

HOUSE FLOOR SUBSTITUTE FOR
HOUSE BILL 478

53RD LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2017

AN ACT

RELATING TO METROPOLITAN REDEVELOPMENT; AMENDING THE
METROPOLITAN REDEVELOPMENT CODE; PROVIDING COUNTIES WITH POWERS
AND DUTIES; REPLACING THE TERM "MUNICIPALITY" WITH THE TERM
"LOCAL GOVERNMENT"; MAKING CONFORMING AND CLARIFYING CHANGES.

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

SECTION 1. Section 3-60A-1 NMSA 1978 (being Laws 1979,
Chapter 391, Section 1) is amended to read:

"3-60A-1. SHORT TITLE.--~~[This act]~~ Chapter 3, Article 60A
NMSA 1978 may be cited as the "Metropolitan Redevelopment
Code"."

SECTION 2. Section 3-60A-2 NMSA 1978 (being Laws 1979,
Chapter 391, Section 2, as amended by Laws 2007, Chapter 329,
Section 3 and by Laws 2007, Chapter 330, Section 3) is amended
to read:

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1 "3-60A-2. FINDINGS AND DECLARATIONS OF NECESSITY.--

2 A. It is found and declared that there exist in
3 [~~municipalities~~ of] the state slum areas and blighted areas
4 that constitute a serious and growing menace, injurious to the
5 public health, safety, morals and welfare of the residents of
6 the state; that the existence of these areas contributes
7 substantially to the spread of disease and crime, constitutes
8 an economic and social burden, substantially impairs or arrests
9 the sound and orderly development of [~~municipalities~~] many
10 areas of the state and retards the maintenance and expansion of
11 necessary housing accommodations; that economic and commercial
12 activities are lessened in those areas by the slum or blighted
13 conditions, and the effects of these conditions include less
14 employment in the area [~~and municipality~~], lower property
15 values, less gross receipts tax revenue [~~for the state and~~
16 ~~municipalities~~] and reduces the use of buildings, residential
17 dwellings and other facilities in the area that the prevention
18 and elimination of slum areas and blighted areas and the
19 prevention and elimination of conditions that impair [~~the~~]
20 sound and orderly development [~~of municipalities~~] is a matter
21 of state policy and concern in order that the state [~~and its~~
22 ~~municipalities~~] shall not continue to be endangered by these
23 areas that contribute little to the tax income of the state and
24 its [~~municipalities~~] local governments and that consume an
25 excessive proportion of its revenues because of the extra

.208217.1

1 services required for police, fire, accident, hospitalization
2 or other forms of public protection, services and facilities.

3 B. Certain slum areas and blighted areas or
4 portions thereof may require land acquisition and clearance by
5 [~~the municipality~~] local government, since prevailing
6 conditions may make impracticable their reclamation or
7 development; other areas or portions of the slum or blighted
8 area may be suitable for conservation or rehabilitation efforts
9 and the conditions and evils enumerated in Subsection A of this
10 section may be eliminated, remedied or prevented by those
11 efforts; and to the extent feasible, salvageable slum and
12 blighted areas should be conserved and rehabilitated through
13 voluntary action, the regulatory process and, when necessary,
14 by government assistance.

15 C. The powers conferred by the Metropolitan
16 Redevelopment Code regarding the use of public money are for
17 public uses or purposes for which public money may be expended.
18 The individual benefits accruing to persons as the result of
19 the powers conferred by the Metropolitan Redevelopment Code and
20 projects conducted in accordance with its provisions are found
21 and declared to be incidental to the objectives of that code
22 and are far outweighed by the benefit to the public as a whole.
23 Activities authorized and powers granted by the Metropolitan
24 Redevelopment Code are hereby declared not to result in a
25 donation or aid to any person, association or public or private

.208217.1

1 organization or enterprise. The necessity for these provisions
2 and the power is declared to be in the public interest as a
3 matter of legislative determination.

4 ~~[D. The legislature finds that the problems of the~~
5 ~~large metropolitan areas are unique in this state because of~~
6 ~~the size and magnitude of the problems when such large numbers~~
7 ~~of people are affected. The legislature further finds and~~
8 ~~declares that the strategies and methods for solving these~~
9 ~~problems in the large metropolitan areas differ from those in~~
10 ~~the smaller cities and towns and villages of the state, and it~~
11 ~~is necessary to authorize those home rule metropolitan areas~~
12 ~~additional powers and flexibility because of the nature and~~
13 ~~size of their problems and because the governments of such~~
14 ~~metropolitan areas have sufficient staff to meet and deal with~~
15 ~~those problems. Further, these authorizations are merely~~
16 ~~explanations of the powers of home rule communities in these~~
17 ~~metropolitan areas that can be exercised under home rule~~
18 ~~authority notwithstanding any limitations contained in the~~
19 ~~Metropolitan Redevelopment Code.]"~~

20 SECTION 3. Section 3-60A-3 NMSA 1978 (being Laws 1979,
21 Chapter 391, Section 4, as amended by Laws 2007, Chapter 329,
22 Section 4 and by Laws 2007, Chapter 330, Section 4) is amended
23 to read:

24 "3-60A-3. LEGISLATIVE INTENT.--

25 A. It is the intent of the legislature by the

1 passage of the Metropolitan Redevelopment Code to authorize
2 [~~municipalities~~] local governments to acquire, own, lease,
3 improve and dispose of properties in a designated metropolitan
4 redevelopment area to the end that such [~~municipalities~~] local
5 governments may be able to promote industry and develop trade
6 or other economic activity by inducing profit or nonprofit
7 corporations, federal governmental offices, hospitals and
8 manufacturing, industrial, commercial or business enterprises
9 to locate, expand or remain in such area, to mitigate the
10 serious threat of extensive unemployment in a metropolitan
11 redevelopment area and to secure and maintain a balanced and
12 stable economy in an area declared to be a slum or blighted
13 area.

14 B. It is the further intent of the legislature to
15 authorize [~~municipalities~~] local governments to acquire, own,
16 lease, improve and dispose of properties so that adequate
17 medical care, residential housing and facilities for the
18 disposal of sewage and solid waste may be provided; and
19 industrial, manufacturing, commercial or business activities
20 may be begun or expanded in these areas; furnishing water,
21 energy and gas may be provided; more adequate facilities for
22 sports events and activities and recreation activities,
23 conventions and trade shows may be provided; more parking
24 facilities or storage or training facilities may be provided;
25 and more adequate research, product-testing and administrative

.208217.1

1 facilities may be provided, all of which promote the public
2 health, welfare, safety, convenience and prosperity.

3 C. It is, therefore, the intention of the
4 legislature to vest [~~municipalities~~] local governments with all
5 powers, other than the power of eminent domain, that may be
6 necessary to enable them to accomplish such purposes, which
7 powers shall in all respects be exercised for the benefit of
8 the inhabitants of this state and [~~municipalities~~] within the
9 jurisdiction of the local governments of the state for the
10 promotion of their health, safety, welfare, convenience and
11 prosperity.

12 D. It is not intended by the Metropolitan
13 Redevelopment Code to authorize any [~~municipality~~] local
14 government to operate any manufacturing, industrial, commercial
15 or business enterprise or any research, product-testing or
16 administrative facilities of such enterprise. Nor is it the
17 intent of that code to prohibit the operation [~~by a~~
18 ~~municipality~~] of residential housing facilities, health care
19 facilities, sewage or solid waste disposal facilities or the
20 furnishing of water, sports or recreation facilities,
21 convention or trade show facilities, airports, public
22 transportation facilities or operations, parking facilities or
23 storage or training facilities by any [~~municipality~~] local
24 government."

25 SECTION 4. Section 3-60A-4 NMSA 1978 (being Laws 1979,

.208217.1

1 Chapter 391, Section 4, as amended) is amended to read:

2 "3-60A-4. DEFINITIONS.--As used in the Metropolitan
3 Redevelopment Code:

4 A. "public body" means a [~~municipality~~] local
5 government, board, commission, authority, district or [~~any~~]
6 other political subdivision or public body of the state;

7 [~~B. "local governing body" means the city council,~~
8 ~~or city commission of a city, the board of trustees of a town~~
9 ~~or village; the council of an incorporated county; or the board~~
10 ~~of county commissioners of an H-class county;~~

11 G.] B. "mayor" means [~~the mayor or the chairman of~~
12 ~~the city commission or other officer or body having]~~ the
13 individual, including a chair or officer of a governing body,
14 charged with the duties customarily imposed on the head of a
15 [~~municipality~~] local government;

16 [~~D. "municipality"~~] C. "local government" means
17 [~~any~~] an incorporated city, town or village, whether
18 incorporated under general act, special act or special charter,
19 [~~an incorporated county~~] or [~~an H-class~~] a county or, when the
20 context requires, the governing body of an incorporated city,
21 town or village or a county;

22 [~~E.~~] D. "clerk" means the clerk or other official
23 of [~~the municipality~~] a local government who is the chief
24 custodian of the official records of the [~~municipality~~] local
25 government;

.208217.1

1 [F.] E. "federal government" [~~includes~~] means the
2 United States of America or [~~any~~] an agency or instrumentality,
3 corporate or otherwise, of the United States;

4 [G. ~~"state" means the state of New Mexico;~~

5 H.] F. "slum area" means an area within the area of
6 operation in which there are numerous residential or
7 nonresidential buildings, improvements and structures [~~whether~~
8 ~~residential or nonresidential, which, by reason of its~~
9 ~~dilapidation, deterioration, age, obsolescence~~] that are
10 dilapidated, deteriorated, aged or obsolete or that have
11 inadequate provision for ventilation, light, air or sanitation
12 or the area lacks open spaces or has a high density of
13 population or overcrowding or [~~the existence of~~] there exist in
14 the area conditions that endanger life or property by fire or
15 other causes, and the area is conducive to ill health,
16 transmission of disease, infant mortality, juvenile delinquency
17 or crime and is detrimental to the public health, safety,
18 morals or welfare;

19 [I.] G. "blighted area" means an area within the
20 area of operation other than a slum area that [~~because of the~~
21 ~~presence of a substantial number of deteriorated or~~
22 ~~deteriorating structures, predominance of defective or~~
23 ~~inadequate street layout, faulty lot layout in relation to~~
24 ~~size, adequacy, accessibility or usefulness, insanitary or~~
25 ~~unsafe conditions, deterioration of site or other improvements,~~

1 ~~diversity of ownership, tax or special assessment delinquency~~
2 ~~exceeding the fair value of the land, defective or unusual~~
3 ~~conditions of title, improper subdivision or lack of adequate~~
4 ~~housing facilities in the area or obsolete or impractical~~
5 ~~planning and platting or an area where a significant number of~~
6 ~~commercial or mercantile businesses have closed or~~
7 ~~significantly reduced their operations due to the economic~~
8 ~~losses or loss of profit due to operating in the area, low~~
9 ~~levels of commercial or industrial activity or redevelopment or~~
10 ~~any combination of such factors] substantially impairs or~~
11 ~~arrests the sound growth and economic health and well-being [of~~
12 ~~a municipality] within the jurisdiction of a local government~~
13 ~~or a locale within [a municipality] the jurisdiction of a local~~
14 ~~government because of the presence of a substantial number of~~
15 ~~deteriorated or deteriorating structures; a predominance of~~
16 ~~defective or inadequate street layout; faulty lot layout in~~
17 ~~relation to size, adequacy, accessibility or usefulness;~~
18 ~~insanitary or unsafe conditions; deterioration of site or other~~
19 ~~improvements; diversity of ownership; tax or special assessment~~
20 ~~delinquency exceeding the fair value of the land; defective or~~
21 ~~unusual conditions of title; improper subdivision; lack of~~
22 ~~adequate housing facilities in the area; or obsolete or~~
23 ~~impractical planning and platting or an area where a~~
24 ~~significant number of commercial or mercantile businesses have~~
25 ~~closed or significantly reduced their operations due to the~~

.208217.1

1 economic losses or loss of profit due to operating in the area,
2 low levels of commercial or industrial activity or
3 redevelopment or any combination of such factors; or an area
4 that retards the provisions of housing accommodations or
5 constitutes an economic or social burden and is a menace to the
6 public health, safety, morals or welfare in its present
7 condition and use;

8 [J.] H. "metropolitan redevelopment project" or
9 "project" means an activity, undertaking or series of
10 activities or undertakings designed to eliminate slums or
11 blighted areas in areas designated as metropolitan
12 redevelopment areas and [~~that~~] the activity or undertaking
13 conforms to an approved plan for the area for slum clearance
14 and redevelopment, rehabilitation and conservation;

15 [K.] I. "slum clearance and redevelopment" means
16 the use of those powers authorized by the Metropolitan
17 Redevelopment Code [~~for the purpose of eliminating~~] to
18 eliminate slum areas and [~~undertaking~~] undertake activities
19 authorized by the Metropolitan Redevelopment Code to rejuvenate
20 or revitalize those areas so that the conditions that caused
21 those areas to be designated slum areas are eliminated;

