall not exceed
7 one-half percent of the gross receipts of a person engaging in
8 business in the district area of the county. The tax may be
9 referred to as the "county regional spaceport gross receipts
10 tax".

11 B. A governing body, at the time of enacting an
12 ordinance imposing the tax authorized in Subsection A of this
13 section, shall dedicate a minimum of seventy-five percent of
14 the proceeds of the revenue to the regional spaceport district
15 for the financing, planning, designing and engineering and
16 construction of a spaceport or for projects or services of the
17 district pursuant to the Regional Spaceport District Act and
18 may dedicate no more than twenty-five percent of the revenue
19 for spaceport-related projects as approved by resolution of the
20 governing body of the county; provided that proceeds of the
21 revenues that are received on or after July 1, 2014, but that
22 were dedicated to the district prior to July 1, 2014, shall
23 only be used to pay principal and interest on bonds issued
24 pursuant to the Spaceport Development Act to which the proceeds
25 have been pledged, for acceleration of the payment of principal

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1 and interest on those bonds or to retire or discharge that bond
2 debt prior to the original term of those bonds.

3 C. An ordinance imposing a county regional
4 spaceport gross receipts tax shall not go into effect until
5 after an election is held and a majority of the voters of the
6 district area of the county voting in the election votes in
7 favor of imposing the tax. The governing body shall adopt an
8 ordinance calling for an election within seventy-five days of
9 the date the resolution is adopted on the question of imposing
10 the tax. The question shall be submitted to the voters of the
11 district area of the county as a separate question at a general
12 election or at a special election called for that purpose by
13 the governing body. A special election shall be called,
14 conducted and canvassed substantially in the same manner as
15 provided by law for general elections. If a majority of the
16 voters voting on the question approves the ordinance imposing
17 the county regional spaceport gross receipts tax, the ordinance
18 shall become effective in accordance with the provisions of the
19 County Local Option Gross Receipts Taxes Act. If the question
20 of imposing the county regional spaceport gross receipts tax
21 fails, the governing body shall not again propose the
22 imposition of an increment of the tax for a period of one year
23 from the date of the election.

24 D. The governing body of a county imposing a county
25 regional spaceport gross receipts tax shall transfer a minimum
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1 of seventy-five percent of all proceeds from the tax to the
2 regional spaceport district of which it is a member for the
3 purposes in accordance with the provisions of the Regional
4 Spaceport District Act. The governing body of a county
5 imposing a county regional spaceport gross receipts tax may
6 retain no more than twenty-five percent of the county regional
7 spaceport gross receipts tax for spaceport-related projects as
8 approved by the resolution of the governing body of the county.

9 E. As used in this section, "district area of the
10 county" means that portion of a county that is outside the
11 boundaries of a municipality and that is within the boundaries
12 of a regional spaceport district of which the county is a
13 member; provided that if no municipality within the county has
14 imposed a municipal regional spaceport gross receipts tax,
15 "district area of the county" may mean the area within the
16 boundaries of the county that is within the boundaries of a
17 regional spaceport district of which the county is a member."

18 SECTION 3. Section 58-31-5 NMSA 1978 (being Laws 2005,
19 Chapter 128, Section 5, as amended) is amended to read:

20 "58-31-5. AUTHORITY POWERS AND DUTIES.--

21 A. The authority shall:

22 (1) hire an executive director, who shall
23 employ the necessary professional, technical and clerical staff
24 to enable the authority to function efficiently and shall
25 direct the affairs and business of the authority, subject to

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1 the direction of the authority;

2 (2) be located within fifty miles of a
3 southwest regional spaceport;

4 (3) advise the governor, the governor's staff
5 and the New Mexico finance authority oversight committee on
6 methods, proposals, programs and initiatives involving a
7 southwest regional spaceport that may further stimulate space-
8 related business and employment opportunities in New Mexico;

9 (4) initiate, develop, acquire, own,
10 construct, maintain and lease space-related projects;

11 (5) make and execute all contracts and other
12 instruments necessary or convenient to the exercise of its
13 powers and duties;

14 (6) create programs to expand high-technology
15 economic opportunities within New Mexico;

16 (7) create avenues of communication among
17 federal government agencies, the space industry, users of space
18 launch services and academia concerning space business;

19 (8) promote legislation that will further the
20 goals of the authority and development of space business;

21 (9) oversee and fund production of promotional
22 literature related to the authority's goals;

23 (10) identify science and technology trends
24 that are significant to space enterprise and the state and act
25 as a clearinghouse for space enterprise issues and information;

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1 (11) coordinate and expedite the involvement
2 of the state executive branch's space-related development
3 efforts; and

4 (12) perform environmental, transportation,
5 communication, land use and other technical studies necessary
6 or advisable for projects and programs or to secure licensing
7 by appropriate United States agencies.

8 B. The authority may:

9 (1) advise and cooperate with municipalities,
10 counties, state agencies and organizations, appropriate federal
11 agencies and organizations and other interested persons and
12 groups;

13 (2) solicit and accept federal, state, local
14 and private grants of funds or property and financial or other
15 aid for the purpose of carrying out the provisions of the
16 Spaceport Development Act;

17 (3) adopt rules governing the manner in which
18 its business is transacted and the manner in which the powers
19 of the authority are exercised and its duties performed;

20 (4) operate spaceport facilities, including
21 acquisition of real property necessary for spaceport facilities
22 and the filing of necessary documents with appropriate
23 agencies;

24 (5) construct, purchase, accept donations of
25 or lease projects located within the state;

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1 (6) sell, lease or otherwise dispose of a
2 project upon terms and conditions acceptable to the authority
3 and in the best interests of the state;

4 (7) issue revenue bonds and borrow money for
5 the purpose of defraying the cost of acquiring a project by
6 purchase or construction and of securing the payment of the
7 bonds or repayment of a loan;

8 (8) enter into contracts with regional
9 spaceport districts and issue bonds on behalf of regional
10 spaceport districts for the purpose of financing the purchase,
11 construction, renovation, equipping or furnishing of a regional
12 spaceport or a spaceport-related project;

13 (9) refinance a project;

14 (10) contract with any competent private or
15 public organization or individual to assist in the fulfillment
16 of its duties;

17 (11) fix, alter, charge and collect tolls,
18 fees or rentals and impose any other charges for the use of or
19 for services rendered by any authority facility, program or
20 service; and

21 (12) contract with regional spaceport
22 districts to receive municipal spaceport gross receipts tax and
23 county regional spaceport gross receipts tax revenues.

24 C. The authority shall not:

25 (1) incur debt as a general obligation of the

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1 state or pledge the full faith and credit of the state to repay
2 debt; ~~[or]~~

3 (2) expend funds or incur debt for the
4 improvement, maintenance, repair or addition to property unless
5 it is owned by the authority, the state or a political
6 subdivision of the state; or

7 (3) expend county regional spaceport gross
8 receipts tax revenue received on or after July 1, 2014 pursuant
9 to Paragraph (12) of Subsection B of this section for a purpose
10 other than to pay principal and interest on bonds issued
11 pursuant to the Spaceport Development Act to which the revenue
12 has been pledged, for acceleration of the payment of principal
13 and interest on those bonds or to retire or discharge that bond
14 debt prior to the original term of those bonds."

15 SECTION 4. EFFECTIVE DATE.--The effective date of the
16 provisions of this act is July 1, 2014.