

1 SENATE CORPORATIONS AND TRANSPORTATION COMMITTEE SUBSTITUTE FOR
2 SENATE BILL 140

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11 **51ST LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2014**

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AN ACT

RELATING TO TAX INCREMENT DEVELOPMENT DISTRICTS; ESTABLISHING
REQUIREMENTS FOR REVISING THE BASE YEAR USED TO DETERMINE A
GROSS RECEIPTS TAX INCREMENT; REQUIRING THE RETURN OF CERTAIN
GROSS RECEIPTS TAX INCREMENT REVENUE UPON A BASE YEAR REVISION;
DECLARING AN EMERGENCY.

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

SECTION 1. A new section of the Tax Increment for
Development Act is enacted to read:

"~~[NEW MATERIAL]~~ BASE YEAR REVISION--RESOLUTION--COMMENT
PERIOD--SUBMISSION OF MATERIALS.--

A. A district may revise the base year that the
district uses to determine its gross receipts tax increment.
To initiate the process of revising its base year, a district
board shall:

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1 (1) adopt a resolution declaring that intent;
2 and

3 (2) forward copies of the adopted resolution
4 to the secretary of taxation and revenue, the secretary of
5 finance and administration, the developer and the local
6 governments that have dedicated a tax increment to the
7 district.

8 B. The taxation and revenue department, the
9 department of finance and administration, the developer and the
10 local governments that have dedicated a tax increment to the
11 district may submit written comments to the district for
12 fifteen days after receiving a copy of a district board's
13 resolution indicating the board's intent to revise the base
14 year used to determine the district's gross receipts tax
15 increment.

16 C. No more than forty-five days after adopting the
17 resolution declaring the intent to revise the base year that
18 the district uses to determine its gross receipts tax
19 increment, the district board shall submit to the state board
20 of finance:

21 (1) a copy of the resolution;
22 (2) all comments on the matter that the
23 district received from the taxation and revenue department, the
24 department of finance and administration, the developer and the
25 local governments that have dedicated a tax increment to the

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1 district; and

2 (3) any other related documentation.

3 D. As used in this section, "developer" means the
4 owner or developer who has entered into an agreement pursuant
5 to Subsection A of Section 5-15-4 NMSA 1978 with the governing
6 body that formed the district."

7 SECTION 2. A new section of the Tax Increment for
8 Development Act is enacted to read:

9 "[NEW MATERIAL] BASE YEAR REVISION--APPROVAL.--

10 A. The state board of finance may approve the
11 revision of the base year used to determine a district's gross
12 receipts tax increment:

13 (1) once during the lifetime of the district;

14 (2) if the revised year is a calendar year
15 that is completed;

16 (3) if no gross receipts tax increment bonds
17 attributable to the district have been issued;

18 (4) if there is no unresolved objection to the
19 revision by the developer or by a local government that has
20 dedicated a tax increment to the district; and

21 (5) upon a finding that the revision is
22 reasonable and in the best interest of the state.

23 B. If the state board of finance approves the
24 revision of the base year used to determine a district's gross
25 receipts tax increment, the state board of finance shall notify

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1 the district, the secretary of taxation and revenue, the
2 developer and the local governments that have dedicated a tax
3 increment to the district.

4 C. As used in this section, "developer" means the
5 owner or developer who has entered into an agreement pursuant
6 to Subsection A of Section 5-15-4 NMSA 1978 with the governing
7 body that formed the district."

8 SECTION 3. A new section of the Tax Increment for
9 Development Act is enacted to read:

10 "[NEW MATERIAL] BASE YEAR REVISION--EFFECT.--"

11 A. Upon notice of the approval of a revision of the
12 base year used to determine a district's gross receipts tax
13 increment, the district shall:

14 (1) return to the taxation and revenue
15 department any gross receipts tax increment distributed to the
16 district and credited to the period between the time that the
17 revenue collection began and the end of the revised base year;

18 (2) update the district tax increment
19 development plan to reflect the revision; and

20 (3) file with the clerk of the governing body
21 that formed the district the revised tax increment development
22 plan.

23 B. Upon receipt of the revenue identified in
24 Paragraph (1) of Subsection A of this section, the taxation and
25 revenue department shall remit to the taxing entities that have

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1 dedicated a gross receipts tax increment to the district an
2 amount of that revenue in proportion to the amount of gross
3 receipts tax increment attributable to their dedication."

4 SECTION 4. EMERGENCY.--It is necessary for the public
5 peace, health and safety that this act take effect immediately.

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