22 [L.] J. "rehabilitation" or "conservation" means
23 the restoration and renewal of a slum or blighted area or
24 portion thereof in accordance with [~~any~~] an approved plan by
25 use of powers granted by the Metropolitan Redevelopment Code;

1 [M-] K. "metropolitan redevelopment area" means a
 2 slum area or a blighted area or a combination thereof that the
 3 local ~~[governing body]~~ government so finds and declares and
 4 designates as appropriate for a metropolitan redevelopment
 5 project;

6 [N-] L. "metropolitan redevelopment plan" means a
 7 plan, as it exists from time to time, for one or more
 8 metropolitan redevelopment areas or for a metropolitan
 9 redevelopment project, which plan shall:

10 (1) seek to eliminate the problems created by
 11 a slum area or blighted area;

12 (2) conform to the general plan for the
 13 ~~[municipality]~~ local government as a whole; and

14 (3) be sufficient to indicate the proposed
 15 activities to be carried out in the area, including ~~[but not~~
 16 ~~limited to]~~ any proposals for land acquisition; proposals for
 17 demolition and removal of structures; redevelopment; proposals
 18 for improvements, rehabilitation and conservation; zoning and
 19 planning changes; land uses, maximum densities, building
 20 restrictions and requirements; and the plan's relationship to
 21 definite local objectives respecting land uses, improved
 22 traffic patterns and controls, public transportation, public
 23 utilities, recreational and community facilities, housing
 24 facilities, commercial activities or enterprises, industrial or
 25 manufacturing use and other public improvements;

.208217.1

1 ~~[O.]~~ M. "real property" includes all lands,
2 including improvements and fixtures thereon, and property of
3 any nature appurtenant thereto or used in connection therewith
4 and every estate, interest, right and use, legal or equitable,
5 therein, including terms for years and liens by way of
6 judgment, mortgage or otherwise;

7 ~~[P.]~~ N. "bonds" means any bonds, including
8 refunding bonds, notes, interim certificates, certification of
9 indebtedness, debentures, metropolitan redevelopment bonds or
10 other securities evidencing an obligation and issued under the
11 provisions of the Metropolitan Redevelopment Code or other
12 obligations;

13 ~~[Q.]~~ O. "obligee" includes ~~[any]~~ a bondholder,
14 agent or trustee for ~~[any]~~ a bondholder or lessor demising to
15 the ~~[municipality]~~ local government property used in connection
16 with a metropolitan redevelopment project or any assignee or
17 assignees of such lessor's interest or any part thereof;

18 ~~[R.]~~ P. "person" means ~~[any]~~ an individual, firm,
19 partnership, corporation, company, association, joint stock
20 association or body politic or the state or any political
21 subdivision thereof and shall further include any trustee,
22 receiver, assignee or other person acting in a similar
23 representative capacity;

24 ~~[S.]~~ Q. "area of operation" means ~~[the]~~ an area
25 within ~~[the corporate limits of the municipality and the area~~

1 ~~outside of the corporate limits but within five miles of such~~
 2 ~~limits or otherwise on municipally owned property wherever~~
 3 ~~located]~~ a local government's jurisdiction, except that it
 4 shall not include [~~any~~] an area that lies within the
 5 [~~territorial boundaries~~] jurisdiction of another [~~municipality~~]
 6 local government unless an ordinance has been adopted by [~~the~~
 7 ~~governing body of~~] the other [~~municipality~~] local government
 8 declaring a need therefor;

9 [F.] R. "board" or "commission" means a board,
 10 commission, department, division, office, body or other unit of
 11 [~~the municipality~~] a local government designated by the local
 12 [~~governing body~~] government to perform functions authorized by
 13 the Metropolitan Redevelopment Code as directed by the local
 14 [~~governing body~~] government; [~~and~~

15 U.] S. "public officer" means any person who is in
 16 charge of any department or branch of government of the
 17 [~~municipality~~] local government; and

18 T. "fair value" means the negotiated price or value
 19 of an asset or liability agreed upon by a local government and
 20 a private entity."

21 SECTION 5. Section 3-60A-6 NMSA 1978 (being Laws 1979,
 22 Chapter 391, Section 6) is amended to read:

23 "3-60A-6. USE OF PRIVATE ENTERPRISE AND PUBLIC POWERS.--A
 24 [~~municipality~~] local government, to the greatest feasible
 25 extent, shall afford maximum opportunity for the rehabilitation

.208217.1

1 or redevelopment of the metropolitan redevelopment areas by
2 private enterprise. A [~~municipality~~] local government shall
3 give consideration to this objective in exercising its powers
4 provided by the Redevelopment Law, including the approval of
5 metropolitan redevelopment plans consistent with the general
6 plan for the [~~municipality~~] local government; the exercise of
7 its zoning powers; the enforcement of other laws, codes and
8 regulations relating to the use of land and the use and
9 occupancy of buildings and improvements; [~~to~~] the disposition
10 of any property acquired; and the provision of necessary public
11 improvements."

12 SECTION 6. Section 3-60A-7 NMSA 1978 (being Laws 1979,
13 Chapter 391, Section 7) is amended to read:

14 "3-60A-7. FINDING OF NECESSITY BY LOCAL GOVERNMENT.--No
15 [~~municipality~~] local government shall exercise any of the
16 powers conferred upon [~~municipalities~~] local governments by the
17 Redevelopment Law until [~~after its local governing body shall~~
18 ~~have~~] the local government has adopted a resolution finding
19 that:

20 A. one or more slum areas or blighted areas exist
21 in the [~~municipality~~] local government's jurisdiction; and

22 B. the rehabilitation, conservation, slum
23 clearance, redevelopment or development, or a combination
24 thereof, of and in such area [~~or areas~~] is necessary in the
25 interest of the public health, safety, morals or welfare of the

1 residents of the [~~municipality~~] local government's
2 jurisdiction."

3 SECTION 7. Section 3-60A-8 NMSA 1978 (being Laws 1979,
4 Chapter 391, Section 8) is amended to read:

5 "3-60A-8. DESIGNATION OF A METROPOLITAN REDEVELOPMENT
6 AREA.--

7 A. A [~~municipality~~] local government shall not
8 prepare a metropolitan redevelopment plan for an area unless
9 the [~~governing body~~] local government has, by resolution,
10 determined the area to be a slum area or a blighted area or a
11 combination thereof and designated the area as appropriate for
12 a metropolitan redevelopment project, which resolution may be
13 adopted only after the [~~governing body shall have~~] local
14 government has caused to be published in a newspaper of general
15 circulation within the area of operation of the [~~municipality~~]
16 local government a notice [~~which shall contain~~] that contains a
17 general description of the area and the date, time and place
18 where the [~~governing body~~] local government shall hold a public
19 hearing to consider the resolution and a notice that any
20 interested party may appear and speak to the issue of the
21 adoption of the resolution.

22 B. [~~Such~~] Notice shall be published at least twice,
23 and the last publication shall be not less than twenty days
24 before the hearing. The owner of any real property affected by
25 the resolution [~~shall have~~] has the right to file in the

.208217.1

1 district court of the county within which the [~~municipality~~]
2 local government is located, within twenty days after the
3 adoption of the resolution, an action to set aside the
4 determination made by the [~~governing body of the municipality~~]
5 local government.

6 C. A [~~municipality~~] local government shall not
7 acquire real property for a metropolitan redevelopment project
8 unless the local [~~governing body~~] government has approved a
9 metropolitan redevelopment plan relating to the metropolitan
10 redevelopment area in which the real property is located."

11 SECTION 8. Section 3-60A-9 NMSA 1978 (being Laws 1979,
12 Chapter 391, Section 9) is amended to read:

13 "3-60A-9. PREPARATION OF A METROPOLITAN REDEVELOPMENT
14 PLAN.--

15 A. When a [~~municipality~~] local government has
16 complied with the provisions of the Redevelopment Law
17 concerning public hearing and designation of an area as a
18 metropolitan redevelopment area, it may prepare or cause to be
19 prepared a metropolitan redevelopment plan; however, prior to
20 final consideration of the plan by the local [~~governing body~~]
21 government, the plan shall be the subject of at least one
22 public hearing held by the mayor or [~~his~~] the mayor's designee
23 or the [~~municipal~~] local government's planning commission, at
24 which time comments from the public as a whole can be gathered
25 and considered by the [~~municipality~~] local government in its

1 preparation of the final plan. The local [~~governing body~~]
2 government may hold a public hearing for purposes of approval
3 of the proposed plan, as provided in Subsection B of this
4 section, only after the hearing required by this subsection.

5 B. The local [~~governing body~~] government shall hold
6 a public hearing on a metropolitan redevelopment plan or
7 substantial modification of an approved plan after public
8 notice [~~thereof~~] by publication in a newspaper having a general
9 circulation in the area of operation of the [~~municipality~~]
10 local government. The notice shall describe the time, date,
11 place and purpose of the hearing, shall generally identify the
12 area covered by the plan and shall outline the general scope of
13 the metropolitan redevelopment project under consideration.
14 Prior to the public hearing on this matter, notice of the
15 public hearing shall be mailed by first class mail to the
16 owners of real property in the metropolitan redevelopment area.
17 The mailing shall be to the owner's address as shown on the
18 records of the county treasurer. If the notice by first class
19 mail to the owner is returned undelivered, the [~~municipality~~]
20 local government shall attempt to discover the owner's most
21 recent address and shall remail the notice by certified mail,
22 return receipt requested, to the address.

23 C. Following the public hearing, the local
24 [~~governing body~~] government may approve a metropolitan
25 redevelopment plan if it finds that:

.208217.1

1 (1) the proposed activities will aid in the
2 elimination or prevention of slum or blight or the conditions
3 ~~[which]~~ that lead to the development of slum or blight;

4 (2) a feasible method is included in the plan
5 to provide individuals and families who occupy residential
6 dwellings in the metropolitan redevelopment area and who may be
7 displaced by the proposed activities with decent, safe and
8 sanitary dwelling accommodations within their means and without
9 undue hardship to such individuals and families;

10 (3) the plan conforms to the general plan for
11 the ~~[municipality as a whole]~~ local government; and

12 (4) the plan affords maximum opportunity
13 consistent with the needs of the community for the
14 rehabilitation or redevelopment of the area by private
15 enterprise or persons and the objectives of the plan justify
16 the proposed activities as public purposes and needs.

17 D. A metropolitan redevelopment plan may be
18 modified at any time; however, if the plan is modified after
19 the lease or sale by the ~~[municipality]~~ local government of
20 real property in the project area, the modification shall be
21 subject to any rights at law or in equity a lessee or purchaser
22 or ~~[his]~~ the lessee's or purchaser's successors in interest may
23 be entitled to assert. Any proposed modification ~~[which]~~ that
24 will substantially change the plan as previously approved by
25 the local ~~[governing body]~~ government shall be subject to the

.208217.1

1 requirements of this section, including the requirement of a
 2 public hearing, before it may be approved."

3 SECTION 9. Section 3-60A-10 NMSA 1978 (being Laws 1979,
 4 Chapter 391, Section 10, as amended by Laws 2007, Chapter 329,
 5 Section 5 and by Laws 2007, Chapter 330, Section 5) is amended
 6 to read:

7 "3-60A-10. POWERS OF ~~[MUNICIPALITY]~~ LOCAL GOVERNMENT.--A
 8 ~~[municipality]~~ local government shall have all the powers,
 9 other than the power of eminent domain, necessary or convenient
 10 to carry out and effectuate the purposes and provisions of the
 11 Metropolitan Redevelopment Code, including ~~[but not necessarily~~
 12 ~~limited to]~~ the following powers:

13 A. to undertake and carry out metropolitan
 14 redevelopment projects within its area of operation, including
 15 clearance and redevelopment, rehabilitation, conservation and
 16 development activities and programs; to make, enter into and
 17 execute contracts and other agreements and instruments
 18 necessary or convenient to the exercise of its powers under the
 19 Redevelopment Law; and to disseminate information regarding
 20 slum clearance, prevention of blight and the metropolitan
 21 redevelopment projects and areas;

22 B. to provide, arrange or contract for the furnishing
 23 or repair by a public or private person or agency for services,
 24 privileges, works, streets, roads, public utilities, public
 25 buildings or other facilities for or in connection with a

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underscored material = new
 [bracketed material] = delete

1 metropolitan redevelopment project; to, within its area of
2 operation, install, acquire, construct, reconstruct, remodel,
3 rehabilitate, maintain and operate streets, utilities, parks,
4 buildings, playgrounds and public buildings, including but not
5 limited to parking facilities, transportation centers, public
6 safety buildings and other public improvements or facilities or
7 improvements for public purposes, as may be required by the
8 [~~municipality~~] local government, the state or a political
9 subdivision of the state; to agree to conditions that it may
10 deem reasonable and appropriate that are attached to federal
11 financial assistance and imposed pursuant to federal law,
12 including conditions relating to the determination of
13 prevailing salaries or wages or compliance with federal and
14 state labor standards, compliance with federal property
15 acquisition policy and the provision of relocation assistance
16 in accordance with federal law in the undertaking or carrying
17 out of a metropolitan redevelopment project; and to include in
18 a contract let in connection with the project provisions to
19 fulfill these conditions as it may deem reasonable and
20 appropriate; provided, however, that all purchases of personal
21 property shall be in accordance with the Procurement Code;

