

1 AN ACT

2 RELATING TO METROPOLITAN REDEVELOPMENT; PROVIDING FOR THE
3 DEDICATION OF A PORTION OF AN INCREASE IN CERTAIN PROPERTY
4 TAX REVENUE, LOCAL OPTION GROSS RECEIPTS TAX REVENUE AND
5 STATE GROSS RECEIPTS TAX REVENUE TO FUND A METROPOLITAN
6 REDEVELOPMENT PROJECT; AUTHORIZING A LOCAL GOVERNMENT TO
7 ISSUE BONDS PAYABLE FROM LOCAL OPTION AND STATE GROSS
8 RECEIPTS TAX REVENUES AND REMOVING AUTHORITY TO ISSUE BONDS
9 PAYABLE FROM PROPERTY TAX REVENUE; PROVIDING FOR LEGISLATIVE
10 APPROVAL OF THE ISSUANCE OF BONDS AGAINST REVENUE
11 ATTRIBUTABLE TO AN INCREMENT OF THE STATE GROSS RECEIPTS TAX;
12 REMOVING A REQUIREMENT FOR A SEALED BIDDING PROCEDURE AND
13 APPROVAL OF AWARD OF CONTRACT BY A LOCAL GOVERNMENT FOR
14 CERTAIN REHABILITATION CONTRACTS BETWEEN PRIVATE PROPERTY
15 OWNERS AND CONTRACTORS; ALLOWING A LOCAL GOVERNMENT TO
16 DELEGATE TO A METROPOLITAN REDEVELOPMENT AGENCY THE POWER TO
17 APPROVE LOANS, GRANTS AND LEASES OF MORE THAN ONE YEAR'S
18 DURATION; AMENDING, REPEALING AND ENACTING SECTIONS OF THE
19 NMSA 1978.

20
21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

22 SECTION 1. Section 3-60A-10 NMSA 1978 (being Laws 1979,
23 Chapter 391, Section 10, as amended) is amended to read:

24 "3-60A-10. POWERS OF LOCAL GOVERNMENT.--A local
25 government shall have all the powers, other than the power of

1 eminent domain, necessary or convenient to carry out and
2 effectuate the purposes and provisions of the Metropolitan
3 Redevelopment Code, including the following powers:

4 A. to undertake and carry out metropolitan
5 redevelopment projects within its area of operation,
6 including clearance and redevelopment, rehabilitation,
7 conservation and development activities and programs; to
8 make, enter into and execute contracts and other agreements
9 and instruments necessary or convenient to the exercise of
10 its powers under the Redevelopment Law; and to disseminate
11 information regarding slum clearance, prevention of blight
12 and the metropolitan redevelopment projects and areas;

13 B. to provide, arrange or contract for the
14 furnishing or repair by a public or private person or agency
15 for services, privileges, works, streets, roads, public
16 utilities, public buildings or other facilities for or in
17 connection with a metropolitan redevelopment project; to,
18 within its area of operation, install, acquire, construct,
19 reconstruct, remodel, rehabilitate, maintain and operate
20 streets, utilities, parks, buildings, playgrounds and public
21 buildings, including parking facilities, transportation
22 centers, public safety buildings and other public
23 improvements or facilities or improvements for public
24 purposes, as may be required by the local government, the
25 state or a political subdivision of the state; to agree to

1 conditions that it may deem reasonable and appropriate that
2 are attached to federal financial assistance and imposed
3 pursuant to federal law, including conditions relating to the
4 determination of prevailing salaries or wages or compliance
5 with federal and state labor standards, compliance with
6 federal property acquisition policy and the provision of
7 relocation assistance in accordance with federal law in the
8 undertaking or carrying out of a metropolitan redevelopment
9 project; and to include in a contract let in connection with
10 the project provisions to fulfill these conditions as it may
11 deem reasonable and appropriate; provided, however, that all
12 purchases of personal property shall be in accordance with
13 the Procurement Code;

