

HOUSE BILL 194

57TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2026

INTRODUCED BY

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AN ACT

RELATING TO MUNICIPALITIES; EXPANDING THE METROPOLITAN
REDEVELOPMENT CODE TO INCLUDE HOUSING SHORTAGE AREAS; EXPANDING
THE SCOPE OF METROPOLITAN REDEVELOPMENT PROJECTS; EXEMPTING A
QUALIFYING MULTIFAMILY PROPERTY IN A HOUSING SHORTAGE AREA FROM
PROPERTY TAXATION FOR UP TO TWENTY YEARS PURSUANT TO THE
METROPOLITAN REDEVELOPMENT CODE.

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

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

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

A. It is found and declared that there exist in the state slum areas, [and] blighted areas and housing shortage areas that constitute a serious and growing menace, injurious to the public health, safety, morals and welfare of the

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1 residents of the state; that the existence of these areas
2 contributes substantially to the spread of disease and crime,
3 constitutes an economic and social burden, substantially
4 impairs or arrests the sound and orderly development of many
5 areas of the state and retards the maintenance and expansion of
6 necessary housing accommodations; that economic and commercial
7 activities are lessened in those areas by the slum or blighted
8 conditions, and the effects of these conditions include less
9 employment in the area, lower property values, less gross
10 receipts tax revenue and reduced use of buildings, residential
11 dwellings and other facilities in the area; that the prevention
12 and elimination of slum areas and blighted areas, the
13 construction of affordable housing accommodations and the
14 prevention and elimination of conditions that impair sound and
15 orderly development [is] are a matter of state policy and
16 concern in order that the state shall not continue to be
17 endangered by these areas that contribute little to the tax
18 income of the state and its local governments and that consume
19 an excessive proportion of its revenues because of the extra
20 services required for police, fire, accident, hospitalization
21 or other forms of public protection, services and facilities.

22 B. Certain slum areas, [and] blighted areas and
23 housing shortage areas, or portions thereof, may require land
24 acquisition and clearance by local government, since prevailing
25 conditions may make impracticable their reclamation or

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development; other areas or portions of the slum or blighted area may be suitable for conservation or rehabilitation efforts and the conditions and evils enumerated in Subsection A of this section may be eliminated, remedied or prevented by those efforts; and to the extent feasible:

(1) salvageable slum and blighted areas should be conserved and rehabilitated through voluntary action and the regulatory process and, when necessary, by government assistance; and

(2) additional multifamily housing should be developed through voluntary action and the regulatory process and, when necessary, by government assistance.

C. The powers conferred by the Metropolitan Redevelopment Code regarding the use of public money are for public uses or purposes for which public money may be expended. The individual benefits accruing to persons as the result of the powers conferred by the Metropolitan Redevelopment Code and projects conducted in accordance with its provisions are found and declared to be incidental to the objectives of that code and are far outweighed by the benefit to the public as a whole. Activities authorized and powers granted by the Metropolitan Redevelopment Code are hereby declared not to result in a donation or aid to any person, association or public or private organization or enterprise. The necessity for these provisions and the power is declared to be in the public interest as a

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1 matter of legislative determination."

2 **SECTION 2.** Section 3-60A-4 NMSA 1978 (being Laws 1979,
3 Chapter 391, Section 4, as amended) is amended to read:

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

6 A. "public body" means a local government, board,
7 commission, authority, district or other political subdivision
8 or public body of the state;

9 B. "local government" means an incorporated city,
10 town or village, whether incorporated under general act,
11 special act or special charter, or a county or, when the
12 context requires, the governing body of an incorporated city,
13 town or village or a county;

14 C. "clerk" means the clerk or other official of a
15 local government who is the chief custodian of the official
16 records of the local government;

17 D. "federal government" means the United States of
18 America or an agency or instrumentality, corporate or
19 otherwise, of the United States;

