

1 SENATE BILL 251

2 **56TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2023**

3 INTRODUCED BY

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5 Gay G. Kernan
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10 AN ACT

11 RELATING TO METROPOLITAN REDEVELOPMENT; PROVIDING FOR THE
12 DEDICATION OF A PORTION OF AN INCREASE IN CERTAIN PROPERTY TAX
13 REVENUE, LOCAL OPTION GROSS RECEIPTS TAX REVENUE AND STATE
14 GROSS RECEIPTS TAX REVENUE TO FUND A METROPOLITAN REDEVELOPMENT
15 PROJECT; AUTHORIZING A LOCAL GOVERNMENT TO ISSUE BONDS PAYABLE
16 FROM LOCAL OPTION AND STATE GROSS RECEIPTS TAX REVENUES AND
17 REMOVING AUTHORITY TO ISSUE BONDS PAYABLE FROM PROPERTY TAX
18 REVENUE; REMOVING A REQUIREMENT FOR A SEALED BIDDING PROCEDURE
19 AND APPROVAL OF AWARD OF CONTRACT BY A LOCAL GOVERNMENT FOR
20 CERTAIN REHABILITATION CONTRACTS BETWEEN PRIVATE PROPERTY
21 OWNERS AND CONTRACTORS; ALLOWING A LOCAL GOVERNMENT TO DELEGATE
22 TO A METROPOLITAN REDEVELOPMENT AGENCY THE POWER TO APPROVE
23 LOANS, GRANTS AND LEASES OF MORE THAN ONE YEAR'S DURATION;
24 AMENDING, REPEALING AND ENACTING SECTIONS OF THE NMSA 1978.
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1 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

2 SECTION 1. Section 3-60A-10 NMSA 1978 (being Laws 1979,
3 Chapter 391, Section 10, as amended) is amended to read:

4 "3-60A-10. POWERS OF LOCAL GOVERNMENT.--A local
5 government shall have all the powers, other than the power of
6 eminent domain, necessary or convenient to carry out and
7 effectuate the purposes and provisions of the Metropolitan
8 Redevelopment Code, including the following powers:

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

18 B. to provide, arrange or contract for the
19 furnishing or repair by a public or private person or agency
20 for services, privileges, works, streets, roads, public
21 utilities, public buildings or other facilities for or in
22 connection with a metropolitan redevelopment project; to,
23 within its area of operation, install, acquire, construct,
24 reconstruct, remodel, rehabilitate, maintain and operate
25 streets, utilities, parks, buildings, playgrounds and public

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1 buildings, including parking facilities, transportation
2 centers, public safety buildings and other public improvements
3 or facilities or improvements for public purposes, as may be
4 required by the local government, the state or a political
5 subdivision of the state; to agree to conditions that it may
6 deem reasonable and appropriate that are attached to federal
7 financial assistance and imposed pursuant to federal law,
8 including conditions relating to the determination of
9 prevailing salaries or wages or compliance with federal and
10 state labor standards, compliance with federal property
11 acquisition policy and the provision of relocation assistance
12 in accordance with federal law in the undertaking or carrying
13 out of a metropolitan redevelopment project; and to include in
14 a contract let in connection with the project provisions to
15 fulfill these conditions as it may deem reasonable and
16 appropriate; provided, however, that all purchases of personal
17 property shall be in accordance with the Procurement Code;

18 C. within its area of operation, to inspect any
19 building or property in a metropolitan redevelopment area in
20 order to make surveys, appraisals, soundings or test borings
21 and to obtain an order for this purpose from a court of
22 competent jurisdiction in the event inspection is denied by the
23 property owner or occupant; to acquire, by purchase, lease,
24 option, gift, grant, bequest, devise or otherwise, any real
25 property or personal property for its administrative or project

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1 purposes, together with any improvements thereon; to hold,
2 improve, clear or prepare for redevelopment any such property;
3 to mortgage, pledge, hypothecate or otherwise encumber or
4 dispose of any real property; to insure or provide for the
5 insurance of real or personal property or operations of the
6 local government against risks or hazards, including the power
7 to pay premiums on that insurance; and to enter into contracts
8 necessary to effectuate the purposes of the Metropolitan
9 Redevelopment Code;

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

19 E. to borrow or lend money subject to those
20 procedures and limitations as may be provided in the
21 constitution of New Mexico or statutes and to apply for and
22 accept advances, loans, grants, contributions and other forms
23 of financial assistance from the federal government, the state,
24 the county or other public body or from sources, public or
25 private, for the purposes of the Metropolitan Redevelopment

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1 Code; and to give security as may be required and subject to
2 the provisions and limitations of general law except as may
3 otherwise be provided by the Redevelopment Law and to enter
4 into and carry out contracts in connection with that law. A
5 local government may include in a contract for financial
6 assistance with the federal government for a metropolitan
7 redevelopment project conditions imposed pursuant to federal
8 law that the local government may deem reasonable or
9 appropriate and that are not inconsistent with the purposes of
10 the Metropolitan Redevelopment Code;