22 C. within its area of operation, to inspect any
23 building or property in a metropolitan redevelopment area in
24 order to make surveys, appraisals, soundings or test borings
25 and to obtain an order for this purpose from a court of

.208217.1

1 competent jurisdiction in the event inspection is denied by the
 2 property owner or occupant; to acquire, by purchase, lease,
 3 option, gift, grant, bequest, devise or otherwise, any real
 4 property or personal property for its administrative or project
 5 purposes, together with any improvements thereon; to hold,
 6 improve, clear or prepare for redevelopment any such property;
 7 to mortgage, pledge, hypothecate or otherwise encumber or
 8 dispose of any real property; to insure or provide for the
 9 insurance of real or personal property or operations of the
 10 [~~municipality~~] local government against risks or hazards,
 11 including the power to pay premiums on that insurance; and to
 12 enter into contracts necessary to effectuate the purposes of
 13 the Metropolitan Redevelopment Code;

14 D. to invest metropolitan redevelopment project funds
 15 held in reserve, sinking funds or other project funds that are
 16 not required for immediate disbursement in property or
 17 securities in which [~~municipalities~~] local governments may
 18 legally invest funds subject to their control; to redeem bonds
 19 as have been issued pursuant to the Metropolitan Redevelopment
 20 Code at the redemption price established in the bonds or to
 21 purchase the bonds at less than redemption price. Bonds so
 22 redeemed or purchased shall be canceled;

23 E. to borrow or lend money subject to those
 24 procedures and limitations as may be provided in the
 25 constitution of New Mexico or [~~the Municipal Code~~] statutes and

.208217.1

1 to apply for and accept advances, loans, grants, contributions
2 and other forms of financial assistance from the federal
3 government, the state, the county or other public body or from
4 sources, public or private, for the purposes of the
5 Metropolitan Redevelopment Code; and to give security as may be
6 required and subject to the provisions and limitations of
7 general law except as may otherwise be provided by the
8 Redevelopment Law and to enter into and carry out contracts in
9 connection with that law. A [~~municipality~~] local government
10 may include in a contract for financial assistance with the
11 federal government for a metropolitan redevelopment project
12 conditions imposed pursuant to federal law that the
13 [~~municipality~~] local government may deem reasonable or
14 appropriate and that are not inconsistent with the purposes of
15 the Metropolitan Redevelopment Code;

16 F. within its area of operation, to make plans
17 necessary for the carrying out of the purposes of the
18 Metropolitan Redevelopment Code and to contract with any
19 person, public or private, in making and carrying out such
20 plans and to adopt or approve, modify and amend the plans. The
21 plans may include without limitation:

- 22 (1) a general plan for redevelopment of the
23 metropolitan area as a whole;
- 24 (2) redevelopment plans for specific areas;
- 25 (3) plans for programs of voluntary or assisted

1 repair and rehabilitation of buildings and improvements;

2 (4) plans for the enforcement of state and local
3 laws, codes and regulations relating to the use of land and the
4 use and occupancy of buildings and improvements and to the
5 compulsory repair, rehabilitation, demolition or removal of
6 buildings and improvements; and

7 (5) appraisals, title searches, surveys, studies
8 and other preliminary plans and work necessary to prepare for
9 the undertaking of metropolitan redevelopment projects;

10 G. to develop, test and report methods and techniques
11 and carry out demonstrations and other activities for the
12 prevention and elimination of slums and ~~[urban]~~ blight and to
13 pay for, accept and use grants of funds from the federal
14 government for those purposes;

15 H. to prepare plans for the relocation of families
16 displaced from a metropolitan redevelopment area to the extent
17 essential for acquiring possession of and clearing the area or
18 its parts or permit the carrying out of the metropolitan
19 redevelopment project;

20 I. to appropriate under existing authority the funds
21 and make expenditures necessary to carry out the purposes of
22 the Metropolitan Redevelopment Code and under existing
23 authority to levy taxes and assessments for such purposes; to
24 close, vacate, plan or replan streets, roads, sidewalks, ways
25 or other places; in accordance with applicable law or

.208217.1

1 ordinances, to plan or replan, zone or rezone any part [~~of the~~
2 ~~municipality~~] within the jurisdiction of the local government
3 or make exceptions from building regulations; and to enter into
4 agreements with a metropolitan redevelopment agency vested with
5 metropolitan redevelopment project powers, which agreements may
6 extend over any period, notwithstanding any provision or rule
7 of law to the contrary, respecting action to be taken by the
8 [~~municipality~~] local government pursuant to the powers granted
9 by the Redevelopment Law;

10 J. within its area of operation, to organize,
11 coordinate and direct the administration of the provisions of
12 the Redevelopment Law as they apply to the [~~municipality~~] local
13 government in order that the objective of remedying slum areas
14 and blighted areas and preventing the causes of those areas
15 within the [~~municipality~~] jurisdiction of the local government
16 may be most effectively promoted and achieved and to establish
17 any new office of the [~~municipality~~] local government or to
18 reorganize existing offices as necessary;

19 K. to acquire real property that is appropriate for
20 the preservation or restoration of historic sites; the
21 beautification of urban land; the conservation of open spaces,
22 natural resources and scenic areas; or the provision of
23 recreational opportunities; or that is to be used for public
24 purposes;

25 L. to engage in the following activities as part of a

1 metropolitan redevelopment project:

2 (1) acquisition, construction, reconstruction or
3 installation of public works, facilities and site or other
4 improvements, including but not limited to neighborhood
5 facilities, senior citizen centers, historic properties,
6 utilities, streets, street lights, water and sewer facilities,
7 including connections for residential users, foundations and
8 platforms for air-rights sites, pedestrian malls and walkways,
9 parks, playgrounds and other recreation facilities, flood and
10 drainage facilities, parking facilities, solid waste disposal
11 facilities and fire protection or health facilities that serve
12 designated areas;

13 (2) special projects directed to the removal of
14 materials and architectural barriers that restrict the mobility
15 and accessibility of elderly and disabled persons;

16 (3) provision of public services in the
17 metropolitan redevelopment area that are not otherwise
18 available in the area, including [~~but not limited to~~] the
19 provisions of public services directed to the employment,
20 economic development, crime prevention, child care, health,
21 drug abuse, welfare or recreation needs of the people who
22 reside in the metropolitan redevelopment area;

23 (4) payment of the nonfederal share of any
24 federal grant-in-aid program to the [~~municipality~~] local
25 government that will be a part of a metropolitan redevelopment

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1 project;

2 (5) if federal funds are used in the project to
3 provide for payment of relocation costs and assistance to
4 individuals, families, businesses, organizations and farm
5 operations displaced as a direct result of a metropolitan
6 redevelopment project in accordance with applicable law
7 governing such payment;

8 (6) payment of reasonable administrative costs
9 and carrying charges related to the planning and execution of
10 plans and projects;

11 (7) economic and marketing studies to determine
12 the economic condition of an area and to determine the
13 viability of certain economic ventures proposed for the
14 metropolitan redevelopment area;

15 (8) issuance of bonds, grants or loans as
16 authorized by the Metropolitan Redevelopment Code in accordance
17 with the requirements of that code; and

18 (9) grants to nonprofit corporations, local
19 development corporations or entities organized under Section
20 301 (d) of the federal Small Business Investment Act of 1958
21 for the purposes of carrying out the provisions of the
22 Metropolitan Redevelopment Code;

23 M. if payments are to be made by the [~~municipality~~]
24 local government or metropolitan redevelopment agency under the
25 terms of a contract for reconstruction or rehabilitation of

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1 private property, payments shall be made from a special fund
2 created for that purpose and shall not be paid directly to the
3 property owner but shall instead be paid to the contractor by
4 the [~~municipality~~] local government or agency from such fund
5 upon proper authorization of the property owner and
6 notification that the terms of the contract have been
7 fulfilled. However, those rehabilitation contracts shall be
8 between the property owner and the contractor after a sealed
9 bidding procedure and award of contract approved by the
10 [~~municipality~~] local government has taken place;

11 N. in a metropolitan redevelopment project or
12 rehabilitation or conservation undertaking or activity, to
13 exercise the following powers in one or more metropolitan
14 redevelopment areas to include the elimination and prevention
15 of the development or spread of slums or blight and may involve
16 slum clearance and redevelopment in that area or rehabilitation
17 or conservation in that area or any combination or part of
18 those areas in accordance with a metropolitan redevelopment
19 plan and for undertakings or activities of a [~~municipality~~]
20 local government in a metropolitan redevelopment area to
21 eliminate the conditions that caused an area to be so
22 designated and may include the following:

23 (1) acquisition of real property within the
24 metropolitan redevelopment area pursuant to any powers and for
25 purposes enumerated in the Metropolitan Redevelopment Code;

.208217.1

1 (2) clearing the land, grading the land and
2 replatting the land in accordance with the metropolitan
3 redevelopment plan; installation, construction or
4 reconstruction of roads, streets, gutters, sidewalks, storm
5 drainage facilities, water lines or water supply installations,
6 sewer lines and sewage disposal installations, steam, gas and
7 electric lines and installations, airport facilities and
8 construction of any other needed public facilities or buildings
9 whether on or off the site if deemed necessary by the local
10 [~~governing body~~] government to prepare the land in the
11 metropolitan redevelopment area for residential, commercial,
12 industrial and public use in accordance with the metropolitan
13 redevelopment plan; and

14 (3) making the land available for development by
15 private enterprise or public agencies, including sale, initial
16 leasing, leasing or retention by the [~~municipality~~] local
17 government itself, at its fair market value for uses in
18 accordance with the metropolitan redevelopment plan for the
19 area;

20 0. the [~~municipality~~] local government is empowered
21 in a metropolitan redevelopment area to undertake slum
22 clearance and redevelopment that includes:

23 (1) acquisition of a slum area or a blighted
24 area or portion thereof;

25 (2) demolition and removal of buildings and

1 improvements;

2 (3) installation, construction, reconstruction,
 3 maintenance and operation of streets, utilities, storm drainage
 4 facilities, curbs and gutters, parks, playgrounds, [~~single-~~
 5 single-family or multifamily dwelling units, buildings, public
 6 buildings, including [~~but not limited to~~] parking facilities,
 7 transportation centers, safety buildings and other
 8 improvements, necessary for carrying out in the area the
 9 provisions of an approved plan for the area; and

10 (4) making the real property available for
 11 development or redevelopment by private enterprise or public
 12 agencies, including sale, leasing or retention by the
 13 [~~municipality~~] local government itself, at its fair value for
 14 uses in accordance with the metropolitan redevelopment area
 15 plan; and

16 P. to engage in rehabilitation or conservation that
 17 includes the restoration and renewal of a slum or blighted area
 18 or portion thereof in accordance with any approved plan, by:

19 (1) carrying out plans for a program of
 20 voluntary or compulsory repair and rehabilitation of buildings
 21 or other improvements;

22 (2) acquisition of real property and demolition
 23 or removal of buildings and improvements thereon where
 24 necessary to eliminate unhealthful, unsanitary or unsafe
 25 conditions, lessen or increase density, eliminate obsolete or

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1 other uses detrimental to the public welfare or to otherwise
2 remove or prevent the spread of blight or deterioration or to
3 provide land for needed public facilities;

4 (3) installation, construction or reconstruction
5 of streets, utilities, parks, playgrounds and other
6 improvements necessary for carrying out in the area the
7 provisions of the Metropolitan Redevelopment Code;

8 (4) the disposition of any property acquired in
9 such an area, including sale, leasing or retention by the
10 [~~municipality~~] local government itself, for uses in accordance
11 with such an approved plan;

12 (5) acquisition of real property in the area
13 [~~which~~] that, under a plan, is to be repaired or rehabilitated;

14 (6) repair or rehabilitation of structures
15 within the area;

16 (7) power to resell repaired or rehabilitated
17 property;

18 (8) acquisition, without regard to any
19 requirement that the area be a slum or blighted area, of air-
20 rights in an area consisting principally of land on which is
21 located a highway, railway, bridge or subway tracks or tunnel
22 entrance or other similar facilities that have a blighting
23 influence on the surrounding area and over which air-rights
24 sites are to be developed for the elimination of such blighting
25 influences; and

1 (9) making loans or grants or authorizing the
 2 use of the proceeds of bonds issued pursuant to the
 3 Metropolitan Redevelopment Code for the purpose of repairing,
 4 remodeling, modifying or otherwise reconstructing a building or
 5 buildings located in the metropolitan redevelopment area. Such
 6 rehabilitation or conservation with use of funds expended by
 7 authority of the Metropolitan Redevelopment Code or by
 8 metropolitan revenue bonds authorized by that code shall be
 9 authorized only after approval by the local ~~[governing body]~~
 10 government and after it has been determined that such
 11 expenditure is in accordance with the metropolitan
 12 redevelopment plan for that area."