20 E. "slum area" means an area within the area of
21 operation in which there are numerous residential or
22 nonresidential buildings, improvements and structures that are
23 dilapidated, deteriorated, aged or obsolete or that have
24 inadequate provision for ventilation, light, air or sanitation
25 or the area lacks open spaces or has a high density of

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1 population or overcrowding or there exist in the area
2 conditions that endanger life or property by fire or other
3 causes, and the area is conducive to ill health, transmission
4 of disease, infant mortality, juvenile delinquency or crime and
5 is detrimental to the public health, safety, morals or welfare;

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

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provisions of housing accommodations or constitutes an economic or social burden and is a menace to the public health, safety, morals or welfare in its present condition and use;

G. "housing shortage area" means an area within the jurisdiction of a local government that is experiencing:

(1) a shortage of housing that is affordable to households earning at or below the area median income;

(2) rising housing costs that outpace wage growth;

(3) low vacancy rates;

(4) excessive housing costs;

(5) an inadequate supply of multifamily or workforce housing; or

(6) any combination of factors delineated in Paragraphs (1) through (5) of this subsection;

[G.] H. "metropolitan redevelopment project" or "project" means an activity, undertaking or series of activities or undertakings designed to:

(1) eliminate slums or blighted areas in areas designated as metropolitan redevelopment areas and the activity or undertaking conforms to an approved plan for the area for slum clearance and redevelopment, rehabilitation and conservation; or

(2) provide for qualifying multifamily units in a housing shortage area designated as a metropolitan

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1 redevelopment area;

2 [H.] I. "slum clearance and redevelopment" means
3 the use of those powers authorized by the Metropolitan
4 Redevelopment Code to eliminate slum areas and undertake
5 activities authorized by the Metropolitan Redevelopment Code to
6 rejuvenate or revitalize those areas so that the conditions
7 that caused those areas to be designated slum areas are
8 eliminated;

9 [I.] J. "rehabilitation" or "conservation" means
10 the restoration and renewal of a slum, [or] blighted area or
11 housing shortage area or portion thereof in accordance with an
12 approved plan by use of powers granted by the Metropolitan
13 Redevelopment Code;

14 [J.] K. "metropolitan redevelopment area" means a
15 slum area, [or] a blighted area or a housing shortage area, or
16 a combination thereof, that the local government so finds and
17 declares and designates as appropriate for a metropolitan
18 redevelopment project, including a project for the development
19 of qualifying multifamily properties and qualifying multifamily
20 units;

21 [K.] L. "metropolitan redevelopment plan" means a
22 plan ~~as it exists from time to time~~ for one or more
23 metropolitan redevelopment areas or for a metropolitan
24 redevelopment project, which plan shall:

25 (1) seek to eliminate the problems created by

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1 a slum area, ~~or~~ a blighted area or a housing shortage area;

2 (2) conform to the general plan for the local
3 government as a whole; and

4 (3) be sufficient to indicate the proposed
5 activities to be carried out in the area, including any
6 proposals for land acquisition; proposals for demolition and
7 removal of structures; redevelopment; proposals for
8 improvements, rehabilitation and conservation; zoning and
9 planning changes; land uses, maximum densities, building
10 restrictions and requirements; and the plan's relationship to
11 definite local objectives respecting land uses, improved
12 traffic patterns and controls, public transportation, public
13 utilities, recreational and community facilities, housing
14 facilities, commercial activities or enterprises, industrial or
15 manufacturing use and other public improvements;

16 [L.] M. "real property" includes all lands,
17 including improvements and fixtures thereon, and property of
18 any nature appurtenant thereto or used in connection therewith
19 and every estate, interest, right and use, legal or equitable,
20 therein, including terms for years and liens by way of
21 judgment, mortgage or otherwise;

22 [M.] N. "bonds" means any bonds, including
23 refunding bonds, notes, interim certificates, certification of
24 indebtedness, debentures, metropolitan redevelopment bonds or
25 other securities evidencing an obligation and issued under the

provisions of the Metropolitan Redevelopment Code or other obligations;