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

17 (1) a general plan for redevelopment of the
18 area as a whole;

19 (2) redevelopment plans for specific areas;

20 (3) plans for programs of voluntary or
21 assisted repair and rehabilitation of buildings and
22 improvements;

23 (4) plans for the enforcement of state and
24 local laws, codes and regulations relating to the use of land
25 and the use and occupancy of buildings and improvements and to

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1 the compulsory repair, rehabilitation, demolition or removal of
2 buildings and improvements; and

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

7 G. to develop, test and report methods and
8 techniques and carry out demonstrations and other activities
9 for the prevention and elimination of slums and blight and to
10 pay for, accept and use grants of funds from the federal
11 government for those purposes;

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

17 I. to appropriate under existing authority the
18 funds and make expenditures necessary to carry out the purposes
19 of the Metropolitan Redevelopment Code and under existing
20 authority to levy taxes and assessments for such purposes; to
21 close, vacate, plan or replan streets, roads, sidewalks, ways
22 or other places; in accordance with applicable law or
23 ordinances, to plan or replan, zone or rezone any part within
24 the jurisdiction of the local government or make exceptions
25 from building regulations; and to enter into agreements with a

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1 metropolitan redevelopment agency vested with metropolitan
2 redevelopment project powers, which agreements may extend over
3 any period, notwithstanding any provision or rule of law to the
4 contrary, respecting action to be taken by the local government
5 pursuant to the powers granted by the Redevelopment Law;

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

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

21 L. to engage in the following activities as part of
22 a metropolitan redevelopment project:

23 (1) acquisition, construction, reconstruction
24 or installation of public works, facilities and site or other
25 improvements, including neighborhood facilities, senior citizen

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1 centers, historic properties, utilities, streets, street
2 lights, water and sewer facilities, including connections for
3 residential users, foundations and platforms for air-rights
4 sites, pedestrian malls and walkways, parks, playgrounds and
5 other recreation facilities, flood and drainage facilities,
6 parking facilities, solid waste disposal facilities and fire
7 protection or health facilities that serve designated areas;

8 (2) special projects directed to the removal
9 of materials and architectural barriers that restrict the
10 mobility and accessibility of elderly and disabled persons;

11 (3) provision of public services in the
12 metropolitan redevelopment area that are not otherwise
13 available in the area, including the provisions of public
14 services directed to the employment, economic development,
15 crime prevention, child care, health, drug abuse, welfare or
16 recreation needs of the people who reside in the metropolitan
17 redevelopment area;

18 (4) payment of the nonfederal share of any
19 federal grant-in-aid program to the local government that will
20 be a part of a metropolitan redevelopment project;

21 (5) if federal funds are used in the project,
22 to provide for payment of relocation costs and assistance to
23 individuals, families, businesses, organizations and farm
24 operations displaced as a direct result of a metropolitan
25 redevelopment project in accordance with applicable law

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1 governing such payment;

2 (6) payment of reasonable administrative costs
3 and carrying charges related to the planning and execution of
4 plans and projects;

5 (7) economic and marketing studies to
6 determine the economic condition of an area and to determine
7 the viability of certain economic ventures proposed for the
8 metropolitan redevelopment area;

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

12 (9) grants to nonprofit corporations, local
13 development corporations or entities organized under Section
14 301 (d) of the federal Small Business Investment Act of 1958
15 for the purposes of carrying out the provisions of the
16 Metropolitan Redevelopment Code;

17 ~~[M. if payments are to be made by the local~~
18 ~~government or metropolitan redevelopment agency under the terms~~
19 ~~of a contract for reconstruction or rehabilitation of private~~
20 ~~property, payments shall be made from a special fund created~~
21 ~~for that purpose and shall not be paid directly to the property~~
22 ~~owner but shall instead be paid to the contractor by the local~~
23 ~~government or agency from such fund upon proper authorization~~
24 ~~of the property owner and notification that the terms of the~~
25 ~~contract have been fulfilled. However, those rehabilitation~~

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1 ~~contracts shall be between the property owner and the~~
2 ~~contractor after a sealed bidding procedure and award of~~
3 ~~contract approved by the local government has taken place;~~

4 N.] M. in a metropolitan redevelopment project or
5 rehabilitation or conservation undertaking or activity, to
6 exercise the following powers in one or more metropolitan
7 redevelopment areas to include the elimination and prevention
8 of the development or spread of slums or blight and may involve
9 slum clearance and redevelopment in that area or rehabilitation
10 or conservation in that area or any combination or part of
11 those areas in accordance with a metropolitan redevelopment
12 plan and for undertakings or activities of a local government
13 in a metropolitan redevelopment area to eliminate the
14 conditions that caused an area to be so designated and may
15 include the following:

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

19 (2) clearing the land, grading the land and
20 replatting the land in accordance with the metropolitan
21 redevelopment plan; installation, construction or
22 reconstruction of roads, streets, gutters, sidewalks, storm
23 drainage facilities, water lines or water supply installations,
24 sewer lines and sewage disposal installations, steam, gas and
25 electric lines and installations, airport facilities and