13 **SECTION 10.** Section 3-60A-12 NMSA 1978 (being Laws 1979,
 14 Chapter 391, Section 12) is amended to read:

15 "3-60A-12. DISPOSAL OF PROPERTY.--

16 A. A ~~[municipality]~~ local government may sell, lease
 17 or otherwise transfer real property or any interest ~~[therein]~~
 18 in real property acquired by it in a metropolitan redevelopment
 19 area and may enter into contracts with respect ~~[thereto]~~ to the
 20 real property for residential, commercial, industrial or other
 21 uses or for public use or may retain such property or interest
 22 for public use in accordance with the metropolitan
 23 redevelopment plan, subject to any covenants, conditions and
 24 restrictions, including covenants running with the land and
 25 including the incorporation by reference ~~[therein]~~ in the

.208217.1

1 covenants of the provisions of a metropolitan redevelopment
2 plan or any part thereof, as it may deem to be in the public
3 interest or necessary to carry out the purposes of the
4 metropolitan redevelopment plan. The purchasers or lessees and
5 their successors and assigns shall be obligated to devote the
6 real property only to the uses specified in the metropolitan
7 redevelopment plan for a period of years as set out in the sale
8 or lease agreement and may be obligated to comply with other
9 requirements ~~[which]~~ that the ~~[municipality]~~ local government
10 may determine to be in the public interest, including the
11 obligation to begin within a reasonable time any improvements
12 on real property required by the metropolitan redevelopment
13 plan. The real property or interest shall be sold, leased,
14 otherwise transferred or retained at not less than its fair
15 value for uses in accordance with the Redevelopment Law as
16 determined by the ~~[governing body of the municipality]~~ local
17 government or by the metropolitan redevelopment agency, if so
18 authorized. In determining the fair value of real property for
19 uses in accordance with the metropolitan redevelopment plan, a
20 ~~[municipality]~~ local government shall take into account and
21 give consideration to the uses provided in the plan, the
22 restrictions upon and the covenants, conditions and obligations
23 assumed by the purchaser or lessee or by the ~~[municipality]~~
24 local government retaining the property and the objectives of
25 the plan for the prevention of and recurrence of slum or

.208217.1

1 blighted areas. The [~~municipality~~] local government in any
 2 instrument of conveyance to a private purchaser or lessee may
 3 provide that the purchaser or lessee shall be without power to
 4 sell, lease or otherwise transfer the real property without the
 5 prior written consent of the [~~municipality~~] local government
 6 until [~~he~~] the purchaser or lessee has completed the
 7 construction of any and all improvements [~~which he has~~] that
 8 the purchaser or lessee is obligated [~~himself~~] to construct
 9 [~~thereon~~] on the real property. Real property acquired by a
 10 [~~municipality which~~] local government that, in accordance with
 11 the provisions of the metropolitan redevelopment plan, is to be
 12 transferred shall be transferred consistent with the carrying
 13 out of the provisions of the plan. The inclusion in any
 14 contract or conveyance to a purchaser or lessee of covenants,
 15 restrictions or conditions, including the incorporation by
 16 reference [~~therein~~] in the covenants of the provisions of a
 17 metropolitan redevelopment plan or any part thereof, shall not
 18 prevent the filing of the contract or conveyance in the land
 19 records of the county in a manner as to afford actual or
 20 constructive notice thereof.

21 B. A [~~municipality~~] local government may dispose of
 22 real property in a metropolitan redevelopment area to private
 23 persons only in accordance with the procedures set out in this
 24 subsection. The [~~municipality~~] local government shall, prior
 25 to entering into any agreement to convey title or an interest

.208217.1

1 in real property, publish a public notice once each week for at
2 least two consecutive weeks of the date, time and place it will
3 receive proposals for the purchase, lease or rental, for
4 development or redevelopment purposes, of the real property or
5 interest [~~therein~~] in the real property it intends to dispose
6 of. The public notice shall contain sufficient information to
7 describe the location of the real property, the type of
8 development sought or land use requirement and the selection
9 criteria the [~~municipality~~] local government will follow during
10 review of proposals and shall state that details may be
11 obtained at the office designated in the notice. The
12 [~~municipality~~] local government shall consider all proposals
13 submitted in accordance with the public notice and shall only
14 accept proposals it deems in the public interest and meeting
15 the objectives of the metropolitan redevelopment plan after
16 considering the type of development, redevelopment or use
17 proposed and the financial ability of the persons making [~~such~~]
18 the proposals to carry them out.

19 C. If after following the procedures set out in
20 Subsection B of this section a [~~municipality~~] local government
21 receives no proposals or determines the ones received are not
22 in accordance with the call for proposals or do not meet the
23 objectives of the Metropolitan Redevelopment Code, the
24 [~~municipality~~] local government may reject any proposals
25 received and then dispose of [~~such~~] the real property through

1 reasonable negotiating procedures; provided, however, that
 2 negotiated sales, leases or transfers must be reported to the
 3 [~~local governing body~~] local government and approved [~~by that~~
 4 ~~body~~] before [~~such~~] the sale, lease or transfer may take
 5 effect.

6 D. A [~~municipality~~] local government may operate and
 7 maintain real property acquired in a metropolitan redevelopment
 8 area pending the disposition of the property for development or
 9 redevelopment without regard to the provisions of Subsection A
 10 of this section for any uses and purposes deemed desirable even
 11 though not in conformity with the Redevelopment Law."

12 SECTION 11. Section 3-60A-13 NMSA 1978 (being Laws 1979,
 13 Chapter 391, Section 13, as amended) is amended to read:

14 "3-60A-13. PROPERTY EXEMPT FROM TAXES AND FROM LEVY AND
 15 SALE BY VIRTUE OF AN EXECUTION.--

16 A. All property of a [~~municipality~~] local government,
 17 including funds, owned or held in fee simple by it for the
 18 purposes of the Metropolitan Redevelopment Code shall be exempt
 19 from levy and sale by virtue of an execution, and no execution
 20 or other judicial process shall issue against the property nor
 21 shall judgment against a [~~municipality~~] local government be a
 22 charge or lien upon the property; provided, however, that the
 23 provisions of this section shall not apply to or limit the
 24 right of obligees to pursue any remedies for the enforcement of
 25 any pledge or lien given pursuant to the Redevelopment Law by a

.208217.1

1 [municipality] local government on its rents, fees, grants,
2 land or revenues from projects.

3 B. The property of a [municipality] local government
4 acquired or held for the purposes of the Metropolitan
5 Redevelopment Code is declared to be public property used for
6 essential public and governmental purposes, and the property
7 shall be exempt from property taxes or assessments of the
8 [municipality] local government, the county, the state or any
9 political subdivision thereof; provided that the exemption
10 shall terminate when the [municipality] local government
11 transfers its fee simple interest in the property to a
12 purchaser that is not entitled to the exemption with respect to
13 the property. Nothing in this subsection authorizes an
14 exemption or deduction from the imposition of the gross
15 receipts and compensating taxes under the Gross Receipts and
16 Compensating Tax Act on the gross receipts from the sale of
17 property to or the use of property by a [municipality] local
18 government or any other person in connection with a
19 metropolitan redevelopment project created under the
20 Metropolitan Redevelopment Code."

21 SECTION 12. Section 3-60A-13.1 NMSA 1978 (being Laws
22 1985, Chapter 225, Section 2) is amended to read:

23 "3-60A-13.1. PAYMENTS IN LIEU OF PROPERTY TAXES AND
24 ASSESSMENTS.--

25 A. If interests in project property are exempt from

1 property taxation and assessments under Subsection B of Section
2 3-60A-13 NMSA 1978 or Section 7-36-3.1 NMSA 1978, then during
3 the period extending from the date of acquisition of the
4 property by the [~~municipality~~] local government through
5 December 31 of the year in which the seventh anniversary of
6 that acquisition date occurs, any lessee of the project
7 property or owner of a substantial beneficial interest in the
8 project property, in whose ownership the property would not be
9 exempt from property taxation except for the exemption granted
10 under Section 7-36-3.1 NMSA 1978, shall pay to the county
11 treasurer annually, at the same time property tax payments are
12 due under the Property Tax Code, an amount equal to the sum of:

13 (1) general property taxes that would have been
14 imposed under Subsection B of Section 7-37-7 NMSA 1978 had it
15 not been exempt and had it been valued at the valuation for
16 property taxation purposes that existed in the year immediately
17 preceding the year of acquisition by the [~~municipality~~] local
18 government;

19 (2) amounts that would have been imposed under
20 Subsection C of Section 7-37-7 NMSA 1978 on the project
21 property had it not been exempt and had it been valued at the
22 valuation for property taxation purposes that existed in the
23 year immediately preceding the year of acquisition by the
24 [~~municipality~~] local government; and

25 (3) amounts that would have been imposed as

.208217.1

1 benefit assessments on the project property had it not been
2 exempt and had it been valued at the valuation for property
3 taxation purposes that existed in the year immediately
4 preceding the year of acquisition by the [~~municipality~~] local
5 government if those benefit assessments are authorized by law
6 and are expressed in mills per dollar or dollars per thousand
7 dollars of net taxable value of property, assessed value of
8 property or similar terms.

9 B. The county treasurer shall distribute all amounts
10 collected under Subsection A of this section in the same manner
11 as the amounts would have been distributed if they had been
12 collected as taxes or assessments on nonexempt property.

13 C. The provisions of this section shall apply only to
14 project property acquired by a [~~municipality~~] local government
15 under the provisions of the Metropolitan Redevelopment Code on
16 or after January 1, 1986."

17 SECTION 13. Section 3-60A-14 NMSA 1978 (being Laws 1979,
18 Chapter 391, Section 14) is amended to read:

19 "3-60A-14. COOPERATION BY PUBLIC BODIES.--

20 A. For the purpose of aiding in the planning,
21 undertaking or carrying out of a metropolitan redevelopment
22 project located within the area in which it is authorized to
23 act, any public body upon terms with or without consideration
24 may:

25 (1) dedicate, sell, convey or lease any of its

1 interest in any property or grant easements, licenses or other
 2 rights or privileges [~~therein~~] in the property to a
 3 [~~municipality~~] local government;

4 (2) incur the entire expense of any public
 5 improvements made by the public body in exercising the powers
 6 granted in this section;

7 (3) do any and all things necessary to aid or
 8 cooperate in the planning or carrying out of a metropolitan
 9 redevelopment plan;

10 (4) lend, grant or contribute funds to a
 11 [~~municipality~~] local government;

12 (5) enter into agreements [~~which~~] that may
 13 extend over any period, notwithstanding any provision or rule
 14 of law to the contrary, with a [~~municipality~~] local government
 15 or other public body respecting action to be taken pursuant to
 16 any of the powers granted by the Redevelopment Law, including
 17 the furnishing of funds or other assistance in connection with
 18 metropolitan redevelopment; or

19 (6) cause public buildings and public
 20 facilities, including parks, playgrounds, recreational,
 21 community, educational, transportation, water, sewer or
 22 drainage facilities or any other works [~~which~~] that it is
 23 otherwise empowered to undertake, to be furnished to the
 24 [~~municipality~~] local government; furnish, dedicate, close,
 25 vacate, pave, install, grade, regrade, plan or replan streets,

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1 roads, sidewalks, ways or other places; plan or replan, zone or
2 rezone any part of the public property or make exceptions from
3 building regulations; and cause administrative and other
4 services to be furnished to the [~~municipality~~] local
5 government.

6 If at any time title to or possession of any redevelopment
7 project is held by any public body or governmental agency,
8 other than the [~~municipality~~] local government, which is
9 authorized by law to engage in the undertaking, carrying out or
10 administration of development projects, including the federal
11 government, the provisions of the agreements referred to in
12 this section shall inure to the benefit of and may be enforced
13 by such public body or governmental agency. As used in this
14 subsection, the term [~~"municipality"~~] "local government"
15 includes a metropolitan redevelopment agency vested with
16 metropolitan redevelopment project powers pursuant to the
17 provisions of the Metropolitan Redevelopment Code.

18 B. For the purpose of aiding in the planning,
19 undertaking or carrying out of the metropolitan redevelopment
20 project by a redevelopment agency hereunder, a [~~municipality~~]
21 local government may, in addition to its other powers and upon
22 such terms with or without consideration, perform any or all of
23 the actions or things [~~which~~] that, by the provisions of
24 Subsection A of this section, a public body is authorized to do
25 or perform, including the furnishing of financial and other

1 assistance.

2 C. For the purposes of this section or for the
 3 purpose of aiding in the planning, undertaking or carrying out
 4 of a metropolitan redevelopment project of a [~~municipality~~]
 5 local government, the [~~municipality~~] local government may, in
 6 addition to any authority to issue bonds pursuant to the
 7 Redevelopment Bonding Law, issue and sell its general
 8 obligation or revenue bonds [~~authorized in the Municipal Code~~].
 9 Any bonds issued by a [~~municipality~~] local government pursuant
 10 to this section shall be issued in the manner and within the
 11 limitations prescribed by the laws of this state for the
 12 issuance and authorization of bonds by [~~such municipality~~] the
 13 local government for public purposes generally."