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

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

[P.] Q. "area of operation" means an area within a local government's jurisdiction, except that it shall not include an area that lies within the jurisdiction of another local government unless an ordinance has been adopted by the other local government declaring a need therefor;

[Q.] R. "board" or "commission" means a board, commission, department, division, office, body or other unit of a local government designated by the local government to perform functions authorized by the Metropolitan Redevelopment Code as directed by the local government;

[R.] S. "public officer" means any person who is in charge of any department or branch of government of the local

1 government; [and

2 S.] T. "fair value" means the negotiated price or
3 value of an asset or liability agreed upon by a local
4 government and a private entity;

5 U. "qualifying multifamily property" means a
6 residential multifamily development with five or more dwelling
7 units available for lease for periods of one month or more;
8 provided that a minimum of fifteen percent of all of the
9 dwelling units within the development are qualifying
10 multifamily units and the average area median income of
11 residents occupying qualifying multifamily units is not more
12 than eighty-five percent of the area median income;

13 V. "qualifying multifamily unit" means a
14 residential dwelling unit that is available to lease or that is
15 leased to a household whose income is between seventy percent
16 and ninety-five percent of the applicable area median income
17 and leased or available to lease to such a household at the
18 rental amounts as shown on the current income and rent limits
19 tables for the applicable area published by the United States
20 department of housing and urban development; and

21 W. "area median income" means the median income for
22 the immediate geographic area in which the household is
23 located, adjusted for family size, as determined by the United
24 States department of housing and urban development."

25 SECTION 3. Section 3-60A-7 NMSA 1978 (being Laws 1979,

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1 Chapter 391, Section 7, as amended) is amended to read:

2 "3-60A-7. FINDING OF NECESSITY BY LOCAL GOVERNMENT.--No
3 local government shall exercise any of the powers conferred
4 upon local governments by the Redevelopment Law until the local
5 government has adopted a resolution finding that:

6 A. one or more slum areas, [or] blighted areas or
7 housing shortage areas exist in the local government's
8 jurisdiction; and

9 B. the rehabilitation, conservation, slum
10 clearance, redevelopment, [or] development, construction or
11 designation of qualifying multifamily units or a combination
12 thereof, of and in such area is necessary in the interest of
13 the public health, safety, morals or welfare of the residents
14 of the local government's jurisdiction."

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

17 "3-60A-8. DESIGNATION OF A METROPOLITAN REDEVELOPMENT
18 AREA.--

19 A. A local government shall not prepare a
20 metropolitan redevelopment plan for an area unless the local
21 government has, by resolution, determined the area to be a slum
22 area, [or] a blighted area or a housing shortage area, or a
23 combination thereof, and designated the area as appropriate for
24 a metropolitan redevelopment project, which resolution may be
25 adopted only after the local government has caused to be

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1 published in a newspaper of general circulation within the area
2 of operation of the local government a notice that contains a
3 general description of the area and the date, time and place
4 where the local government shall hold a public hearing to
5 consider the resolution and a notice that any interested party
6 may appear and speak to the issue of the adoption of the
7 resolution.

8 B. A local government may declare any area or areas
9 in its jurisdiction as a housing shortage area and metropolitan
10 redevelopment area applicable only to qualifying multifamily
11 properties. A local government may identify a housing shortage
12 area by map, narrative description, reference to specific
13 zoning categories or other method that reasonably identifies
14 the designated area.

15 [B.] C. Notice shall be published at least twice,
16 and the last publication shall be not less than twenty days
17 before the hearing. The owner of any real property affected by
18 the resolution has the right to file in the district court of
19 the county within which the local government is located, within
20 twenty days after the adoption of the resolution, an action to
21 set aside the determination made by the local government.

22 [G.] D. A local government shall not acquire real
23 property for a metropolitan redevelopment project unless the
24 local government has approved a metropolitan redevelopment plan
25 relating to the metropolitan redevelopment area in which the

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real property is located."