14 C. within its area of operation, to inspect any
15 building or property in a metropolitan redevelopment area in
16 order to make surveys, appraisals, soundings or test borings
17 and to obtain an order for this purpose from a court of
18 competent jurisdiction in the event inspection is denied by
19 the property owner or occupant; to acquire, by purchase,
20 lease, option, gift, grant, bequest, devise or otherwise, any
21 real property or personal property for its administrative or
22 project purposes, together with any improvements thereon; to
23 hold, improve, clear or prepare for redevelopment any such
24 property; to mortgage, pledge, hypothecate or otherwise
25 encumber or dispose of any real property; to insure or

1 provide for the insurance of real or personal property or
2 operations of the local government against risks or hazards,
3 including the power to pay premiums on that insurance; and to
4 enter into contracts necessary to effectuate the purposes of
5 the Metropolitan Redevelopment Code;

6 D. to invest metropolitan redevelopment project
7 funds held in reserve, sinking funds or other project funds
8 that are not required for immediate disbursement in property
9 or securities in which local governments may legally invest
10 funds subject to their control; to redeem bonds as have been
11 issued pursuant to the Metropolitan Redevelopment Code at the
12 redemption price established in the bonds or to purchase the
13 bonds at less than redemption price. Bonds so redeemed or
14 purchased shall be canceled;

15 E. to borrow or lend money subject to those
16 procedures and limitations as may be provided in the
17 constitution of New Mexico or statutes and to apply for and
18 accept advances, loans, grants, contributions and other forms
19 of financial assistance from the federal government, the
20 state, the county or other public body or from sources,
21 public or private, for the purposes of the Metropolitan
22 Redevelopment Code; and to give security as may be required
23 and subject to the provisions and limitations of general law
24 except as may otherwise be provided by the Redevelopment Law
25 and to enter into and carry out contracts in connection with

1 that law. A local government may include in a contract for
2 financial assistance with the federal government for a
3 metropolitan redevelopment project conditions imposed
4 pursuant to federal law that the local government may deem
5 reasonable or appropriate and that are not inconsistent with
6 the purposes of the Metropolitan Redevelopment Code;

7 F. within its area of operation, to make plans
8 necessary for the carrying out of the purposes of the
9 Metropolitan Redevelopment Code and to contract with any
10 person, public or private, in making and carrying out such
11 plans and to adopt or approve, modify and amend the plans.
12 The plans may include without limitation:

13 (1) a general plan for redevelopment of the
14 area as a whole;

15 (2) redevelopment plans for specific areas;

16 (3) plans for programs of voluntary or
17 assisted repair and rehabilitation of buildings and
18 improvements;

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

24 (5) appraisals, title searches, surveys,
25 studies and other preliminary plans and work necessary to

1 prepare for the undertaking of metropolitan redevelopment
2 projects;

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

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

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

1 action to be taken by the local government pursuant to the
2 powers granted by the Redevelopment Law;

3 J. within its area of operation, to organize,
4 coordinate and direct the administration of the provisions of
5 the Redevelopment Law as they apply to the local government
6 in order that the objective of remedying slum areas and
7 blighted areas and preventing the causes of those areas
8 within the jurisdiction of the local government may be most
9 effectively promoted and achieved and to establish any new
10 office of the local government or to reorganize existing
11 offices as necessary;

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

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

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

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

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

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

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

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

25 (6) payment of reasonable administrative

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

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

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

10 (9) grants to nonprofit corporations, local
11 development corporations or entities organized under Section
12 301 (d) of the federal Small Business Investment Act of 1958
13 for the purposes of carrying out the provisions of the
14 Metropolitan Redevelopment Code;

15 M. in a metropolitan redevelopment project or
16 rehabilitation or conservation undertaking or activity, to
17 exercise the following powers in one or more metropolitan
18 redevelopment areas to include the elimination and prevention
19 of the development or spread of slums or blight and may
20 involve slum clearance and redevelopment in that area or
21 rehabilitation or conservation in that area or any
22 combination or part of those areas in accordance with a
23 metropolitan redevelopment plan and for undertakings or
24 activities of a local government in a metropolitan
25 redevelopment area to eliminate the conditions that caused an

1 area to be so designated and may include the following:

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

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

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

25 N. the local government is empowered in a

1 metropolitan redevelopment area to undertake slum clearance
2 and redevelopment that includes:

3 (1) acquisition of a slum area or a blighted
4 area or portion thereof;

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

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

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

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

24 (1) carrying out plans for a program of
25 voluntary or compulsory repair and rehabilitation of

1 buildings or other improvements;

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

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

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

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

20 (6) repair or rehabilitation of structures
21 within the area;

22 (7) power to resell repaired or
23 rehabilitated property;

24 (8) acquisition, without regard to any
25 requirement that the area be a slum or blighted area, of

1 air-rights in an area consisting principally of land on which
2 is located a highway, railway, bridge or subway tracks or
3 tunnel entrance or other similar facilities that have a
4 blighting influence on the surrounding area and over which
5 air-rights sites are to be developed for the elimination of
6 such blighting influences; and

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

19 SECTION 2. Section 3-60A-15 NMSA 1978 (being Laws 1979,
20 Chapter 391, Section 15, as amended) is amended to read:

21 "3-60A-15. EXERCISE OF POWERS IN CARRYING OUT
22 PROJECTS.--

23 A. A local government may directly exercise its
24 metropolitan redevelopment project powers or it may, by
25 ordinance if it determines such action to be in the public

1 interest, elect to delegate the exercise of such powers to
2 the metropolitan redevelopment agency created pursuant to the
3 Redevelopment Law. If the local government so determines,
4 the agency shall be vested with all of the powers in the same
5 manner as though all the powers were conferred on the agency
6 or authority instead of the local government.

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

12 (1) declare an area to be a slum or a
13 blighted area or combination thereof and to designate the
14 area as appropriate for a redevelopment project;

15 (2) approve or amend redevelopment plans;

16 (3) approve a general plan for the local
17 government as a whole;

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

23 (5) issue general obligation bonds and
24 revenue bonds as authorized by law;

25 (6) issue redevelopment bonds; and

1 (7) appropriate funds and levy taxes and
2 assessments."

3 SECTION 3. Section 3-60A-20 NMSA 1978 (being Laws 1979,
4 Chapter 391, Section 20, as amended) is amended to read:

5 "3-60A-20. ALTERNATIVE FUNDING METHOD.--

6 A local government may elect by resolution to use the
7 procedures set forth in the Tax Increment Law for funding
8 metropolitan redevelopment projects. Such procedures may be
9 used in addition to or in conjunction with other methods
10 provided by law for funding such projects."

11 SECTION 4. Section 3-60A-21 NMSA 1978 (being Laws 1979,
12 Chapter 391, Section 21, as amended) is amended to read:

13 "3-60A-21. PROPERTY AND GROSS RECEIPTS TAX INCREMENTS--
14 PROCEDURES.--

15 A. The procedures to be used in determining a
16 property tax increment are:

17 (1) the local government shall, after
18 approval of a metropolitan redevelopment plan, notify the
19 county assessor of the taxable parcels of property within the
20 metropolitan redevelopment area;

21 (2) upon receipt of the notification, the
22 county assessor shall identify the parcels of property within
23 the metropolitan redevelopment area within their respective
24 jurisdictions and certify to the county treasurer the net
25 taxable value of the property at the time of notification as

1 the base value for the distribution of property tax revenues
2 authorized by the Property Tax Code. If because of
3 acquisition by the local government the property becomes tax
4 exempt, the county assessor shall note that fact on their
5 respective records and so notify the county treasurer, but
6 the county assessor and the county treasurer shall preserve a
7 record of the net taxable value at the time of inclusion of
8 the property within the metropolitan redevelopment area as
9 the base value for the purpose of distribution of property
10 tax revenues when the parcel again becomes taxable. The
11 county assessor is not required by this section to preserve
12 the new taxable value at the time of inclusion of the
13 property within the metropolitan redevelopment area as the
14 base value for the purposes of valuation of the property;