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1 construction of any other needed public facilities or buildings
2 whether on or off the site if deemed necessary by the local
3 government to prepare the land in the metropolitan
4 redevelopment area for residential, commercial, industrial and
5 public use in accordance with the metropolitan redevelopment
6 plan; and

7 (3) making the land available for development
8 by private enterprise or public agencies, including sale,
9 initial leasing, leasing or retention by the local government
10 itself, at its fair market value for uses in accordance with
11 the metropolitan redevelopment plan for the area;

12 [~~0.~~] N. the local government is empowered in a
13 metropolitan redevelopment area to undertake slum clearance and
14 redevelopment that includes:

15 (1) acquisition of a slum area or a blighted
16 area or portion thereof;

17 (2) demolition and removal of buildings and
18 improvements;

19 (3) installation, construction,
20 reconstruction, maintenance and operation of streets,
21 utilities, storm drainage facilities, curbs and gutters, parks,
22 playgrounds, single-family or multifamily dwelling units,
23 buildings, public buildings, including parking facilities,
24 transportation centers, safety buildings and other
25 improvements, necessary for carrying out in the area the

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1 provisions of an approved plan for the area; and

2 (4) making the real property available for
3 development or redevelopment by private enterprise or public
4 agencies, including sale, leasing or retention by the local
5 government itself, at its fair value for uses in accordance
6 with the metropolitan redevelopment area plan; and

7 [~~P.~~] O. to engage in rehabilitation or conservation
8 that includes the restoration and renewal of a slum or blighted
9 area or portion thereof in accordance with any approved plan,
10 by:

11 (1) carrying out plans for a program of
12 voluntary or compulsory repair and rehabilitation of buildings
13 or other improvements;

14 (2) acquisition of real property and
15 demolition or removal of buildings and improvements thereon
16 where necessary to eliminate unhealthful, unsanitary or unsafe
17 conditions, lessen or increase density, eliminate obsolete or
18 other uses detrimental to the public welfare or to otherwise
19 remove or prevent the spread of blight or deterioration or to
20 provide land for needed public facilities;

21 (3) installation, construction or
22 reconstruction of streets, utilities, parks, playgrounds and
23 other improvements necessary for carrying out in the area the
24 provisions of the Metropolitan Redevelopment Code;

25 (4) the disposition of any property acquired

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1 in the area, including sale, leasing or retention by the local
2 government itself, for uses in accordance with an approved
3 plan;

4 (5) acquisition of real property in the area
5 that, under a plan, is to be repaired or rehabilitated;

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

8 (7) power to resell repaired or rehabilitated
9 property;

10 (8) acquisition, without regard to any
11 requirement that the area be a slum or blighted area, of
12 air-rights in an area consisting principally of land on which
13 is located a highway, railway, bridge or subway tracks or
14 tunnel entrance or other similar facilities that have a
15 blighting influence on the surrounding area and over which air-
16 rights sites are to be developed for the elimination of such
17 blighting influences; and

18 (9) making loans or grants or authorizing the
19 use of the proceeds of bonds issued pursuant to the
20 Metropolitan Redevelopment Code for the purpose of
21 constructing, repairing, remodeling or modifying [~~or otherwise~~
22 ~~reconstructing~~] a building or buildings located in the
23 metropolitan redevelopment area. Such rehabilitation or
24 conservation with use of funds expended by authority of the
25 Metropolitan Redevelopment Code or by metropolitan revenue

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1 bonds authorized by that code shall be authorized [~~only~~] after
2 approval by the local government and after it has been
3 determined that the expenditure is in accordance with the
4 metropolitan redevelopment plan for that area."

5 SECTION 2. Section 3-60A-15 NMSA 1978 (being Laws 1979,
6 Chapter 391, Section 15, as amended) is amended to read:

7 "3-60A-15. EXERCISE OF POWERS IN CARRYING OUT
8 PROJECTS.--

9 A. A local government may directly exercise its
10 metropolitan redevelopment project powers or it may, by
11 ordinance if it determines such action to be in the public
12 interest, elect to delegate the exercise of such powers to the
13 metropolitan redevelopment agency created pursuant to the
14 Redevelopment Law. If the local government so determines, the
15 agency shall be vested with all of the powers in the same
16 manner as though all the powers were conferred on the agency or
17 authority instead of the local government.

18 B. As used in this section, the term "redevelopment
19 project powers" includes any rights, powers, functions and
20 duties of a local government authorized by the Redevelopment
21 Law except the following, which are reserved to the local
22 government, the power to:

23 (1) declare an area to be a slum or a blighted
24 area or combination thereof and to designate the area as
25 appropriate for a redevelopment project;

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- 1 (2) approve or amend redevelopment plans;
2 (3) approve a general plan for the local
3 government as a whole;
4 (4) make findings of necessity prior to
5 preparation of a metropolitan redevelopment plan as provided in
6 the Redevelopment Law and the findings and determinations
7 required prior to approval of a metropolitan redevelopment plan
8 or project as provided in the Redevelopment Law;
9 (5) issue general obligation bonds and revenue
10 bonds as authorized by law;
11 [~~(6)~~] ~~approve loans or grants;~~
12 [~~(7)~~] ~~approve leases of more than one year's~~
13 ~~duration;~~
14 [~~(8)~~] (6) issue redevelopment bonds; and
15 [~~(9)~~] (7) appropriate funds and levy taxes and
16 assessments."