SECTION 5. Section 3-60A-9 NMSA 1978 (being Laws 1979, Chapter 391, Section 9, as amended) is amended to read:

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

A. When a local government has complied with the provisions of the Redevelopment Law concerning public hearing and designation of an area as a metropolitan redevelopment area, it may prepare or cause to be prepared a metropolitan redevelopment plan; however, prior to final consideration of the plan by the local government, the plan shall be the subject of at least one public hearing held by the local government or the local government's planning commission, at which time comments from the public as a whole can be gathered and considered by the local government in its preparation of the final plan. The local government may hold a public hearing for purposes of approval of the proposed plan, as provided in Subsection B of this section, only after the hearing required by this subsection.

B. The local government shall hold a public hearing on a metropolitan redevelopment plan or substantial modification of an approved plan after public notice by publication in a newspaper having a general circulation in the area of operation of the local government. The notice shall describe the time, date, place and purpose of the hearing,

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1 shall generally identify the area covered by the plan and shall
2 outline the general scope of the metropolitan redevelopment
3 project under consideration. Prior to the public hearing on
4 this matter, notice of the public hearing shall be mailed by
5 first class mail to the owners of real property in the
6 metropolitan redevelopment area. The mailing shall be to the
7 owner's address as shown on the records of the county
8 treasurer. If the notice by first class mail to the owner is
9 returned undelivered, the local government shall attempt to
10 discover the owner's most recent address and shall remail the
11 notice by certified mail, return receipt requested, to the
12 address.

13 C. Following the public hearing, the local
14 government may approve a metropolitan redevelopment plan if it
15 finds that:

16 (1) the proposed activities will aid in the
17 elimination or prevention of slum or blight or the conditions
18 that lead to the development of slum or blight; or the proposed
19 plan will aid in the construction, rehabilitation or
20 designation of qualifying multifamily properties or qualifying
21 multifamily units within a housing shortage area;

22 (2) a feasible method is included in the plan
23 to provide individuals and families who occupy residential
24 dwellings in the metropolitan redevelopment area and who may be
25 displaced by the proposed activities with decent, safe and

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1 sanitary dwelling accommodations within their means and without
2 undue hardship to such individuals and families;

3 (3) the plan conforms to the general plan for
4 the local government; and

5 (4) the plan affords maximum opportunity
6 consistent with the needs of the community for the:

7 (a) rehabilitation or redevelopment of
8 the area by private enterprise or persons and the objectives of
9 the plan justify the proposed activities as public purposes and
10 needs; or

11 (b) construction or designation of
12 qualifying multifamily properties within the housing shortage
13 area by private enterprise or persons and the objectives of the
14 plan justify the proposed activities as public purposes and
15 needs.

16 D. A metropolitan redevelopment plan may be
17 modified at any time; however, if the plan is modified after
18 the lease or sale by the local government of real property in
19 the project area, the modification shall be subject to any
20 rights at law or in equity a lessee or purchaser or the
21 lessee's or purchaser's successors in interest may be entitled
22 to assert. Any proposed modification that will substantially
23 change the plan as previously approved by the local government
24 shall be subject to the requirements of this section, including
25 the requirement of a public hearing, before it may be

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1 approved."

2 **SECTION 6.** 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 furnishing
19 or repair by a public or private person or agency for services,
20 privileges, works, streets, roads, public utilities, public
21 buildings or other facilities for or in connection with a
22 metropolitan redevelopment project; to, within its area of
23 operation, install, acquire, construct, reconstruct, remodel,
24 rehabilitate, maintain and operate streets, utilities, parks,
25 buildings, playgrounds and public buildings, including parking

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

19 (2) redevelopment plans for specific areas;

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

22 (4) plans for the enforcement of state and local
23 laws, codes and regulations relating to the use of land and the
24 use and occupancy of buildings and improvements and to the
25 compulsory repair, rehabilitation, demolition or removal of

