SENATE BILL 1017

47TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2005

INTRODUCED BY

Dede Feldman

AN ACT

RELATING TO MUNICIPALITIES AND COUNTIES; AMENDING SECTIONS OF THE DEVELOPMENT FEES ACT TO PROVIDE FOR WATER RIGHTS, TRANSPORTATION, LIBRARIES, COMMUNITY CENTERS AND SCHOOLS, CONSISTENCY WITH COMPREHENSIVE PLANS AND EFFICIENT DEVELOPMENT AND MEMBERSHIP ON CAPITAL IMPROVEMENTS ADVISORY COMMITTEES; REPEALING A SECTION OF THE NMSA 1978 REQUIRING GOVERNMENTAL ENTITIES TO PAY IMPACT FEES.

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

Section 1. Section 5-8-2 NMSA 1978 (being Laws 1993, Chapter 122, Section 2) is amended to read:

"5-8-2. DEFINITIONS.--As used in the Development Fees Act:

A. "affordable housing" means any housing development built to benefit those whose income is at or below . 156133.1

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eighty percent of the area median income and who will pay no more than thirty percent of their gross monthly income towards such housing;

- B. "approved land use assumptions" means land use assumptions adopted originally or as amended under the Development Fees Act;
- C. "assessment" means a determination of the amount of an impact fee;
- D. "capital improvement" means any of the following facilities that have a life expectancy of ten or more years and are owned and operated by or on behalf of a municipality or county:
- (1) water supply, <u>water rights</u>, treatment and distribution facilities; wastewater collection and treatment facilities; and storm water, drainage and flood control facilities;
- (2) [roadway] transportation facilities located within the service area, including roads, bridges, bike and pedestrian trails, transit bus bays, rights of way, traffic signals, landscaping and any local components of state and federal highways;
- (3) buildings for fire, police and rescue and essential equipment costing ten thousand dollars (\$10,000) or more and having a life expectancy of ten years or more; [and]
 - (4) parks, recreational areas, open space

trails and related areas and facilities; and

- (5) libraries, community centers and schools;
- E. "capital improvements plan" means a plan required by the Development Fees Act that identifies capital improvements or facility expansion for which impact fees may be assessed:
 - F. "county" means a county of any classification;
- G. "facility expansion" means the expansion of the capacity of an existing facility that serves the same function as an otherwise necessary new capital improvement, in order that the existing facility may serve new development. [The term] "Facility expansion" does not include the repair, maintenance, modernization or expansion of an existing facility to better serve existing development, including schools and related facilities;
- H. "hook-up fee" means a reasonable fee for connection of a service line to an existing gas, water, sewer or municipal or county utility;
- I. "impact fee" means a charge or assessment imposed by a municipality or county on new development in order to generate revenue for funding or recouping the costs of capital improvements or facility expansions necessitated by and attributable to the new development. [The term] "Impact fee" includes amortized charges, lump-sum charges, capital recovery fees, contributions in aid of construction, development fees

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and any other fee that functions as described by this definition. [The term] "Impact fee" does not include hook-up fees, dedication of rights of way or easements or construction or dedication of on-site water distribution, wastewater collection or drainage facilities or streets, sidewalks or curbs if the dedication or construction is required by a previously adopted valid ordinance or regulation and is necessitated by and attributable to the new development;

- J. "land use assumptions" includes a description of the service area and projections of changes in land uses, densities, intensities and population in the service area over at least a five-year period;
- K. "municipality" means any incorporated city, town or village, whether incorporated under general act, special act or special charter, and H class counties, including any home rule municipality or H class county chartered under the provisions of Article 10, Section 6 of the constitution of New Mexico;
- L. "new development" means the subdivision of land; reconstruction, redevelopment, conversion, structural alteration, relocation or enlargement of any structure; or any use or extension of the use of land; any of which increases the number of service units;
- M "qualified professional" means a professional engineer, surveyor, financial analyst or planner providing . 156133.1

services within the scope of his license, education or experience;