15 (3) if because of acquisition by the local
16 government the property becomes tax exempt, when the parcel
17 again becomes taxable, the local government shall notify the
18 county assessor of the parcels of property that because of
19 their rehabilitation or other improvement are to be revalued
20 for property tax purposes. A new taxable value of this
21 property shall then be determined by the county assessor. If
22 no acquisition by the local government occurs, improvement or
23 rehabilitation of property subject to valuation by the
24 assessor shall be reported to the assessor as required by the
25 Property Tax Code, and the new taxable value shall be

1 determined as of January 1 of the tax year following the year
2 in which the improvement or rehabilitation is completed; and

3 (4) current tax rates shall then be applied
4 to the new taxable value of property included in the
5 metropolitan redevelopment area. The amount by which the
6 revenue received exceeds that which would have been received
7 by application of the same rates to the base value before
8 inclusion in the metropolitan redevelopment area shall be
9 multiplied by the percentage of the increment dedicated by
10 the local government pursuant to Section 3-60A-23 NMSA 1978,
11 credited to the local government and deposited in the
12 metropolitan redevelopment fund. This transfer shall take
13 place only after the county treasurer has been notified to
14 apply the procedures pursuant to this subsection to property
15 included in a metropolitan redevelopment area. Unless the
16 entire metropolitan redevelopment area is specifically
17 included by the local government for purposes of tax
18 increment financing, the payment by the county treasurer to
19 the local government shall be limited to those properties
20 specifically included. The remaining revenue shall be
21 distributed to participating units of government as
22 authorized by the Property Tax Code.

23 B. The procedures to be used in determining a
24 gross receipts tax increment are:

25 (1) after approval of a metropolitan

1 redevelopment area, a dedication is made pursuant to Section
2 3-60A-23 NMSA 1978 and at least one hundred twenty days
3 before the effective date of the dedication, the local
4 government shall notify the taxation and revenue department
5 of the geographical area within the metropolitan
6 redevelopment area and the percentages of a gross receipts
7 tax increment;

8 (2) within ninety days of receipt of the
9 notification, the taxation and revenue department shall
10 certify to the local government the base year gross receipts
11 tax revenue amounts, which shall be calculated as:

12 (a) the amount of the local
13 government's local option gross receipts tax revenue
14 attributable to the gross receipts of persons engaging in
15 business in the metropolitan redevelopment area in the
16 previous fiscal year, less any local option gross receipts
17 tax revenue attributable to construction activities located
18 within the metropolitan redevelopment area; and

19 (b) the amount of state gross receipts
20 tax revenue attributable to the gross receipts of persons
21 engaging in business in the metropolitan redevelopment area
22 in the previous fiscal year, less any state gross receipts
23 tax revenue attributable to construction activities located
24 within the metropolitan redevelopment area and, if the local
25 government is a municipality, any amount distributed to the

1 municipality pursuant to Section 7-1-6.4 NMSA 1978
2 attributable to the gross receipts of persons engaging in
3 business in the metropolitan redevelopment area; and

4 (3) within six months of the end of each
5 fiscal year following the base year:

6 (a) the taxation and revenue department
7 shall compare the amounts of gross receipts tax revenues of
8 the base year with the amounts of gross receipts tax revenues
9 of that following fiscal year, using the same calculation
10 methods as provided in Paragraph (2) of this subsection,
11 except the amounts of gross receipts tax revenues of the
12 following fiscal year shall include revenue attributable to
13 construction activities located within the metropolitan
14 redevelopment area; and

15 (b) if there is an increase between the
16 gross receipts tax revenue of the base year and the gross
17 receipts tax revenue of that following fiscal year, the sum
18 of: 1) the product of the total rate of the local
19 government's local option gross receipts tax multiplied by
20 the increased amount of the local government's local option
21 gross receipts tax revenue, further multiplied by the
22 percentage of the gross receipts tax increment dedicated by
23 the local government pursuant to Section 3-60A-23 NMSA 1978;
24 plus 2) the product of the state gross receipts tax rate
25 multiplied by the increased amount of the state gross

1 receipts tax revenue, further multiplied by the percentage of
2 the gross receipts tax increment dedicated by the state board
3 of finance pursuant to Section 3-60A-23 NMSA 1978.

4 C. The procedures specified in this section shall
5 be followed annually for a maximum period of twenty years
6 following the date of notification provided by this section.