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1 buildings and improvements; and

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

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

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

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

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any period, notwithstanding any provision or rule of law to the contrary, respecting action to be taken by the local government pursuant to the powers granted by the Redevelopment Law;

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

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

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

(1) acquisition, construction, reconstruction or installation of public works, facilities and site or other improvements, including neighborhood facilities, senior citizen centers, historic properties, utilities, streets, street lights, water and sewer facilities, including connections for

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residential users, foundations and platforms for air-rights sites, pedestrian malls and walkways, parks, playgrounds and other recreation facilities, flood and drainage facilities, parking facilities, solid waste disposal facilities and fire protection or health facilities that serve designated areas;

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

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

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

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

(6) payment of reasonable administrative costs

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and carrying charges related to the planning and execution of plans and projects;

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

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

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

M. in a metropolitan redevelopment project or rehabilitation or conservation undertaking or activity, to exercise the following powers in one or more metropolitan redevelopment areas to include the increase in qualifying multifamily properties and the elimination and prevention of the development or spread of slums or blight and may involve slum clearance, development and redevelopment in that area or rehabilitation or conservation in that area or any combination or part of those areas in accordance with a metropolitan redevelopment plan and for undertakings or activities of a local government in a metropolitan redevelopment area to

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1 increase qualifying multifamily properties or to eliminate the
2 conditions that caused an area to be [so] designated as a slum
3 or blighted area and may include the following:

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

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

20 (3) making the land available for development by
21 private enterprise or public agencies, including sale, initial
22 leasing, leasing or retention by the local government itself,
23 at its fair market value for uses in accordance with the
24 metropolitan redevelopment plan for the area;

25 N. the local government is empowered in a

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1 metropolitan redevelopment area to undertake qualifying
2 multifamily property development and slum clearance and
3 redevelopment that includes:

4 (1) acquisition of a qualifying multifamily
5 property or slum area or a blighted area or portion thereof;

6 (2) demolition and removal of buildings and
7 improvements;

8 (3) installation, construction, reconstruction,
9 maintenance and operation of streets, utilities, storm drainage
10 facilities, curbs and gutters, parks, playgrounds, single-
11 family or multifamily dwelling units, buildings, public
12 buildings, including parking facilities, transportation
13 centers, safety buildings and other improvements, necessary for
14 carrying out in the area the provisions of an approved plan for
15 the area; and

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

21 0. to engage in rehabilitation or conservation that
22 includes the restoration and renewal of a qualifying
23 multifamily property or slum or blighted area or portion
24 thereof in accordance with any approved plan, by:

25 (1) carrying out plans for a program of

.233372.1

voluntary or compulsory construction or repair and rehabilitation of buildings or other improvements;

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

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

(4) the disposition of any property acquired in the area, including sale, leasing or retention by the local government itself, for uses in accordance with an approved plan;

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

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

(7) power to resell developed, repaired or rehabilitated property;

(8) acquisition, without regard to any

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requirement that the area be a housing shortage area, a slum or a blighted area, of air-rights in an area consisting principally of land on which is located a highway, railway, bridge or subway tracks or tunnel entrance or other similar facilities that have a blighting influence on the surrounding area and over which air-rights sites are to be developed for the construction or designation of qualifying multifamily property or the elimination of such blighting influences; and

(9) making loans or grants or authorizing the use of the proceeds of bonds issued pursuant to the Metropolitan Redevelopment Code for the purpose of constructing, repairing, remodeling or modifying a building or buildings located in the metropolitan redevelopment area. Such rehabilitation or conservation with use of funds expended by authority of the Metropolitan Redevelopment Code or by metropolitan revenue bonds authorized by that code shall be authorized after approval by the local government and after it has been determined that the expenditure is in accordance with the metropolitan redevelopment plan for that area."