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

19 "3-60A-20. ALTERNATIVE FUNDING METHOD [~~OF FINANCING~~].--
20 [~~A. Effective for tax years beginning on or after January 1,~~
21 ~~1980, the] A local government may elect by resolution to use
22 the procedures set forth in the Tax Increment Law for
23 [~~financing~~] funding metropolitan redevelopment projects. Such
24 procedures may be used in addition to or in conjunction with
25 other methods provided by law for [~~financing~~] funding such~~

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1 projects.

2 [B. ~~The tax increment method, for the purpose of~~
3 ~~financing metropolitan redevelopment projects, is the~~
4 ~~dedication for further use in metropolitan redevelopment~~
5 ~~projects of that increase in property tax revenue directly~~
6 ~~resulting from the increased net taxable value of a parcel of~~
7 ~~property attributable to its rehabilitation, redevelopment or~~
8 ~~other improvement because of its inclusion within an urban~~
9 ~~renewal, community development or metropolitan redevelopment~~
10 ~~project.~~]"

11 SECTION 4. Section 3-60A-21 NMSA 1978 (being Laws 1979,
12 Chapter 391, Section 21, as amended) is amended to read:

13 "3-60A-21. PROPERTY AND GROSS RECEIPTS TAX [INCREMENT]
14 INCREMENTS--PROCEDURES.--

15 A. The procedures to be used in [the] determining a
16 property tax increment [method] are:

17 [A.] (1) the local government shall, [at the
18 time] after approval of a metropolitan redevelopment [project]
19 plan, notify the county assessor [and the taxation and revenue
20 department] of the taxable parcels of property within the
21 [project] metropolitan redevelopment area;

22 [B.] (2) upon receipt of the notification
23 [pursuant to Subsection A of this section], the county assessor
24 [and the taxation and revenue department] shall identify the
25 parcels of property within the metropolitan redevelopment

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

19 [6.] (3) if because of acquisition by the
20 local government the property becomes tax exempt, when the
21 parcel again becomes taxable, the local government shall notify
22 the county assessor [~~and the taxation and revenue department~~]
23 of the parcels of property that because of their rehabilitation
24 or other improvement are to be revalued for property tax
25 purposes. A new taxable value of this property shall then be

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1 determined by the county assessor [~~or by the taxation and~~
2 ~~revenue department if the property is within the valuation~~
3 ~~jurisdiction of that department~~]. If no acquisition by the
4 local government occurs, improvement or rehabilitation of
5 property subject to valuation by the assessor shall be reported
6 to the assessor as required by the Property Tax Code, and the
7 new taxable value shall be determined as of January 1 of the
8 tax year following the year in which the improvement or
9 rehabilitation is completed; and

10 [~~D.~~] (4) current tax rates shall then be
11 applied to the new taxable value of property included in the
12 metropolitan redevelopment area. The amount by which the
13 revenue received exceeds that which would have been received by
14 application of the same rates to the base value before
15 inclusion in the metropolitan redevelopment [~~project~~] area
16 shall be multiplied by the percentage of the increment
17 dedicated by the local government pursuant to Section 3-60A-23
18 NMSA 1978, credited to the local government and deposited in
19 the metropolitan redevelopment fund. This transfer shall take
20 place only after the county treasurer has been notified to
21 apply the [~~tax increment method~~] procedures pursuant to this
22 subsection to [~~a specific~~] property included in a metropolitan
23 redevelopment area. Unless the entire metropolitan
24 redevelopment area is specifically included by the local
25 government for purposes of tax increment financing, the payment

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1 by the county treasurer to the local government shall be
2 limited to those properties specifically included. The
3 remaining revenue shall be distributed to participating units
4 of government as authorized by the Property Tax Code [~~and~~].

5 B. The procedures to be used in determining a gross
6 receipts tax increment are:

7 (1) after approval of a metropolitan
8 redevelopment area, a dedication is made pursuant to Section
9 3-60A-23 NMSA 1978 and at least one hundred twenty days before
10 the effective date of the dedication, the local government
11 shall notify the taxation and revenue department of the
12 geographical area within the metropolitan redevelopment area
13 and the percentages of a gross receipts tax increment;

14 (2) within ninety days of receipt of the
15 notification, the taxation and revenue department shall certify
16 to the local government the base year gross receipts tax
17 revenue amounts, which shall be calculated as:

18 (a) the amount of the local government's
19 local option gross receipts tax revenue attributable to the
20 gross receipts of persons engaging in business in the
21 metropolitan redevelopment area in the previous fiscal year,
22 less any local option gross receipts tax revenue attributable
23 to construction activities located within the metropolitan
24 redevelopment area; and

