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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:

"BASE YEAR REVISION--RESOLUTION--COMMENT PERIOD--
SUBMISSION OF MATERIALS.--

A. A district may revise the base year that the
district uses to determine its gross receipts tax increment.
To initiate the process of revising its base year, a district
board shall:

(1) adopt a resolution declaring that
intent; and

(2) forward copies of the adopted resolution
to the secretary of taxation and revenue, the secretary of
finance and administration, the developer and the local
governments that have dedicated a tax increment to the
district.

B. The taxation and revenue department, the
department of finance and administration, the developer and

1 the local governments that have dedicated a tax increment to
2 the district may submit written comments to the district with
3 copies sent to the state board of finance for fifteen days
4 after receiving a copy of a district board's resolution
5 indicating the board's intent to revise the base year used to
6 determine the district's gross receipts tax increment.

7 C. No more than forty-five days after adopting the
8 resolution declaring the intent to revise the base year that
9 the district uses to determine its gross receipts tax
10 increment, the district board shall submit to the state board
11 of finance and send copies to the developer and any local
12 government that has dedicated a tax increment to the
13 district:

14 (1) a copy of the resolution;

15 (2) all comments on the matter that the
16 district received from the taxation and revenue department,
17 the department of finance and administration, the developer
18 and the local governments that have dedicated a tax increment
19 to the district; and

20 (3) any other related documentation.

21 D. As used in this section, "developer" means the
22 owner or developer who has entered into an agreement pursuant
23 to Subsection A of Section 5-15-4 NMSA 1978 with the
24 governing body that formed the district or the owner's or
25 developer's successors or assigns."

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

3 "BASE YEAR REVISION--APPROVAL.--

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

7 (1) once during the lifetime of the
8 district;

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

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

13 (4) if there is no unresolved objection to
14 the revision by the developer or by a local government that
15 has dedicated a tax increment to the district; and

16 (5) upon a finding that the revision is
17 reasonable and in the best interest of the state.

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

24 C. As used in this section, "developer" means the
25 owner or developer who has entered into an agreement pursuant

1 to Subsection A of Section 5-15-4 NMSA 1978 with the
2 governing body that formed the district or the owner's or
3 developer's successors or assigns."

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

6 "BASE YEAR REVISION--EFFECT.--

7 A. Upon notice of the approval of a revision of
8 the base year used to determine a district's gross receipts
9 tax increment, the district shall:

10 (1) return to the taxation and revenue
11 department any gross receipts tax increment credited to the
12 period between the time that the revenue collection began and
13 the end of the revised base year and distributed to the
14 district;

15 (2) update the district tax increment
16 development plan to reflect the revision; and

17 (3) file with the clerk of the governing
18 body that formed the district the revised tax increment
19 development plan.

20 B. Upon receipt of the revenue identified in
21 Paragraph (1) of Subsection A of this section, the taxation
22 and revenue department shall remit to the taxing entities
23 that have dedicated a gross receipts tax increment to the
24 district an amount of that revenue in proportion to the
25 amount of gross receipts tax increment attributable to their

1 dedication."

2 SECTION 4. EMERGENCY.--It is necessary for the public
3 peace, health and safety that this act take effect
4 immediately. _____

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