14 SECTION 14. Section 3-60A-15 NMSA 1978 (being Laws 1979,
 15 Chapter 391, Section 15, as amended by Laws 2007, Chapter 329,
 16 Section 6 and by Laws 2007, Chapter 330, Section 6) is amended
 17 to read:

18 "3-60A-15. EXERCISE OF POWERS IN CARRYING OUT PROJECTS.--

19 A. [~~The local governing body~~] A local government may
 20 directly exercise its metropolitan redevelopment project powers
 21 or it may, by ordinance if it determines such action to be in
 22 the public interest, elect to delegate the exercise of such
 23 powers to the metropolitan redevelopment agency created
 24 pursuant to the Redevelopment Law. If the local [~~governing~~
 25 ~~body~~] government so determines, the agency shall be vested with

.208217.1

1 all of the powers in the same manner as though all the powers
2 were conferred on the agency or authority instead of the
3 [~~municipality~~] local government.

4 B. As used in this section, the term "redevelopment
5 project powers" includes any rights, powers, functions and
6 duties of a [~~municipality~~] local government authorized by the
7 Redevelopment Law except the following, which are reserved to
8 the local [~~governing body~~] government; the power to:

9 (1) declare an area to be a slum or a blighted
10 area or combination thereof and to designate the area as
11 appropriate for a redevelopment project;

12 (2) approve or amend redevelopment plans;

13 (3) approve a general plan for the
14 [~~municipality~~] local government as a whole;

15 (4) make findings of necessity prior to
16 preparation of a metropolitan redevelopment plan as provided in
17 the Redevelopment Law and the findings and determinations
18 required prior to approval of a metropolitan redevelopment plan
19 or project as provided in the Redevelopment Law;

20 (5) issue general obligation bonds and revenue
21 bonds as authorized [~~in the Municipal Code~~] by law;

22 (6) approve loans or grants;

23 (7) approve leases of more than one year's
24 duration;

25 (8) issue [~~municipal~~] redevelopment bonds; and

1 (9) appropriate funds and levy taxes and
2 assessments."

3 SECTION 15. Section 3-60A-16 NMSA 1978 (being Laws 1979,
4 Chapter 391, Section 16) is amended to read:

5 "3-60A-16. METROPOLITAN REDEVELOPMENT AGENCY.--

6 A. There may be created in each [~~municipality~~] local
7 government a public body to be known as the "metropolitan
8 redevelopment agency". The metropolitan redevelopment agency
9 shall not transact any business or exercise any powers until
10 the local [~~governing body~~] government has adopted an ordinance
11 creating a metropolitan redevelopment agency and has specified
12 the powers and duties of the agency.

13 B. When the metropolitan redevelopment agency has
14 been authorized to transact business and exercise powers, the
15 mayor, with the advice and consent of the local [~~governing~~
16 ~~body~~] government, shall appoint a board of commissioners of the
17 redevelopment agency, which shall consist of five
18 commissioners. The commissioners shall be initially appointed
19 to serve staggered terms as follows from the date of their
20 appointment:

- 21 (1) two members for three-year terms;
- 22 (2) two members for two-year terms; and
- 23 (3) one member for a one-year term.

24 Thereafter, commissioners shall be appointed for terms of five
25 years each.

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1 C. A commissioner shall receive no compensation for
2 [his] services but shall be entitled to the necessary expenses,
3 including traveling expenses, incurred in the discharge of
4 [his] the commissioner's duties. Each commissioner shall hold
5 office until [his] the commissioner's successor has been
6 appointed and qualified. A certificate of the appointment or
7 reappointment of any commissioner shall be filed with the clerk
8 of the [municipality] local government, and the certificate
9 shall be conclusive evidence of the due and proper appointment
10 of the commissioner. A commissioner may be removed from office
11 at any time by the mayor.

12 D. The powers of a metropolitan redevelopment agency
13 shall be exercised by the commissioners. A majority of the
14 appointed commissioners [~~shall constitute~~] constitutes a quorum
15 for the purpose of conducting business and exercising the
16 powers of the agency and for all other purposes. Action may be
17 taken by the agency upon a vote of a majority of the
18 commissioners present at a lawful meeting, unless in any case
19 the bylaws [~~shall~~] require a larger number. Any person may be
20 appointed as commissioner if [he] the person resides within the
21 area of operation of the agency, which shall be coterminous
22 with the area of operation of the [municipality] local
23 government, and is otherwise eligible for such appointment
24 under the Redevelopment Law.

25 E. The mayor shall designate a [~~chairman~~] chair and

1 vice ~~[chairman]~~ chair from among the commissioners. The
 2 commission may employ and determine the qualifications, duties
 3 and compensation of an executive director, technical experts
 4 and such other agents and employees, permanent and temporary,
 5 as the metropolitan redevelopment agency may require. For such
 6 legal service as the agency may require, the commission may
 7 employ or retain for the agency legal counsel and a legal
 8 staff. A metropolitan redevelopment agency shall file annually
 9 with the local ~~[governing body]~~ government a report of its
 10 activities for the preceding fiscal year, which report shall
 11 include a complete financial statement setting forth its
 12 assets, liabilities, income and operating expenses as of the
 13 end of such fiscal year."

14 SECTION 16. Section 3-60A-17 NMSA 1978 (being Laws 1979,
 15 Chapter 391, Section 17) is amended to read:

16 "3-60A-17. CONFLICT OF INTEREST--MISCONDUCT.--~~[A.]~~ No
 17 public official or employee of a ~~[municipality]~~ local
 18 government or member of any board or commission ~~[thereof]~~ of a
 19 local government and no commissioner or employee of a
 20 metropolitan redevelopment agency ~~[which]~~ that has been vested
 21 by a ~~[municipality]~~ local government with metropolitan
 22 redevelopment project powers by the Redevelopment Law shall
 23 voluntarily acquire any interest, direct or indirect, in any
 24 ~~[such]~~ metropolitan redevelopment project of the ~~[municipality]~~
 25 local government or in any contract or proposed contract in

.208217.1

1 connection with ~~[such]~~ the project. Where the acquisition is
2 not voluntary, the interest acquired shall be immediately
3 disclosed in writing to the local ~~[governing body]~~ government,
4 and such disclosure shall be entered upon its minutes. If any
5 such official, commissioner or employee currently owns or
6 controls or owned or controlled within the preceding two years
7 any interest, direct or indirect, in any property ~~[which he]~~
8 that the official, commissioner or employee knows is included
9 or planned to be included in a metropolitan redevelopment
10 project, ~~[he]~~ the official, commissioner or employee shall
11 immediately disclose this fact in writing to the local
12 ~~[governing body]~~ government, and this disclosure shall be
13 entered upon the minutes of the ~~[governing body]~~ local
14 government, and any such official, commissioner or employee
15 shall not participate in any action by the ~~[municipality or~~
16 ~~board or commission thereof]~~ local government affecting ~~[such]~~
17 the property. Any disclosure required to be made by this
18 section to the local ~~[governing body]~~ government shall
19 concurrently be made to a metropolitan redevelopment agency
20 ~~[which]~~ that has been vested with metropolitan redevelopment
21 project powers by the ~~[municipality]~~ local government."

22 SECTION 17. Section 3-60A-18 NMSA 1978 (being Laws 1979,
23 Chapter 391, Section 18) is amended to read:

24 "3-60A-18. OTHER POWERS.--

25 A. Except as otherwise specifically set forth in

1 Section [~~15 of the Redevelopment Law~~] 3-60A-15 NMSA 1978, the
 2 local [~~governing body~~] government may delegate its metropolitan
 3 redevelopment powers in the manner provided for delegation of
 4 powers in the Redevelopment Law to a metropolitan redevelopment
 5 agency [~~which~~] that shall be vested with such powers in the
 6 same manner as though the powers were conferred on the agency
 7 instead of the [~~municipality~~] local government.

8 B. The local [~~governing body~~] government may, in the
 9 manner required by state law or municipal charter, provide for
 10 such ordinances, rules, regulations or by such other means it
 11 deems proper as are necessary to implement the Redevelopment
 12 Law. The [~~municipality~~] local government and the agency shall
 13 be empowered to exercise only those powers authorized by [~~this~~]
 14 the Redevelopment Law or otherwise provided by law. Nothing in
 15 [~~this~~] the Redevelopment Law shall be construed to authorize
 16 the [~~municipality~~] local government to operate an electric or
 17 gas utility."

18 SECTION 18. Section 3-60A-19 NMSA 1978 (being Laws 1979,
 19 Chapter 391, Section 19) is amended to read:

20 "3-60A-19. TAX INCREMENT LAW--SHORT TITLE.--Sections [~~19~~
 21 ~~through 25 of the Metropolitan Redevelopment Code~~] 3-60A-19
 22 through 3-60A-24 NMSA 1978 may be cited as the "Tax Increment
 23 Law"."

24 SECTION 19. Section 3-60A-20 NMSA 1978 (being Laws 1979,
 25 Chapter 391, Section 20) is amended to read:

.208217.1

1 "3-60A-20. ALTERNATIVE METHOD OF FINANCING.--

2 A. Effective for tax years beginning on or after
3 January 1, 1980, the local [~~governing body of a municipality~~]
4 government may elect by resolution to use the procedures set
5 forth in the Tax Increment Law for financing metropolitan
6 redevelopment projects. Such procedures may be used in
7 addition to or in conjunction with other methods provided by
8 law for financing such projects.

9 B. The tax increment method, for the purpose of
10 financing metropolitan redevelopment projects, is the
11 dedication for further use in metropolitan redevelopment
12 projects of that increase in property tax revenue directly
13 resulting from the increased net taxable value of a parcel of
14 property attributable to its rehabilitation, redevelopment or
15 other improvement because of its inclusion within an urban
16 renewal, community development or metropolitan redevelopment
17 project."

18 SECTION 20. Section 3-60A-21 NMSA 1978 (being Laws 1979,
19 Chapter 391, Section 21, as amended) is amended to read:

20 "3-60A-21. TAX INCREMENT PROCEDURES.--The procedures to
21 be used in the tax increment method are:

22 A. the local [~~governing body of the municipality~~]
23 government shall, at the time after approval of a metropolitan
24 redevelopment project, notify the county assessor and the
25 taxation and revenue department of the taxable parcels of

.208217.1

1 property within the project;

2 B. upon receipt of notification pursuant to
3 Subsection A of this section, the county assessor and the
4 taxation and revenue department shall identify the parcels of
5 property within the metropolitan redevelopment project within
6 their respective jurisdictions and certify to the county
7 treasurer the net taxable value of the property at the time of
8 notification as the base value for the distribution of property
9 tax revenues authorized by the Property Tax Code. If because
10 of acquisition by the [~~municipality~~] local government the
11 property becomes tax exempt, the county assessor and the
12 taxation and revenue department shall note that fact on their
13 respective records and so notify the county treasurer, but the
14 county assessor, the taxation and revenue department and the
15 county treasurer shall preserve a record of the net taxable
16 value at the time of inclusion of the property within the
17 metropolitan redevelopment project as the base value for the
18 purpose of distribution of property tax revenues when the
19 parcel again becomes taxable. The county assessor is not
20 required by this section to preserve the new taxable value at
21 the time of inclusion of the property within the metropolitan
22 redevelopment project as the base value for the purposes of
23 valuation of the property;

24 C. if because of acquisition by the [~~municipality~~]
25 local government the property becomes tax exempt, when the

.208217.1

1 parcel again becomes taxable, the local [~~governing body of the~~
2 ~~municipality~~] government shall notify the county assessor and
3 the taxation and revenue department of the parcels of property
4 that because of their rehabilitation or other improvement are
5 to be revalued for property tax purposes. A new taxable value
6 of this property shall then be determined by the county
7 assessor or by the taxation and revenue department if the
8 property is within the valuation jurisdiction of that
9 department. If no acquisition by the [~~municipality~~] local
10 government occurs, improvement or rehabilitation of property
11 subject to valuation by the assessor shall be reported to the
12 assessor as required by the Property Tax Code, and the new
13 taxable value shall be determined as of January 1 of the tax
14 year following the year in which the improvement or
15 rehabilitation is completed;

16 D. current tax rates shall then be applied to the new
17 taxable value. The amount by which the revenue received
18 exceeds that which would have been received by application of
19 the same rates to the base value before inclusion in the
20 metropolitan redevelopment project shall be credited to the
21 [~~municipality~~] local government and deposited in the
22 metropolitan redevelopment fund. This transfer shall take
23 place only after the county treasurer has been notified to
24 apply the tax increment method to a specific property included
25 in a metropolitan redevelopment area. Unless the entire

.208217.1

1 metropolitan redevelopment area is specifically included by the
 2 [~~municipality~~] local government for purposes of tax increment
 3 financing, the payment by the county treasurer to the
 4 [~~municipality~~] local government shall be limited to those
 5 properties specifically included. The remaining revenue shall
 6 be distributed to participating units of government as
 7 authorized by the Property Tax Code; and

8 E. the procedures and methods specified in this
 9 section shall be followed annually for a maximum period of
 10 twenty years following the date of notification of inclusion of
 11 property as coming under the transfer provisions of this
 12 section."