25 (b) the amount of state gross receipts

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1 tax revenue attributable to the gross receipts of persons
2 engaging in business in the metropolitan redevelopment area in
3 the previous fiscal year, less any state gross receipts tax
4 revenue attributable to construction activities located within
5 the metropolitan redevelopment area and, if the local
6 government is a municipality, any amount distributed to the
7 municipality pursuant to Section 7-1-6.4 NMSA 1978 attributable
8 to the gross receipts of persons engaging in business in the
9 metropolitan redevelopment area; and

10 (3) within six months of the end of each
11 fiscal year following the base year:

12 (a) the taxation and revenue department
13 shall compare the amounts of gross receipts tax revenues of the
14 base year with the amounts of gross receipts tax revenues of
15 that following fiscal year, using the same calculation methods
16 as provided in Paragraph (2) of this subsection, except the
17 amounts of gross receipts tax revenues of the following fiscal
18 year shall include revenue attributable to construction
19 activities located within the metropolitan redevelopment area;
20 and

21 (b) if there is an increase between the
22 gross receipts tax revenue of the base year and the gross
23 receipts tax revenue of that following fiscal year, the sum of:
24 1) the product of the total rate of the local government's
25 local option gross receipts tax multiplied by the increased

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1 amount of the local government's local option gross receipts
2 tax revenue, further multiplied by the percentage of the gross
3 receipts tax increment dedicated by the local government
4 pursuant to Section 3-60A-23 NMSA 1978; plus 2) the product of
5 the state gross receipts tax rate multiplied by the increased
6 amount of the state gross receipts tax revenue, further
7 multiplied by the percentage of the gross receipts tax
8 increment dedicated by the state board of finance pursuant to
9 Section 3-60A-23 NMSA 1978.

10 [E.] C. The procedures [~~and methods~~] specified in
11 this section shall be followed annually for a maximum period of
12 twenty years following the date of notification [~~of inclusion~~
13 ~~of property as coming under the transfer provisions of~~]
14 provided by this section.

15 D. As used in this section:

16 (1) "local option gross receipts tax revenue"
17 means revenue transferred to the local government pursuant to
18 Section 7-1-6.12 or 7-1-6.13 NMSA 1978, as appropriate; and

19 (2) "state gross receipts tax revenue" means
20 revenue received from the gross receipts tax imposed pursuant
21 to Section 7-9-4 NMSA 1978."

22 SECTION 5. 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 OF
25 ALTERNATIVE FUNDING METHOD.--

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1 ~~[A. The property tax increment method shall be~~
2 ~~applicable only to the units of government participating in~~
3 ~~property tax revenue derived from the properties within the~~
4 ~~district.~~

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

13 ~~C. At the request of a participating unit of~~
14 ~~government, made within ten days of receipt of the request by~~
15 ~~the local government, the local government shall make a~~
16 ~~presentation to the governor or the governor's authorized~~
17 ~~representative and to the governing bodies of all participating~~
18 ~~units of government, which presentation shall include a~~
19 ~~description of the metropolitan redevelopment project and the~~
20 ~~parcels in the project to which the tax increment method will~~
21 ~~apply and an estimate of the general effect of the project and~~
22 ~~the application of the tax increment method on property values~~
23 ~~and tax revenues. All participating units shall notify the~~
24 ~~local government seeking approval within thirty days of receipt~~
25 ~~of the local government's request. At the expiration of that~~

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1 ~~time, the alternative method of financing set forth in this~~
2 ~~section shall be effective for a period of up to twenty tax~~
3 ~~years.]~~

4 A. A metropolitan redevelopment plan, as originally
5 approved or as later modified, may contain a provision that a
6 portion of a property tax increment or gross receipts tax
7 increment may be dedicated for the purpose of funding a
8 metropolitan redevelopment project for a period of up to twenty
9 years.

10 B. A local government may dedicate up to seventy-
11 five percent of a property tax increment or gross receipts tax
12 increment and the state board of finance may dedicate up to
13 seventy-five percent of a gross receipts tax increment, each as
14 determined pursuant to Section 3-60A-21 NMSA 1978, with the
15 agreement of the municipality, county or state board of
16 finance, evidenced by a resolution adopted by a majority vote
17 of those entities. A resolution to dedicate a property tax
18 increment or gross receipts tax increment shall become
19 effective only on January 1 or July 1 of the calendar year.

20 C. A resolution of the state board of finance shall
21 find that:

22 (1) the state board of finance has reviewed
23 the request for the use of the state gross receipts tax
24 increment; and

25 (2) based upon review by the state board of

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1 finance of the applicable metropolitan redevelopment plan, the
2 dedication by the state board of finance of the gross receipts
3 tax increment within the metropolitan redevelopment area for
4 use in meeting the required goals of the metropolitan
5 redevelopment plan is reasonable and in the best interest of
6 the state.

7 D. The governing body of the jurisdiction in which
8 a metropolitan redevelopment area has been established shall
9 timely notify the assessor of the county in which the area has
10 been established, the taxation and revenue department and the
11 local government division of the department of finance and
12 administration when:

13 (1) a metropolitan redevelopment plan has been
14 approved that contains a provision for the allocation and
15 percentage of property tax increments and gross receipts tax
16 increments;

17 (2) any outstanding bonds of the area have
18 been paid off; and

19 (3) the purposes of the area have otherwise
20 been achieved."

