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SENATE BILL 140

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

INTRODUCED BY

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AN ACT

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

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

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

"[NEW MATERIAL] BASE YEAR REVISION--RESOLUTION--NOTICE OF RESOLUTION.--Prior to revising the base year that the district uses to determine its gross receipts tax increment, a district board shall:

- A. adopt a resolution declaring that intent; and
- B. no later than fifteen days after adopting the

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1 resolution, forward copies of the adopted resolution to the
2 taxation and revenue department, the department of finance and
3 administration and the governments that have dedicated a tax
4 increment to the district."

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

7 "[NEW MATERIAL] BASE YEAR REVISION--COMMENT PERIOD--
8 SUBMISSION OF MATERIALS.--

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

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

- 22 (1) a copy of the resolution;
23 (2) all comments on the matter that the
24 district received from the taxation and revenue department, the
25 department of finance and administration and the governments

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1 that have dedicated a tax increment to the district; and

2 (3) any other related documentation."

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

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

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

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

10 (2) if the revised year is a calendar year
11 that is completed;

12 (3) if no gross receipts tax increment bonds
13 attributable to the district have been issued; and

14 (4) upon a finding that the revision is
15 reasonable and in the best interest of the state.

16 B. If the state board of finance approves the
17 revision of the base year used to determine a district's gross
18 receipts tax increment, the state board of finance shall notify
19 the district, the secretary of taxation and revenue and the
20 governments that have dedicated a tax increment to the
21 district."

22 SECTION 4. A new section of the Tax Increment for
23 Development Act is enacted to read:

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

25 A. Upon notice of the approval of a revision of the

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1 base year used to determine a district's gross receipts tax
2 increment, the district shall:

3 (1) return to the taxation and revenue
4 department any gross receipts tax increment attributable to the
5 district and collected in the period between the time that the
6 revenue collection began and the beginning of the revised base
7 year;

8 (2) update the district tax increment
9 development plan to reflect the revision; and

10 (3) file with the clerk of the governing body
11 that formed the district the revised tax increment development
12 plan.

13 B. Upon receipt of the revenue identified in
14 Paragraph (1) of Subsection A of this section, the taxation and
15 revenue department shall remit that amount to the governments
16 that have dedicated a tax increment to the district in
17 proportion to the amount of tax increment attributable to their
18 dedication."

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