- N. "[roadway] transportation facilities" means arterial or collector streets or roads that have been designated on an officially adopted [roadway] transportation plan of the municipality or county, including bridges, bike and pedestrian trails, transit bus bays, rights of way, traffic signals, landscaping and any local components of state or federal highways;
- 0. "service area" means the area within the corporate boundaries or extraterritorial jurisdiction of a municipality or the boundaries of a county to be served by the capital improvements or facility expansions specified in the capital improvements plan designated on the basis of sound planning and engineering standards; and
- P. "service unit" means a standardized measure of consumption, use, generation or discharge attributable to an individual unit of development calculated in accordance with generally accepted engineering or planning standards for a particular category of capital improvements or facility expansions."
- Section 2. Section 5-8-3 NMSA 1978 (being Laws 1993, Chapter 122, Section 3, as amended) is amended to read:
 - "5-8-3. AUTHORIZATION OF FEE. --

Development Fees	Act <u>and it is consistent with the</u>
<u>comprehensive pl</u>	an, no municipality or county may enact or
impose an impact	fee.
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- B. If it complies with the Development Fees Act, a municipality or county may enact or impose impact fees on land within its respective corporate boundaries.C. A municipality and county may enter into a joint
- C. A municipality and county may enter into a joint powers agreement to provide capital improvements within an area subject to both county and municipal platting and subdivision jurisdiction or extraterritorial jurisdiction and may charge an impact fee under the agreement, but if an impact fee is charged in that area, the municipality and county shall comply with the Development Fees Act.
- D. A municipality or county may waive <u>or reduce the</u> impact fee requirements [for] <u>in order to encourage more</u> <u>efficient development patterns and encourage</u> affordable housing projects."
- Section 3. Section 5-8-5 NMSA 1978 (being Laws 1993, Chapter 122, Section 5) is amended to read:
- "5-8-5. ITEMS NOT PAYABLE BY FEE.--Impact fees shall not be imposed or used to pay for:
- A. construction, acquisition or expansion of public facilities or assets that are not capital improvements or facility expansions identified in the capital improvements plan;

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- В. repair, operation or maintenance of existing or new capital improvements or facility expansions;
- upgrading, updating, expanding or replacing existing capital improvements to serve existing development in order to meet stricter safety, efficiency, environmental or regulatory standards;
- D. upgrading, updating, expanding or replacing existing capital improvements to provide better service to existing development;
- administrative and operating costs of a municipality or county except as provided in Paragraph (4) of Subsection A of Section [4 of the Development Fees Act] 5-8-4 NMSA 1978; or
- F. principal payments or debt service charges on bonds or other indebtedness except as allowed by Section [4 of the Development Fees Act | 5-8-4 NMSA 1978 [or
- G. libraries, community centers, schools, projects for economic development and employment growth, affordable housing or apparatus and equipment of any kind except capital improvements defined in Paragraph (3) of Subsection C of Section 2 of the Development Fees Act]."
- Section 5-8-37 NMSA 1978 (being Laws 1993, Section 4. Chapter 122, Section 37) is amended to read:
 - "5-8-37. ADVISORY COMMITTEE. - -
- A. On or before the date on which the order, . 156133. 1

ordinance or resolution is adopted [under Section 19 of the

Development Fees Act] pursuant to the provisions of Section

5-8-19 NMSA 1978, the governing body of a municipality or

county shall appoint a capital improvements advisory committee.

- B. The advisory committee shall be composed of not less than five members who shall be appointed by a majority vote of the governing body. Not [less] more than forty percent of the membership of the advisory committee [must] may be representative of the real estate, development or building industries. No members shall be employees or officials of a municipality or county or other governmental entity.
- C. The advisory committee serves in an advisory capacity and shall:
- (1) advise and assist the municipality or county in adopting land use assumptions;
- (2) review the capital improvements plan and file written comments;
- (3) monitor and evaluate implementation of the capital improvements plan;
- (4) file annual reports with respect to the progress of the capital improvements plan and report to the municipality or county any perceived inequities in implementing the plan or imposing the impact fee; and
- (5) advise the municipality or county of the need to update or revise the land use assumptions, capital . 156133.1

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improvements plan and impact fee.

- D. The municipality or county shall make available to the advisory committee any professional reports with respect to developing and implementing the capital improvements plan.
- E. The governing body of the municipality or county shall adopt procedural rules for the advisory committee to follow in carrying out its duties."
- Section 5. REPEAL. -- Section 5-8-14 NMSA 1978 (being Laws 1993, Chapter 122, Section 14) is repealed.

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