21 SECTION 6. Section 3-60A-23.1 NMSA 1978 (being Laws 2000,
22 Chapter 103, Section 4, as amended) is amended to read:

23 "3-60A-23.1. TAX INCREMENT BONDS.--

24 A. For the purpose of financing metropolitan
25 redevelopment projects, in whole or in part, a local government

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1 may issue tax increment bonds or tax increment bond
2 anticipation notes that are payable from and secured by [~~real~~
3 ~~property taxes, in whole or in part~~] revenue from a gross
4 receipts tax increment allocated to the metropolitan
5 redevelopment fund pursuant to [~~the provisions of~~] Sections
6 3-60A-21 and 3-60A-23 NMSA 1978. The principal of, premium, if
7 any, and interest on the bonds or notes shall be payable from
8 and secured by a pledge of such revenues, and the local
9 government shall irrevocably pledge all or part of the revenues
10 to the payment of the bonds or notes. The revenues deposited
11 in the metropolitan redevelopment fund or the designated part
12 thereof may thereafter be used only for the payment of the
13 principal of, premium, if any, and interest on the bonds or
14 notes, and a holder of the bonds or notes shall have a first
15 lien against the revenues deposited in the metropolitan
16 redevelopment fund or the designated part thereof for the
17 payment of principal of, premium, if any, and interest on the
18 bonds or notes. To increase the security and marketability of
19 the tax increment bonds or notes, the local government may:

20 (1) create a lien for the benefit of the
21 bondholders on any public improvements or public works used
22 solely by the metropolitan redevelopment project or portion of
23 a project financed by the bonds or notes, or on the revenues of
24 such improvements or works;

25 (2) provide that the proceeds from the sale of

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1 real and personal property acquired with the proceeds from the
2 sale of bonds or notes issued pursuant to the Tax Increment Law
3 shall be deposited in the metropolitan redevelopment fund and
4 used for the purposes of repayment of principal of, premium, if
5 any, and interest on the bonds or notes; and

6 (3) make covenants and do any and all acts not
7 inconsistent with law as may be necessary, convenient or
8 desirable in order to additionally secure the bonds or notes or
9 make the bonds or notes more marketable in the exercise of the
10 discretion of the local government.

11 B. Bonds and notes issued pursuant to this section
12 shall not constitute an indebtedness within the meaning of any
13 constitutional or statutory debt limitation or restriction,
14 shall not be general obligations of the local government, shall
15 be collectible only from the proper pledged revenues and shall
16 not be subject to the provisions of any other law or charter
17 relating to the authorization, issuance or sale of tax
18 increment bonds or tax increment bond anticipation notes.

19 Bonds and notes issued pursuant to the Tax Increment Law are
20 declared to be issued for an essential public and governmental
21 purpose and, together with interest thereon, shall be exempted
22 from all taxes by the state.

23 C. The bonds or notes shall be authorized by an
24 ordinance of the local government; shall be in a denomination
25 or denominations, bear a [~~such~~] date and mature, in the case of

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1 bonds, at a time not exceeding twenty years from their date,
2 and in the case of notes, not exceeding five years from the
3 date of the original note; bear interest at a rate or have
4 appreciated principal value not exceeding the maximum net
5 effective interest rate permitted by the Public Securities Act;
6 and be in a form, carry registration privileges, be executed in
7 a manner, be payable at a place within or without the state, be
8 payable at intervals or at maturity and be subject to terms of
9 redemption as the authorizing ordinance or supplemental
10 resolution of the local government may provide.

11 D. The bonds or notes may be sold in one or more
12 series at, below or above par, at public or private sale, in a
13 manner and for a price as the local government, in its
14 discretion, shall determine; provided that the price at which
15 the bonds or notes are sold shall not result in a net effective
16 interest rate that exceeds the maximum permitted by the Public
17 Securities Act. As an incidental expense of a metropolitan
18 redevelopment project or the portion financed with the bonds or
19 notes, the local government in its discretion may employ
20 financial and legal consultants with regard to the financing of
21 the project.

22 E. In case any of the public officials of the local
23 government whose signatures appear on any bonds or notes issued
24 pursuant to the Tax Increment Law cease to be public officials
25 before the delivery of the bonds or notes, the signatures

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1 shall, nevertheless, be valid and sufficient for all purposes,
2 the same as if the officials had remained in office until
3 delivery. Any provision of law to the contrary
4 notwithstanding, any bonds or notes issued pursuant to the Tax
5 Increment Law shall be fully negotiable.

6 F. In any suit, action or proceeding involving the
7 validity or enforceability of any bond or note issued pursuant
8 to the Tax Increment Law or the security therefor, any bond or
9 note reciting in substance that it has been issued by the local
10 government in connection with a metropolitan redevelopment
11 project shall be conclusively deemed to have been issued for
12 that purpose and the project shall be conclusively deemed to
13 have been planned, located and carried out in accordance with
14 the provisions of the Metropolitan Redevelopment Code.

