

BILL ANALYSIS AND FISCAL IMPACT REPORT
Taxation and Revenue Department

March 3, 2025

Bill: SB-482

Sponsor: Senator Mimi Stewart

Short Title: State Fairgrounds TIDD

Description: This bill provides legislative authorization for the issuance of bonds not to exceed \$1 billion secured by a new tax increment development district (TIDD) for the land commonly known as the state fairgrounds.

Effective Date: Not specified; 90 days following adjournment (June 20, 2025). The act will become effective on the first day of the month following the approved formation of a tax increment development district for the state fairgrounds.

Taxation and Revenue Department Analyst: Lucinda Sydow

Estimated Revenue Impact*					R or NR**	Fund(s) Affected
FY2025	FY2026	FY2027	FY2028	FY2029		
--	(\$65)	(\$95)	(\$115)	(\$145)	R	General Fund – state GRT Dedication
--	\$65	\$95	\$115	\$145	R	State Fairground TIDD – state GRT Dedication

* In thousands of dollars. Parentheses () indicate a revenue loss. ** Recurring (R) or Non-Recurring (NR).

Methodology for Estimated Revenue Impact: Tax & Rev used the current location code and boundaries of the state fairgrounds and assumed they would remain the same for the TIDD. The fiscal impact is dependent on the formation of the TIDD and when the baseline year would be established. Tax & Rev assumes a baseline year of FY2024 and assumes the first distributions in FY2026. Per Section 1, subsection A(1), only the state GRT will be dedicated to the TIDD; neither city nor county GRT is anticipated to be dedicated to the TIDD.

The Taxation and Revenue Department (Tax & Rev) retrieved taxable gross receipts sourced to the state fairgrounds for fiscal year 2024 from the GRT RP80 report to estimate the fiscal impact to the State and set the baseline. The fiscal impact was grown by taking the GRT revenue growth from the December 2024 Consensus Revenue Estimating Group (CREG) forecast and dedicating the portion over the baseline to the new TIDD.

Policy Issues: Some positive dynamic fiscal effects might be derived from the formation of a “State Fairgrounds” TIDD. The potential projects the bonds can promote may stimulate economic growth, job creation, and the development of new industries. The State can use these projects to maximize economic, fiscal, and social benefits. These projects might allow the State to prioritize industries with high growth and job creation potential. Over time, the area of influence of the TIDD will be equipped with a more robust productive apparatus to cope with economic, fiscal, and social transformations. Redevelopment of the State Fairgrounds may also have positive impacts on public safety and increase property values in the neighboring area of Albuquerque.

Technical Issues: [Section 2]: On page 2, lines 19-25, Tax & Rev interprets this section as requiring the New Mexico Finance Authority (NMFA) to review and approve the issuance of the bonds every time
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there is a distribution of GRT revenue to the TIDD pursuant to 7-1-6.54, which will occur monthly. The section does not provide any provision for a time frame nor require NMFA to notify Tax & Rev of their approval of the distribution. Tax & Rev believes the intention is for NMFA’s prior approval once over the issuance of the bonds which is designated under subsection A(3) on page 3 to be the only approval that is required. Tax & Rev suggests that subsection A(2) be deleted.

[Sections 1, 3 and 4]: On page 2, lines 8-9, page 3, line 14, page 4, line 8 and on page 5, lines 6-7 the bill states: “district that consists of all land owned by the state”. Tax & Rev suggests removing the word “all”, which would also conform with other definitions of “state fairgrounds” in the Tax Code. *See, e.g.,* Section 7-1-6.46(F)(1)(b) NMSA 1978, (“on land owned by the state, commonly known as the ‘state fairgrounds’, within the exterior boundaries of the municipality.”)

There is a potential conflict between HB482 and HB481, its companion legislation, related to a potential overlap in revenue that may be pledged to secure up to \$1 billion in bonds. First, Tax & Rev’s interpretation is that the two bills each authorize up to \$1 billion in bonds, \$2 billion in total. If this is not the intent, it should be clarified.

Second, SB481 creates the state fairgrounds district as a new political subdivision inside Bernalillo County and exclusive from the City of Albuquerque. The district itself is not a TIDD, though the district’s Board could form a TIDD. SB481 requires the state fairgrounds district to pledge ALL State GRT and gaming excise tax sourced to the state fairgrounds district to repay up to \$1 billion of bonds. Separately, SB482 contemplates that a TIDD formed at the state fairgrounds could pledge the incremental State GRT in the TIDD to repay up to \$1 billion in bonds. Therefore, the revenue that a TIDD could pledge could also be pledged by the state fairgrounds district, at least during the term of the bonds issued under the authority of SB 481.

[Section 4]: Tax & Rev is not included in the list of agencies receiving notice of the formation of the “State Fairgrounds” TIDD. To be consistent with Section 5-15-9 NMSA 1978, Tax & Rev suggests that the following also be added: (1) the county assessor, the county treasurer and the clerk of the county in which the district is located; (2) the school district within which any portion of the property located within a tax increment development area lies; and the (3) the taxation and revenue department. This notification is critical to ensure Tax & Rev has the required amount of time to prepare for GRT distribution changes necessary as a result of future TIDD formation.

Other Issues: None.

Administrative & Compliance Impact: This bill will have a moderate impact on Tax & Rev’s Information Technology Division (ITD), approximately 500 hours or about 3 months and \$115,000 in contractual costs. The impact is contingent on the formation of a new State Fairgrounds TIDD.

Estimated Additional Operating Budget Impact*				R or NR**	Fund(s) or Agency Affected
FY2025	FY2026	FY2027	3 Year Total Cost		
\$115	--	--	\$115	NR	ITD – Contractual Costs

* In thousands of dollars. Parentheses () indicate a cost saving. ** Recurring (R) or Non-Recurring (NR).

Related Bills: Companion to SB-481 (with possible conflict – see Technical Issues)