13 SECTION 21. Section 3-60A-22 NMSA 1978 (being Laws 1979,
 14 Chapter 391, Section 22) is amended to read:

15 "3-60A-22. METROPOLITAN REDEVELOPMENT FUND--CREATION--
 16 DISBURSEMENT.--There is created a "metropolitan redevelopment
 17 fund" for purposes of the Metropolitan Redevelopment Code.
 18 Money in the metropolitan redevelopment fund shall be disbursed
 19 to the [~~municipality~~] local government to be used as other
 20 money is authorized to be used in the Metropolitan
 21 Redevelopment Code."

22 SECTION 22. Section 3-60A-23 NMSA 1978 (being Laws 1979,
 23 Chapter 391, Section 23, as amended) is amended to read:

24 "3-60A-23. TAX INCREMENT FINANCING METHOD APPROVAL.--

25 A. The property tax increment method shall be

.208217.1

1 applicable only to the units of government participating in
2 property tax revenue derived from ~~[property within a~~
3 ~~metropolitan redevelopment project and approving the use of the~~
4 ~~tax increment method for that property and only to the extent~~
5 ~~of the approval. An approval may be restricted to certain~~
6 ~~types or sources of tax revenue.]~~ the properties within the
7 district.

8 B. A local ~~[governing body of each municipality]~~
9 government shall request ~~[such]~~ an approval for up to a twenty-
10 year period for property included in the tax increment funding.
11 The governor or ~~[his]~~ the governor's authorized representative
12 shall approve, partially approve or disapprove the use of the
13 method for state government; the governing body of each other
14 participating unit shall approve, partially approve or
15 disapprove by ordinance or resolution the use of the method for
16 their respective units.

17 C. At the request of a participating unit of
18 government, made within ten days of receipt of the request by
19 the ~~[municipality]~~ local government, the ~~[municipality]~~ local
20 government shall make a presentation to the governor or ~~[his]~~
21 the governor's authorized representative and to the governing
22 bodies of all participating units of government, which
23 presentation shall include a description of the metropolitan
24 redevelopment project and the parcels in the project to which
25 the tax increment method will apply, and an estimate of the

1 general effect of the project and the application of the tax
 2 increment method on property values and tax revenues. All
 3 participating units shall notify the local [~~governing body of~~
 4 ~~the municipality~~] government seeking approval within thirty
 5 days of receipt of the [~~municipality's~~] local government's
 6 request. At the expiration of that time, the alternative
 7 method of financing set forth in this section shall be
 8 effective for a period of up to twenty tax years."

9 **SECTION 23.** Section 3-60A-23.1 NMSA 1978 (being Laws
 10 2000, Chapter 103, Section 4) is amended to read:

11 "3-60A-23.1. TAX INCREMENT BONDS.--

12 A. For the purpose of financing metropolitan
 13 redevelopment projects, in whole or in part, a [~~municipality~~]
 14 local government may issue tax increment bonds or tax increment
 15 bond anticipation notes that are payable from and secured by
 16 real property taxes, in whole or in part, allocated to the
 17 metropolitan redevelopment fund pursuant to the provisions of
 18 Sections 3-60A-21 and 3-60A-23 NMSA 1978. The principal of,
 19 premium, if any, and interest on the bonds or notes shall be
 20 payable from and secured by a pledge of such revenues, and the
 21 [~~municipality~~] local government shall irrevocably pledge all or
 22 part of such revenues to the payment of the bonds or notes.
 23 The revenues deposited in the metropolitan redevelopment fund
 24 or the designated part thereof may thereafter be used only for
 25 the payment of the principal of, premium, if any, and interest

.208217.1

1 on the bonds or notes, and a holder of the bonds or notes shall
2 have a first lien against the revenues deposited in the
3 metropolitan redevelopment fund or the designated part thereof
4 for the payment of principal of, premium, if any, and interest
5 on such bonds or notes. To increase the security and
6 marketability of the tax increment bonds or notes, the
7 [~~municipality~~] local government may:

8 (1) create a lien for the benefit of the
9 bondholders on any public improvements or public works used
10 solely by the metropolitan redevelopment project or portion of
11 a project financed by the bonds or notes, or on the revenues of
12 such improvements or works;

13 (2) provide that the proceeds from the sale of
14 real and personal property acquired with the proceeds from the
15 sale of bonds or notes issued pursuant to the Tax Increment Law
16 shall be deposited in the metropolitan redevelopment fund and
17 used for the purposes of repayment of principal of, premium, if
18 any, and interest on such bonds or notes; and

19 (3) make covenants and do any and all acts not
20 inconsistent with law as may be necessary, convenient or
21 desirable in order to additionally secure the bonds or notes or
22 make the bonds or notes more marketable in the exercise of the
23 discretion of the local [~~governing body~~] government.

24 B. Bonds and notes issued pursuant to this section
25 shall not constitute an indebtedness within the meaning of any

1 constitutional or statutory debt limitation or restriction,
2 shall not be general obligations of the [~~municipality~~] local
3 government, shall be collectible only from the proper pledged
4 revenues and shall not be subject to the provisions of any
5 other law or charter relating to the authorization, issuance or
6 sale of tax increment bonds or tax increment bond anticipation
7 notes. Bonds and notes issued pursuant to the Tax Increment
8 Law are declared to be issued for an essential public and
9 governmental purpose and, together with interest thereon, shall
10 be exempted from all taxes by the state.

11 C. The bonds or notes shall be authorized by an
12 ordinance of the [~~municipality~~] local government; shall be in
13 such denominations, bear such date and mature, in the case of
14 bonds, at such time not exceeding twenty years from their date,
15 and in the case of notes, not exceeding five years from the
16 date of the original note; bear interest at a rate or have
17 appreciated principal value not exceeding the maximum net
18 effective interest rate permitted by the Public Securities Act;
19 and be in such form, carry such registration privileges, be
20 executed in such manner, be payable in such place within or
21 without the state, be payable at intervals or at maturity and
22 be subject to such terms of redemption as the authorizing
23 ordinance or supplemental resolution [~~or resolutions~~] of the
24 [~~municipality~~] local government may provide.

25 D. The bonds or notes may be sold in one or more

.208217.1

1 series at, below or above par, at public or private sale, in
2 such manner and for such price as the [~~municipality~~] local
3 government, in its discretion, shall determine; provided that
4 the price at which the bonds or notes are sold shall not result
5 in a net effective interest rate that exceeds the maximum
6 permitted by the Public Securities Act. As an incidental
7 expense of a metropolitan redevelopment project or portion
8 thereof financed with the bonds or notes, the [~~municipality~~]
9 local government in its discretion may employ financial and
10 legal consultants with regard to the financing of the project.

11 E. In case any of the public officials of the
12 [~~municipality~~] local government whose signatures appear on any
13 bonds or notes issued pursuant to the Tax Increment Law shall
14 cease to be public officials before the delivery of the bonds
15 or notes, the signatures shall, nevertheless, be valid and
16 sufficient for all purposes, the same as if the officials had
17 remained in office until delivery. Any provision of law to the
18 contrary notwithstanding, any bonds or notes issued pursuant to
19 the Tax Increment Law shall be fully negotiable.

20 F. In any suit, action or proceeding involving the
21 validity or enforceability of any bond or note issued pursuant
22 to the Tax Increment Law or the security therefor, any bond or
23 note reciting in substance that it has been issued by the
24 [~~municipality~~] local government in connection with a
25 metropolitan redevelopment project shall be conclusively deemed

1 to have been issued for such purpose and the project shall be
2 conclusively deemed to have been planned, located and carried
3 out in accordance with the provisions of the Metropolitan
4 Redevelopment Code.

5 G. The proceedings under which tax increment bonds or
6 tax increment bond anticipation notes are authorized to be
7 issued and any mortgage, deed of trust, trust indenture or
8 other lien or security device on real and personal property
9 given to secure the same may contain provisions customarily
10 contained in instruments securing bonds and notes and
11 constituting a covenant with the bondholders.

12 H. A [~~municipality~~] local government may issue bonds
13 or notes pursuant to this section with the proceeds from the
14 bonds or notes to be used as other money is authorized to be
15 used in the Metropolitan Redevelopment Code.

16 I. The [~~municipality~~] local government shall have the
17 power to issue renewal notes, to issue bonds to pay notes and
18 whenever it deems refunding expedient, to refund any bonds by
19 the issuance of new bonds, whether the bonds to be refunded
20 have or have not matured, and to issue bonds partly to refund
21 bonds then outstanding and partly for other purposes in
22 connection with financing metropolitan redevelopment projects,
23 in whole or in part. Refunding bonds issued pursuant to the
24 Tax Increment Law to refund outstanding tax increment bonds
25 shall be payable from real property tax revenues, out of which

.208217.1

1 the bonds to be refunded thereby are payable or from other
2 lawfully available revenues.

3 J. The proceeds from the sale of any bonds or notes
4 shall be applied only for the purpose for which the bonds or
5 notes were issued and if, for any reason, any portion of the
6 proceeds are not needed for the purpose for which the bonds or
7 notes were issued, the unneeded portion of the proceeds shall
8 be applied to the payment of the principal of or the interest
9 on the bonds or notes.

10 K. The cost of financing a metropolitan redevelopment
11 project shall be deemed to include the actual cost of acquiring
12 a site and the cost of the construction of any part of a
13 project, including architects' and engineers' fees, the
14 purchase price of any part of a project that may be acquired by
15 purchase and all expenses in connection with the authorization,
16 sale and issuance of the bonds or notes to finance the
17 acquisition, and any related costs incurred by the
18 [~~municipality~~] local government.

19 L. No action shall be brought questioning the
20 legality of any contract, mortgage, deed of trust, trust
21 indenture or other lien or security device, proceeding or bonds
22 or notes executed in connection with any project authorized by
23 the Metropolitan Redevelopment Code on and after thirty days
24 from the effective date of the ordinance authorizing the
25 issuance of such bonds or notes."

1 SECTION 24. Section 3-60A-26 NMSA 1978 (being Laws 1979,
2 Chapter 391, Section 26) is amended to read:

3 "3-60A-26. REDEVELOPMENT BONDING LAW--SHORT TITLE.--
4 Sections ~~[26 through 46 of the Municipal Redevelopment Code]~~
5 3-60A-26 through 3-60A-46 NMSA 1978 may be cited as the
6 "Redevelopment Bonding Law".

7 SECTION 25. Section 3-60A-27 NMSA 1978 (being Laws 1979,
8 Chapter 391, Section 27) is amended to read:

9 "3-60A-27. DEFINITIONS.--As used in the Redevelopment
10 Bonding Law:

11 ~~[A. "revenue bonds" means bonds, notes or other~~
12 ~~securities evidencing an obligation and issued pursuant to the~~
13 ~~powers granted by the Metropolitan Redevelopment Code by a~~
14 ~~municipality for purposes authorized by that code;~~

15 B.] A. "finance" or "financing" means the issuing of
16 bonds by a ~~[municipality]~~ local government and the use of
17 substantially all of the proceeds ~~[therefrom]~~ from the bonds
18 pursuant to a financing agreement with the user to pay or to
19 reimburse the user or its designee for the costs of the
20 acquisition or construction of a project, whether these costs
21 are incurred by the ~~[municipality]~~ local government, the user
22 or a designee of the user; provided that title to or in the
23 project may at all times remain in the user, and, in such case,
24 the bonds of the ~~[municipality]~~ local government may be secured
25 by mortgage or other lien upon the project or upon any other

.208217.1

1 property of the user, or both, granted by the user or by a
2 pledge of one or more notes, debentures, bonds or other secured
3 or unsecured debt obligations of the user, as the governing
4 body deems advisable, but no ~~[municipality]~~ local government
5 shall be authorized hereby to pledge any of its property or to
6 otherwise secure the payment of any bonds with its property,
7 except that the ~~[municipality]~~ local government may pledge the
8 property of the project or revenues ~~[therefrom]~~ from the
9 project;

10 ~~[G.]~~ B. "financing agreement" includes a lease,
11 sublease, installment purchase agreement, rental agreement,
12 option to purchase or any other agreement or any combination
13 thereof entered into in connection with the financing of a
14 project pursuant to the Metropolitan Redevelopment Code;

15 ~~[D.]~~ C. "mortgage" means a deed of trust or any other
16 security device for both real and personal property;

17 ~~[E.]~~ D. "ordinance" means an ordinance of a
18 ~~[municipality]~~ local government financing or refinancing an
19 activity involving or affecting improvement or improvements;