15 G. The proceedings under which tax increment bonds
16 or tax increment bond anticipation notes are authorized to be
17 issued and any mortgage, deed of trust, trust indenture or
18 other lien or security device on real and personal property
19 given to secure the same may contain provisions customarily
20 contained in instruments securing bonds and notes and
21 constituting a covenant with the bondholders.

22 H. A local government may issue bonds or notes
23 pursuant to this section with the proceeds from the bonds or
24 notes to be used as other money is authorized to be used in the
25 Metropolitan Redevelopment Code.

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1 I. The local government shall have the power to
2 issue renewal notes, to issue bonds to pay notes and, whenever
3 it deems refunding expedient, to refund any bonds by the
4 issuance of new bonds, whether the bonds to be refunded have or
5 have not matured, and to issue bonds partly to refund bonds
6 then outstanding and partly for other purposes in connection
7 with financing metropolitan redevelopment projects, in whole or
8 in part. Refunding bonds issued pursuant to the Tax Increment
9 Law to refund outstanding tax increment bonds shall be payable
10 from [~~real property tax revenues~~] a gross receipts tax
11 increment, out of which the bonds to be refunded thereby are
12 payable or from other lawfully available revenues.

13 J. The proceeds from the sale of any bonds or notes
14 shall be applied only for the purpose for which the bonds or
15 notes were issued, and if, for any reason, any portion of the
16 proceeds are not needed for the purpose for which the bonds or
17 notes were issued, the unneeded portion of the proceeds shall
18 be applied to the payment of the principal of or the interest
19 on the bonds or notes.

20 K. The cost of financing a metropolitan
21 redevelopment project shall be deemed to include the actual
22 cost of acquiring a site and the cost of the construction of
23 any part of a project, including architects' and engineers'
24 fees, the purchase price of any part of a project that may be
25 acquired by purchase and all expenses in connection with the

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1 authorization, sale and issuance of the bonds or notes to
2 finance the acquisition and any related costs incurred by the
3 local government.

4 L. No action shall be brought questioning the
5 legality of any contract, mortgage, deed of trust, trust
6 indenture or other lien or security device, proceeding or bonds
7 or notes executed in connection with any project authorized by
8 the Metropolitan Redevelopment Code on and after thirty days
9 from the effective date of the ordinance authorizing the
10 issuance of such bonds or notes."

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

13 "3-60A-27. DEFINITIONS.--As used in the Redevelopment
14 Bonding Law:

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

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

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

13 C. "mortgage" means a deed of trust or any other
14 security device for both real and personal property;

15 D. "ordinance" means an ordinance of a local
16 government financing or refinancing an activity involving or
17 affecting improvement or improvements;

18 E. "project" means an activity that can be funded
19 or refinanced by revenue bonds issued pursuant to the
20 Redevelopment Bonding Law for the purpose of acquiring,
21 improving, rehabilitating, conserving, financing, refinancing,
22 erecting or building new or improved facilities on land,
23 building or buildings or any other improvement or improvements,
24 site or any other activity authorized by the Metropolitan
25 Redevelopment Code for projects or activities located within

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1 the boundaries of a metropolitan redevelopment area. The
2 revenue bonds may be used for the projects hereafter enumerated
3 for any purpose or use in such project, except that no funds
4 shall be used for inventories, raw materials or other working
5 capital, whether or not in existence, suitable or used for or
6 in connection with any of the following projects:

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

12 (2) hospital, health care or nursing home
13 facilities, including without limitation clinics and outpatient
14 facilities and facilities for the training of hospital, health
15 care or nursing home personnel;

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

18 (4) sewage or solid waste disposal facilities;

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

22 (6) facilities for the furnishing of energy or
23 gas;

24 (7) sports and recreational facilities;

25 (8) convention or trade show facilities;

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1 (9) research, product testing and
2 administrative facilities;

3 (10) creative enterprises or industries;

4 (11) cultural facilities as defined in the
5 Local Economic Development Act; and

6 (12) public infrastructure in state-authorized
7 main street projects or arts and cultural districts;

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

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

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

23 **SECTION 8.** Section 3-60A-30 NMSA 1978 (being Laws 1979,
24 Chapter 391, Section 30, as amended) is amended to read:

25 "3-60A-30. BONDS AS LEGAL INVESTMENTS.--All banks, trust

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

20 SECTION 9. Section 3-60A-33 NMSA 1978 (being Laws 1979,
21 Chapter 391, Section 33, as amended) is amended to read:

22 "3-60A-33. REVENUE BONDS--BOND SECURITY.--The principal
23 of, the interest on and any prior redemption premiums due in
24 connection with the revenue bonds shall be payable from,
25 secured by a pledge of and constitute a lien on the revenues

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1 out of which the bonds shall be made payable. In addition,
2 they may be secured by a mortgage covering all or any part of
3 the project or upon any other property of the user or both by a
4 pledge of the revenues from or a financing agreement for the
5 project or both as the local government in its discretion may
6 determine; but no local government shall be authorized by the
7 Redevelopment Bonding Law to pledge any of its property or to
8 otherwise secure the payment of any bonds with its property,
9 except that the local government may pledge the [~~property of~~
10 ~~the project or~~] revenues from the project."

