

1 SENATE BILL 186

2 **55TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2022**

3 INTRODUCED BY

4 Pat Woods

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10 AN ACT

11 RELATING TO PUBLIC FUNDS; REQUIRING THE STATE TO MAKE PAYMENTS
12 IN LIEU OF TAXES TO POLITICAL SUBDIVISIONS WHEN ACQUIRING REAL
13 PROPERTY; MAKING AN APPROPRIATION.

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

16 SECTION 1. [NEW MATERIAL] PAYMENTS IN LIEU OF TAXES FOR
17 STATE-ACQUIRED REAL PROPERTY--ADJUSTMENTS IN PAYMENTS.--

18 A. Whenever the state acquires fee simple ownership
19 of real property by purchase or eminent domain, the state shall
20 annually make payments in lieu of taxes to any political
21 subdivision of the state that would impose a tax on the
22 acquired real property but for the state's acquisition of that
23 property. The payments in lieu of taxes shall commence with
24 the calendar year following state acquisition and shall
25 continue so long as the state retains ownership.

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1 B. The property tax division of the taxation and
2 revenue department shall promulgate rules to specify how
3 payments in lieu of taxes shall be paid pursuant to Subsection
4 A of this section and shall be adjusted from year to year,
5 taking into consideration factors that include changes in
6 property values and tax rates.

7 SECTION 2. [NEW MATERIAL] PAYMENTS IN LIEU OF TAXES FUND
8 CREATED--AUTHORIZED PAYMENTS IN LIEU OF TAXES.--The "payments
9 in lieu of taxes fund" is created as a nonreverting fund within
10 the state treasury. The fund consists of appropriations,
11 gifts, grants, donations, income from investment of the fund
12 and any other money distributed or otherwise allocated to the
13 fund. The taxation and revenue department shall administer the
14 fund, and money in the fund is appropriated to the taxation and
15 revenue department to make payments to political subdivisions
16 of the state in lieu of taxes for state-acquired real property.
17 Disbursements from the fund shall be made by warrant of the
18 secretary of finance and administration pursuant to vouchers
19 signed by the secretary of taxation and revenue or the
20 secretary's authorized representative.

21 SECTION 3. EFFECTIVE DATE.--The effective date of the
22 provisions of this act is July 1, 2022.