20 ~~[F.]~~ E. "project" means an activity ~~[which]~~ that can
21 be funded or refinanced by revenue bonds issued pursuant to the
22 Redevelopment Bonding Law for the purpose of acquiring,
23 improving, rehabilitating, conserving, financing, or
24 refinancing, erecting or building new or improved facilities,
25 on land, building or buildings or any other improvement or

1 improvements, site or any other activity authorized by the
2 Metropolitan Redevelopment Code for projects or activities
3 located within the boundaries of a metropolitan redevelopment
4 area. The revenue bonds may be used for the projects hereafter
5 enumerated for any purpose or use in such project, except that
6 no funds shall be used for inventories, raw materials or other
7 working capital, whether or not in existence, suitable or used
8 for or in connection with any of the following projects:

9 (1) manufacturing, industrial, commercial or
10 business enterprises, including without limitation enterprises
11 engaged in storing, warehousing, distributing, selling or
12 transporting any products of industry, commerce, manufacturing
13 or business or any utility plant;

14 (2) hospital, health-care or nursing-home
15 facilities, including without limitation clinics and out-
16 patient facilities and facilities for the training of hospital,
17 health-care or nursing-home personnel;

18 (3) residential facilities intended for use as
19 the place of residence by the owners or intended occupants;

20 (4) sewage or solid waste disposal facilities;

21 (5) facilities for the furnishing of water, if
22 available, on reasonable demand to members of the general
23 public;

24 (6) facilities for the furnishing of energy or
25 gas;

.208217.1

- 1 (7) sports and recreational facilities;
- 2 (8) convention or trade show facilities; and
- 3 (9) research, product testing and administrative
- 4 facilities;

5 [~~G.~~ "~~state~~" means the state of New Mexico;]

6 F. "revenue bonds" means bonds, notes or other
7 securities evidencing an obligation and issued pursuant to the
8 powers granted by the Metropolitan Redevelopment Code by a
9 local government for purposes authorized by that code;

10 [~~H.~~] G. "user" means one or more persons who enter
11 into a financing agreement with a [~~municipality~~] local
12 government relating to a project, except that the user need not
13 be the person actually occupying, operating or maintaining the
14 project; and

15 [~~F.~~] H. "utility plant" means any facility used for
16 or in connection with the generation, production, transmission
17 or distribution of electricity; the production, manufacture,
18 storage or distribution of gas; the transportation or
19 conveyance of gas, oil or other fluid substance by pipeline; or
20 the diverting, developing, pumping, impounding, distributing or
21 furnishing of water."

22 **SECTION 26.** Section 3-60A-28 NMSA 1978 (being Laws 1979,
23 Chapter 391, Section 28) is amended to read:

24 "3-60A-28. GENERAL POWERS.--~~[A.]~~ In addition to any other
25 powers, each [~~municipality~~] local government has the following

1 powers:

2 ~~[(1)]~~ A. to acquire, whether by construction,
3 purchase, gift, devise, lease or sublease, to improve and equip
4 and to finance, sell, lease or otherwise dispose of one or more
5 projects or part thereof. If a ~~[municipality]~~ local government
6 issues revenue bonds as provided by the Metropolitan
7 Redevelopment Code to finance or acquire projects, such
8 projects shall be located within the ~~[municipality]~~
9 jurisdiction of the local government and within a metropolitan
10 redevelopment area;

11 ~~[(2)]~~ B. to enter into financing agreements with
12 others for the purpose of providing revenues to pay the bonds
13 authorized by the Redevelopment Bonding Law; to lease, sell or
14 otherwise dispose of any or all of its projects to others for
15 such revenues and upon such terms and conditions as the local
16 ~~[governing body]~~ government may deem advisable; and to grant
17 options to renew any lease or other agreement with respect to
18 the project and to grant options to buy any project at such
19 price as the local ~~[governing body]~~ government deems desirable;

20 ~~[(3)]~~ C. to issue revenue bonds for the purpose of
21 defraying the cost of financing, acquiring, improving and
22 equipping any project, including the payment of principal and
23 interest on ~~[such]~~ the bonds for a period not to exceed three
24 years and all other incidental expenses incurred in issuing
25 ~~[such]~~ the bonds; and

.208217.1

1 ~~[(4)]~~ D. to secure payment of [~~such~~] revenue bonds as
2 provided in the Redevelopment Bonding Law."

3 **SECTION 27.** Section 3-60A-29 NMSA 1978 (being Laws 1979,
4 Chapter 391, Section 29) is amended to read:

5 "3-60A-29. REVENUE BONDS--ISSUANCE.--

6 A. A [~~municipality~~] local government may issue
7 revenue bonds from time to time in its discretion to finance
8 the undertaking of any project authorized by the Redevelopment
9 Bonding Law or the exercise of any power or authority delegated
10 under the Metropolitan Redevelopment Code. These bonds shall
11 be made payable as to both principal and interest solely from
12 the income, proceeds, revenues and funds of the project [~~or~~
13 ~~projects~~].

14 B. Bonds issued under this section shall not
15 constitute an indebtedness within the meaning of any
16 constitutional or statutory debt limitation or restriction and
17 shall not be subject to the provisions of any other law or
18 charter relating to the authorization, issuance or sale of
19 bonds. Bonds issued under the provisions of the Metropolitan
20 Redevelopment Code are declared to be issued for an essential
21 public and governmental purpose and, together with interest
22 thereon and income thereon and income therefrom, shall be
23 exempted from all taxes by the state [~~of New Mexico~~].

24 C. Bonds issued under this section must be authorized
25 by resolution of the local [~~governing body such~~] government.

1 The bonds may be issued in one or more series and shall bear a
 2 date or dates, be payable upon demand or mature at a time or
 3 times, bear interest at a rate or rates not exceeding the
 4 legally authorized rate, be in a denomination or denominations,
 5 be in a form either coupon or registered, carry conversion or
 6 registration privileges, have rank or priority, be executed in
 7 a manner, be payable in a medium of payment, at a place or
 8 places, be subject to the terms of redemption with or without
 9 premium, be secured in a manner and have the other
 10 characteristics as may be provided by the resolution or trust
 11 indenture or mortgage issued pursuant [~~thereto~~] to the bonds.

12 D. The revenue bonds or any portion thereof may be
 13 sold at not less than par at public sales held after notice
 14 published prior to the sale in a newspaper having a general
 15 circulation in the area of operation and in any other medium of
 16 publication as the [~~municipality~~] local government may
 17 determine or may be exchanged for other bonds on the basis of
 18 par; provided that the bonds may be sold to the federal
 19 government or to the state at private sale at not less than
 20 par, and, in the event less than all of the authorized
 21 principal amount of the bonds is sold to the federal government
 22 or to the state or to political subdivisions thereof, the
 23 balance may be sold at private sale at not less than par at an
 24 interest cost to the [~~municipality~~] local government of not to
 25 exceed the interest cost to the [~~municipality~~] local government

.208217.1

1 of the portion of the bonds sold to the federal government.

2 E. In case any of the public officials of the
3 [~~municipality~~] local government whose signatures appear on any
4 bonds or coupons issued under the [~~Redevelopment Law shall~~]
5 Metropolitan Redevelopment Code cease to be public officials
6 before the delivery of the bonds, the signatures shall,
7 nevertheless, be valid and sufficient for all purposes, the
8 same as if the officials had remained in office until delivery.
9 Any provision of any law to the contrary notwithstanding, any
10 bonds issued pursuant to the [~~Redevelopment Law~~] Metropolitan
11 Redevelopment Code shall be fully negotiable.

12 F. In any suit, action or proceeding involving the
13 validity or enforceability of any bond issued under the
14 [~~Redevelopment Law~~] Metropolitan Redevelopment Code or the
15 security therefor, any bond reciting in substance that it has
16 been issued by the [~~municipality~~] local government in
17 connection with a metropolitan redevelopment project shall be
18 conclusively deemed to have been issued for such purpose, and
19 the project shall be conclusively deemed to have been planned,
20 located and carried out in accordance with the provisions of
21 the [~~Redevelopment Law~~] Metropolitan Redevelopment Code."

22 SECTION 28. Section 3-60A-30 NMSA 1978 (being Laws 1979,
23 Chapter 391, Section 30) is amended to read:

24 "3-60A-30. BONDS AS LEGAL INVESTMENTS.--All banks, trust
25 companies, bankers, building and loan associations, savings and

1 loan associations, investment companies and other persons
 2 carrying on a banking or investment business; all insurance
 3 companies, insurance associations and other persons carrying on
 4 an insurance business; and all executors, administrators,
 5 curators, trustees and other fiduciaries may legally invest any
 6 sinking funds, money or other funds belonging to them or within
 7 their control in any bonds or other obligations issued by a
 8 [~~municipality~~] local government pursuant to the Metropolitan
 9 Redevelopment Code or by any agency vested with metropolitan
 10 redevelopment project powers under the Redevelopment Law;
 11 provided that the bonds and other obligations shall be secured
 12 by a pledge of property or revenues or combinations thereof
 13 which is of sufficient value to equal the principal and
 14 interest of such bonds at maturity. The bonds and other
 15 obligations shall be authorized security for all public
 16 deposits. Nothing contained in this section with regard to
 17 legal investments shall be construed as relieving any person of
 18 any duty of exercising reasonable care in selecting
 19 securities."

20 **SECTION 29.** Section 3-60A-31 NMSA 1978 (being Laws 1979,
 21 Chapter 391, Section 31) is amended to read:

22 "3-60A-31. REVENUE BONDS--ISSUANCE--STATUS.--

23 A. A [~~municipality~~] local government may issue
 24 revenue bonds in connection with a financing agreement for the
 25 purposes of financing a project authorized by the provisions of

.208217.1

1 the Redevelopment Bonding Law.

2 B. A revenue bond shall be a limited obligation of
3 the [~~municipality~~] local government, the principal and interest
4 of which shall be payable, subject to the mortgage provisions
5 of the Redevelopment Bonding Law, solely out of the revenues
6 derived from the financing, sale or leasing of the project with
7 respect to which the bonds are issued.

8 C. The revenue bond and interest coupons, if any,
9 appurtenant thereto shall never constitute a debt or
10 indebtedness of the [~~municipality~~] local government within the
11 meaning of any provision or limitation of the [~~state~~]
12 constitution of New Mexico, statutes of the state or a home
13 rule charter of the [~~municipality~~] local government, and such
14 bond shall not constitute [~~nor~~] or give rise to a pecuniary
15 liability of the [~~municipality~~] local government or a charge
16 against its general credit or taxing powers. Such limitations
17 shall be plainly stated on the face of each [~~such~~] bond."

18 SECTION 30. Section 3-60A-32 NMSA 1978 (being Laws 1979,
19 Chapter 391, Section 32) is amended to read:

20 "3-60A-32. REVENUE BONDS--FORM AND TERMS.--

21 A. Revenue bonds shall be authorized by ordinance of
22 the [~~municipality~~] local government, shall be subject to such
23 maximum net effective interest rate and shall be in such
24 denominations, bear such date, mature at such time not
25 exceeding forty years from their respective dates, bear such

.208217.1

1 interest at a rate, be in such form, carry such registration
 2 privileges, be executed in such manner, be payable at such
 3 place within or without the state and be subject to such terms
 4 of redemption as the authorizing ordinance or supplemental
 5 resolution of the [~~municipality~~] local government may provide.

6 B. The revenue bonds may be sold in one or more
 7 series at par or below or above par at public or private sale
 8 in such manner and for such price as the [~~municipality~~] local
 9 government in its discretion shall determine; but the
 10 [~~municipality~~] local government shall not sell [~~such~~] revenue
 11 bonds at a price such that the net effective interest rate of
 12 the issue of bonds exceeds the maximum net effective interest
 13 rate authorized. As an incidental expense of the project, the
 14 [~~municipality~~] local government in its discretion may employ
 15 financial and legal consultants in regard to the financing of
 16 the project."

17 SECTION 31. Section 3-60A-33 NMSA 1978 (being Laws 1979,
 18 Chapter 391, Section 33) is amended to read:

19 "3-60A-33. REVENUE BONDS--BOND SECURITY.--The principal
 20 of, the interest on and any prior redemption premiums due in
 21 connection with the revenue bonds shall be payable from,
 22 [~~secure~~] secured by a pledge of and constitute a lien on the
 23 revenues out of which [~~such~~] the bonds shall be made payable.
 24 In addition, they may be secured by a mortgage covering all or
 25 any part of the project or upon any other property of the user

.208217.1

1 or both by a pledge of the revenues from or a financing
2 agreement for [~~such~~] the project or both as the [~~governing~~
3 ~~body~~] local government in its discretion may determine; but no
4 [~~municipality~~] local government shall be authorized [~~hereby~~] by
5 the Redevelopment Bonding Law to pledge any of its property or
6 to otherwise secure the payment of any bonds with its property,
7 except that the [~~county or municipality~~] local government may
8 pledge the property of the project or revenues [~~therefrom~~] from
9 the project."