SECTION 7. Section 3-60A-13.1 NMSA 1978 (being Laws 1985, Chapter 225, Section 2, as amended) is amended to read:

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

A. If interests in project property are exempt from property taxation and assessments under Subsection B of Section .233372.1

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1 3-60A-13 NMSA 1978 or Section 7-36-3.1 NMSA 1978, then during
2 the period extending from the date of acquisition of the
3 property by the local government through December 31 of the
4 year in which the seventh anniversary of that acquisition date
5 occurs, except for qualifying multifamily property, for which
6 the period may be extended up to the twentieth anniversary if
7 set forth in the applicable metropolitan redevelopment plan
8 adopted by the local government, any lessee of the project
9 property or owner of a substantial beneficial interest in the
10 project property, in whose ownership the property would not be
11 exempt from property taxation except for the exemption granted
12 under Section 7-36-3.1 NMSA 1978, shall pay to the county
13 treasurer annually, at the same time property tax payments are
14 due under the Property Tax Code, an amount equal to the sum of:

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

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

(3) amounts that would have been imposed as benefit assessments on the project property had it not been exempt and had it been valued at the valuation for property taxation purposes that existed in the year immediately preceding the year of acquisition by the local government if those benefit assessments are authorized by law and are expressed in mills per dollar or dollars per thousand dollars of net taxable value of property, assessed value of property or similar terms.

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

C. The provisions of this section shall apply only to project property acquired by a local government under the provisions of the Metropolitan Redevelopment Code on or after January 1, 1986."

SECTION 8. Section 3-60A-15 NMSA 1978 (being Laws 1979, Chapter 391, Section 15, as amended) is amended to read:

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

A. A local government may directly exercise its metropolitan redevelopment project powers or it may, by ordinance if it determines such action to be in the public interest, elect to delegate the exercise of such powers to the metropolitan redevelopment agency created pursuant to the

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1 Redevelopment Law. If the local government so determines, the
2 agency shall be vested with all of the powers in the same
3 manner as though all the powers were conferred on the agency or
4 authority instead of the local government.

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

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

13 (2) approve or amend redevelopment plans;

14 (3) approve a general plan for the local
15 government as a whole;

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

21 (5) issue general obligation bonds and revenue
22 bonds as authorized by law;

23 (6) issue redevelopment bonds; and

24 (7) appropriate funds and levy taxes and
25 assessments."

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1 **SECTION 9.** Section 7-36-3.1 NMSA 1978 (being Laws 1979,
2 Chapter 56, Section 2, as amended) is amended to read:

3 **"7-36-3.1. METROPOLITAN REDEVELOPMENT PROPERTY--TAX
4 STATUS OF LESSEE'S INTERESTS.--**

5 A. Property interests of a lessee in project property
6 held under a lease with respect to a project authorized by the
7 Metropolitan Redevelopment Code and acquired or held by a
8 municipality prior to January 1, 1986 under the provisions of
9 that code are exempt from property taxation for as long as
10 there is an outstanding bonded indebtedness, but in any event
11 for a period not to exceed ten years from the date of execution
12 of the first lease of the project by the municipality.

13 B. Property interests of a lessee of or an owner of a
14 substantial beneficial interest in project property acquired or
15 held by a municipality on or after January 1, 1986 with respect
16 to a project authorized by the Metropolitan Redevelopment Code
17 are exempt from property taxation for a period extending from
18 the date of acquisition of the project property by the
19 municipality through December 31 of the year in which the
20 seventh anniversary of that acquisition date occurs.

21 C. Property interests of a lessee of or an owner of a
22 substantial beneficial interest in a qualifying multifamily
23 property acquired or held by a municipality or county on or
24 after May 20, 2026 with respect to a project to develop
25 qualifying multifamily property authorized by the Metropolitan

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1 Redevelopment Code are exempt from property taxation for a
2 period extending from the date of acquisition of the qualifying
3 multifamily property by the municipality or county through
4 December 31 of not less than the seventh anniversary or more
5 than the twentieth anniversary of the year in which the
6 acquisition of the qualifying multifamily property occurs."

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