11 SECTION 10. A new section of the Tax Administration Act
12 is enacted to read:

13 "[NEW MATERIAL] DISTRIBUTION--METROPOLITAN REDEVELOPMENT
14 FUND.--A distribution for a metropolitan redevelopment project
15 pursuant to the Metropolitan Redevelopment Code shall be made
16 to the metropolitan redevelopment fund in accordance with a
17 notice filed by a municipality or county pursuant to Section
18 3-60A-21 NMSA 1978 with respect to a dedication of a gross
19 receipts tax increment."

20 SECTION 11. Section 7-1-6.12 NMSA 1978 (being Laws 1983,
21 Chapter 211, Section 17, as amended) is amended to read:

22 "7-1-6.12. TRANSFER--REVENUES FROM MUNICIPAL LOCAL OPTION
23 GROSS RECEIPTS AND COMPENSATING TAXES.--

24 A. A transfer pursuant to Section 7-1-6.1 NMSA 1978
25 shall be made to each municipality for which the department is

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1 collecting a local option gross receipts tax and municipal
2 compensating tax imposed by that municipality in an amount,
3 subject to any increase or decrease made pursuant to Section
4 7-1-6.15 NMSA 1978, equal to the net receipts attributable to
5 the local option gross receipts tax and municipal compensating
6 tax imposed by that municipality, less any deduction for
7 administrative cost determined and made by the department
8 pursuant to the provisions of the act authorizing imposition by
9 that municipality of the local option gross receipts tax and
10 municipal compensating tax and any additional administrative
11 fee withheld pursuant to Section 7-1-6.41 NMSA 1978.

12 B. A transfer pursuant to this section may be
13 adjusted for a distribution made to a tax increment development
14 district with respect to a portion of a gross receipts tax
15 increment dedicated by a municipality pursuant to the Tax
16 Increment for Development Act.

17 C. A transfer pursuant to this section shall be
18 adjusted for a distribution made to the Local Economic
19 Development Act fund pursuant to Section [~~5 of this 2021 act~~]
20 7-1-6.67 NMSA 1978 and with respect to the amount dedicated by
21 a municipality pursuant to Subsection B of Section [~~2 of this~~
22 ~~2021 act~~] 5-10-17 NMSA 1978.

23 D. A transfer pursuant to this section shall be
24 adjusted for a distribution made to the metropolitan
25 redevelopment fund pursuant to Section 10 of this 2023 act and

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1 with respect to the amount dedicated by a municipality pursuant
2 to Section 3-60A-23 NMSA 1978."

3 SECTION 12. Section 7-1-6.13 NMSA 1978 (being Laws 1983,
4 Chapter 211, Section 18, as amended) is amended to read:

5 "7-1-6.13. TRANSFER--REVENUES FROM COUNTY LOCAL OPTION
6 GROSS RECEIPTS AND COMPENSATING TAXES.--

7 A. A transfer pursuant to Section 7-1-6.1 NMSA 1978
8 shall be made to each county for which the department is
9 collecting a local option gross receipts tax and county
10 compensating tax imposed by that county in an amount, subject
11 to any increase or decrease made pursuant to Section 7-1-6.15
12 NMSA 1978, equal to the net receipts attributable to the local
13 option gross receipts tax and county compensating tax imposed
14 by that county, less any deduction for administrative cost
15 determined and made by the department pursuant to the
16 provisions of the act authorizing imposition by that county of
17 the local option gross receipts tax and county compensating tax
18 and any additional administrative fee withheld pursuant to
19 Section 7-1-6.41 NMSA 1978.

20 B. A transfer pursuant to this section may be
21 adjusted for a distribution made to a tax increment development
22 district with respect to a portion of a gross receipts tax
23 increment dedicated by a county pursuant to the Tax Increment
24 for Development Act.

25 C. A transfer pursuant to this section shall be

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1 adjusted for a distribution made to the Local Economic
2 Development Act fund pursuant to Section [~~5 of this 2021 act~~]
3 7-1-6.67 NMSA 1978 and with respect to the amount dedicated by
4 a county pursuant to Subsection B of Section [~~2 of this 2021~~
5 ~~act~~] 5-10-17 NMSA 1978.

6 D. A transfer pursuant to this section shall be
7 adjusted for a distribution made to the metropolitan
8 redevelopment fund pursuant to Section 10 of this 2023 act and
9 with respect to the amount dedicated by a county pursuant to
10 Section 3-60A-23 NMSA 1978."

11 SECTION 13. REPEAL.--Section 3-60A-24 NMSA 1978 (being
12 Laws 1979, Chapter 391, Section 24) is repealed.

13 SECTION 14. EFFECTIVE DATE.--The effective date of the
14 provisions of this act is July 1, 2023.