10 SECTION 32. Section 3-60A-34 NMSA 1978 (being Laws 1979,
11 Chapter 391, Section 34) is amended to read:

12 "3-60A-34. REVENUE BONDS--TERMS OF PROCEEDINGS AND
13 INSTRUMENTS.--[A.] The proceedings under which the revenue
14 bonds are authorized to be issued and any mortgage or trust
15 indenture given to secure the [~~same~~] bonds may contain any
16 provisions customarily contained in instruments securing bonds
17 and constituting a covenant with the bondholders, including but
18 not limited to:

19 [~~(1)~~] A. provisions respecting custody of the
20 proceeds from the sale of the bonds, including their investment
21 and reinvestment until used to defray the cost of the project;

22 [~~(2)~~] B. provisions respecting the fixing and
23 collection of revenues from the project;

24 [~~(3)~~] C. the terms to be incorporated in the
25 financing agreement and any mortgage or trust indenture for the

1 project, including without limitation provision for subleasing;

2 [~~(4)~~] D. the maintenance and insurance of the
3 project;

4 [~~(5)~~] E. the creation of funds and accounts into
5 which any bond proceeds, revenues and income may be deposited
6 or credited;

7 [~~(6)~~] F. limitation on the purpose to which the
8 proceeds of any bonds then or thereafter to be issued may be
9 applied;

10 [~~(7)~~] G. limitation on the issuance of additional
11 bonds, the terms upon which additional bonds are issued and
12 secured, the refunding of bonds and the replacement of bonds;

13 [~~(8)~~] H. the procedure, if any, by which the terms of
14 any contract with bondholders may be amended or abrogated;

15 [~~(9)~~] I. vesting in a trustee such properties,
16 rights, powers and duties in trust as the [~~municipality~~] local
17 government determines and limiting the rights, duties and
18 powers of [~~such~~] the trustees; and

19 [~~(10)~~] J. the rights and remedies available in case
20 of a default to the bondholders or to any trustee under the
21 financing agreement, a mortgage or a trust indenture for the
22 project."

23 **SECTION 33.** Section 3-60A-35 NMSA 1978 (being Laws 1979,
24 Chapter 391, Section 35) is amended to read:

25 "3-60A-35. REVENUE BONDS--INVESTMENTS AND BANK

.208217.1

underscored material = new
[bracketed material] = delete

1 DEPOSITS.--

2 A. The [~~municipality~~] local government may provide
3 that proceeds from the sale of revenue bonds and special funds
4 from the revenues of the project shall be invested and
5 reinvested in such securities and other investments, whether or
6 not any such investment or reinvestment is authorized under any
7 other law of this state, as may be provided in the proceedings
8 under which the bonds are authorized to be issued, including
9 but not limited to:

10 (1) bonds or other obligations of the United
11 States;

12 (2) bonds or other obligations, the payment of
13 the principal and interest of which is unconditionally
14 guaranteed by the United States;

15 (3) obligations issued or guaranteed as to
16 principal and interest by any agency or person controlled or
17 supervised by and acting as an instrumentality of the United
18 States pursuant to authority granted by the congress of the
19 United States;

20 (4) obligations issued or guaranteed by any
21 state of the United States or any political subdivision of any
22 such state;

23 (5) prime commercial paper;

24 (6) prime finance company paper;

25 (7) [~~bankers~~] banker's acceptances drawn on and

1 accepted by commercial banks;

2 (8) repurchase agreements fully secured by
 3 obligations issued or guaranteed as to principal and interest
 4 by the United States or by any person controlled or supervised
 5 by and acting as an instrumentality of the United States
 6 pursuant to authority granted by the congress of the United
 7 States; and

8 (9) certificates of deposit issued by commercial
 9 banks.

10 B. The [~~municipality~~] local government may also
 11 provide that the proceeds, funds or investments and the
 12 revenues payable under the financing agreement shall be
 13 received, held and disbursed by one or more banks or trust
 14 companies located within or without this state."

15 SECTION 34. Section 3-60A-36 NMSA 1978 (being Laws 1979,
 16 Chapter 391, Section 36) is amended to read:

17 "3-60A-36. REVENUE BONDS--ACQUISITION OF PROJECT.--

18 A. The [~~municipality~~] local government may also
 19 provide that:

20 (1) the project and improvements to be
 21 constructed, if any, shall be constructed by the [~~municipality~~]
 22 local government, the user, the user's designee or any one or
 23 more of them on real estate owned by the [~~municipality~~] local
 24 government, the user or the user's designee, as the case may
 25 be; and

.208217.1

underscored material = new
 [bracketed material] = delete

1 (2) the bond proceeds shall be disbursed by the
2 trustee bank or trust company during construction upon the
3 estimate, order or certificate of the user or the user's
4 designee.

5 B. The project, if and to the extent constructed on
6 real estate not owned by the [~~municipality~~] local government,
7 may be conveyed or leased or an easement therein granted to the
8 [~~municipality~~] local government at any time."

9 SECTION 35. Section 3-60A-37 NMSA 1978 (being Laws 1979,
10 Chapter 391, Section 37) is amended to read:

11 "3-60A-37. REVENUE BONDS--LIMITED OBLIGATION.--In making
12 such agreements or provisions, a [~~municipality~~] local
13 government shall not obligate itself except with respect to the
14 project and the application of the revenues [~~therefrom~~] and
15 revenue bond proceeds [~~therefor~~] from the project."

16 SECTION 36. Section 3-60A-39 NMSA 1978 (being Laws 1979,
17 Chapter 391, Section 39) is amended to read:

18 "3-60A-39. REVENUE BONDS--DETERMINATION OF REVENUE.--

19 A. Prior to entering into a financing agreement for
20 the project and the issuance of revenue bonds in connection
21 [~~therewith~~] with the project, the local [~~governing body~~]
22 government shall determine:

23 (1) the amount necessary in each year to pay the
24 principal of and the interest on the first bonds proposed to be
25 issued to finance such project;

1 (2) the amount necessary to be paid each year
 2 into any reserve funds which the [~~governing body~~] local
 3 government may deem advisable to establish in connection with
 4 the retirement of the proposed bonds and the maintenance of the
 5 project; and

6 (3) the estimated cost of maintaining the
 7 project in good repair and keeping it properly insured unless
 8 the terms under which the project is to be financed provide
 9 that the user shall maintain the project and carry all proper
 10 insurance with respect [~~thereto~~] to the project.

11 B. The determination and findings of the local
 12 [~~governing body~~] government required to be made by Subsection A
 13 of this section shall be set forth in the proceedings under
 14 which the proposed revenue bonds are to be issued; but the
 15 foregoing amounts need not be expressed in dollars and cents in
 16 the financing agreement and proceedings under which the bonds
 17 are authorized to be issued."

18 **SECTION 37.** Section 3-60A-40 NMSA 1978 (being Laws 1979,
 19 Chapter 391, Section 40) is amended to read:

20 "3-60A-40. REVENUE BONDS--FINANCING OF PROJECT.--Prior to
 21 the issuance of any revenue bonds authorized by the
 22 Redevelopment Bonding Law, the [~~municipality~~] local government
 23 shall enter into a financing agreement with respect to the
 24 project with a user providing for payment to the [~~municipality~~]
 25 local government of such revenues as upon the basis of such

.208217.1

1 determinations and findings will be sufficient to pay the
2 principal of and interest on the bonds issued to finance the
3 project, to build up and maintain any reserves deemed advisable
4 by the local ~~[governing body]~~ government in connection
5 ~~[therewith]~~ with the project and to pay the costs of
6 maintaining the project in good repair and keeping it properly
7 insured unless the financing agreement obligates the user to
8 pay for the maintenance of and insurance on the project."

9 SECTION 38. Section 3-60A-41 NMSA 1978 (being Laws 1979,
10 Chapter 391, Section 41) is amended to read:

11 "3-60A-41. OPTION TO PURCHASE.--

12 A. A lease may grant the user of a project an option
13 to purchase all or a part of the project at a stipulated
14 purchase price or at a price to be determined upon appraisal as
15 is provided in the lease.

16 B. The option may be exercised at such time as the
17 lease may provide.

18 C. The ~~[municipality]~~ local government and the user
19 may agree and provide in the lease that all or a part of the
20 rentals paid by the user prior to and at the time of the
21 exercise of ~~[such]~~ the option shall be applied toward the
22 purchase price and shall be in full or partial satisfaction
23 ~~[thereof]~~ of the purchase price."

24 SECTION 39. Section 3-60A-42 NMSA 1978 (being Laws 1979,
25 Chapter 391, Section 42) is amended to read:

1 "3-60A-42. REVENUE BONDS--REFUNDING.--

2 A. Any revenue bonds issued under the provisions of
3 the Redevelopment Bonding Law and at any time outstanding may
4 at any time and from time to time be refunded by a
5 [~~municipality~~] local government by the issuance of its
6 refunding bonds in such amount as the [~~governing body~~] local
7 government may deem necessary to refund the principal of the
8 bonds to be so refunded, any unpaid interest [~~thereon~~] on the
9 bonds and any premiums and incidental expenses necessary to be
10 paid in connection [~~therewith~~] with the bonds.

11 B. Any such refunding may be effected, whether the
12 bonds to be refunded have matured or shall thereafter mature,
13 either by sale of the refunding bonds and the application of
14 the proceeds [~~thereof~~], directly or indirectly, to the payment
15 of the bonds to be refunded [~~thereby~~] or by exchange of the
16 refunding bonds for the bonds to be refunded [~~thereby~~], but the
17 holders of any bonds to be so refunded shall not be compelled,
18 without their consent, to surrender their bonds for payment or
19 exchange prior to the date on which they are payable by
20 maturity date, option to redeem or otherwise or if they are
21 called for redemption prior to the date on which they are by
22 their terms subject to redemption by option or otherwise.

23 C. All refunding bonds issued under authority of the
24 Redevelopment Bonding Law to refund revenue bonds shall be
25 payable solely from revenues out of which bonds to be refunded

.208217.1

1 thereby are payable or from revenues out of which bonds of the
2 same character may be made payable under the Redevelopment
3 Bonding Law or any other law in effect at the time of the
4 refunding."

5 SECTION 40. Section 3-60A-43 NMSA 1978 (being Laws 1979,
6 Chapter 391, Section 43) is amended to read:

7 "3-60A-43. REVENUE BONDS--APPLICATION OF PROCEEDS.--

8 A. The proceeds from the sale of any revenue bonds
9 shall be applied only for the purpose for which the bonds were
10 issued, and, if for any reason any portion of such proceeds are
11 not needed for the purpose for which the bonds were issued,
12 such unneeded portion of the proceeds shall be applied to the
13 payment of the principal of or the interest on the bonds.

14 B. The cost of acquiring any project shall be deemed
15 to include the actual cost of acquiring a site and the cost of
16 the construction of any part of a project which may be
17 constructed, including architects' and engineers' fees, the
18 purchase price of any part of a project that may be acquired by
19 purchase and all expenses in connection with the authorization,
20 sale and issuance of the bonds to finance such acquisition and
21 any costs incurred by the [~~municipality~~] local government."

22 SECTION 41. Section 3-60A-44 NMSA 1978 (being Laws 1979,
23 Chapter 391, Section 44) is amended to read:

24 "3-60A-44. NO PAYMENT BY [~~MUNICIPALITY~~] LOCAL
25 GOVERNMENT.--

1 A. No [~~municipality~~] local government or public body
 2 shall pay out of its general fund or otherwise contribute any
 3 part of the costs of acquiring a project and, unless
 4 specifically acquired for uses of the character described in
 5 the Redevelopment Bonding Law or unless the land is determined
 6 by the governing body to be no longer necessary for other
 7 municipal purposes or purposes of a public body, shall not use
 8 land already owned by the [~~municipality~~] local government or
 9 public body or in which the [~~municipality~~] local government or
 10 public body has an equity for the construction thereon of a
 11 project or any part thereof.

12 B. The entire cost of acquiring any project shall be
 13 paid out of the proceeds from the sale of the revenue bonds,
 14 but this provision shall not be construed to prevent a
 15 [~~municipality~~] local government or public body from accepting
 16 donations of property to be used as a part of any project or
 17 money to be used for defraying any part of the cost of any
 18 project."

19 **SECTION 42.** Section 3-60A-45 NMSA 1978 (being Laws 1979,
 20 Chapter 391, Section 45) is amended to read:

21 "3-60A-45. NO [~~MUNICIPAL~~] LOCAL GOVERNMENT OPERATION.--

22 A. When all principal of, interest on and any prior
 23 redemption premium due in connection with the revenue bonds
 24 issued for a project leased to a user have been paid in full
 25 and in the event the option to purchase or option to renew the

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1 lease, if any, contained in the lease has not been exercised as
2 to all of the property contained in the project, the lease
3 shall terminate, and the [~~municipality~~] local government shall
4 sell such remaining property or devote the [~~same~~] property to
5 [~~municipal~~] local government purposes other than manufacturing,
6 commercial or industrial.

7 B. Any such sale which is not made pursuant to the
8 exercise of an option to purchase by the user of a project
9 shall be conducted in the same manner as is then provided by
10 law governing the issuer's sale of surplus property."