7 D. As used in this section:

8 (1) "local option gross receipts tax
9 revenue" means revenue transferred to the local government
10 pursuant to Section 7-1-6.12 or 7-1-6.13 NMSA 1978, as
11 appropriate; and

12 (2) "state gross receipts tax revenue" means
13 revenue received from the gross receipts tax imposed pursuant
14 to Section 7-9-4 NMSA 1978."

15 SECTION 5. Section 3-60A-23 NMSA 1978 (being Laws 1979,
16 Chapter 391, Section 23, as amended) is amended to read:

17 "3-60A-23. APPROVAL OF ALTERNATIVE FUNDING METHOD.--

18 A. A metropolitan redevelopment plan, as
19 originally approved or as later modified, may contain a
20 provision that a portion of a property tax increment or gross
21 receipts tax increment may be dedicated for the purpose of
22 funding a metropolitan redevelopment project for a period of
23 up to twenty years.

24 B. A local government may dedicate up to
25 seventy-five percent of a property tax increment or gross

1 receipts tax increment and the state board of finance,
2 subject to the provisions of Subsection C of this section,
3 may dedicate up to seventy-five percent of a gross receipts
4 tax increment, each as determined pursuant to Section
5 3-60A-21 NMSA 1978, with the agreement of the municipality,
6 county or state board of finance, evidenced by a resolution
7 adopted by a majority vote of those entities. A resolution
8 to dedicate a property tax increment or gross receipts tax
9 increment shall become effective only on January 1 or July 1
10 of the calendar year.

11 C. The state board of finance shall condition a
12 dedication of a gross receipts tax increment attributable to
13 the state gross receipts tax on the approval required
14 pursuant to Section 6 of this 2023 act and that the initial
15 bonds issuance secured by such an increment shall be issued
16 no later than four years after the state board of finance has
17 adopted the resolution making the dedication. A resolution of
18 the state board of finance shall find that:

19 (1) the state board of finance has reviewed
20 the request for the use of the state gross receipts tax
21 increment; and

22 (2) based upon review by the state board of
23 finance of the applicable metropolitan redevelopment plan,
24 the dedication by the state board of finance of the gross
25 receipts tax increment within the metropolitan redevelopment

1 area for use in meeting the required goals of the
2 metropolitan redevelopment plan is reasonable and in the best
3 interest of the state.

4 D. The governing body of the jurisdiction in which
5 a metropolitan redevelopment area has been established shall
6 timely notify the assessor of the county in which the area
7 has been established, the taxation and revenue department and
8 the local government division of the department of finance
9 and administration when:

10 (1) a metropolitan redevelopment plan has
11 been approved that contains a provision for the allocation
12 and percentage of property tax increments and gross receipts
13 tax increments;

14 (2) any outstanding bonds of the area have
15 been paid off; and

16 (3) the purposes of the area have otherwise
17 been achieved."

18 SECTION 6. A new section of the Metropolitan
19 Redevelopment Code is enacted to read:

20 "APPROVAL REQUIRED FOR ISSUANCE OF BONDS AGAINST A
21 STATE GROSS RECEIPTS TAX INCREMENT.--

22 A. In addition to all other requirements of the
23 Metropolitan Redevelopment Code, prior to issuing bonds that
24 are issued in whole or in part against a gross receipts tax
25 increment attributable to the state gross receipts tax within

1 a metropolitan redevelopment area and before a distribution
2 attributable to the state gross receipts tax is made pursuant
3 to Section 11 of this 2023 act, the New Mexico finance
4 authority shall review the proposed issuance of the bonds and
5 determine that the proceeds of the bonds will be used for a
6 metropolitan redevelopment project in accordance with the
7 area's metropolitan redevelopment plan and present the
8 proposed issuance of the bonds to the legislature for
9 approval.

10 B. The issuance of the bonds and the maximum amount
11 of bonds to be issued shall be specifically authorized by
12 law."

13 SECTION 7. Section 3-60A-23.1 NMSA 1978 (being
14 Laws 2000, Chapter 103, Section 4, as amended) is amended to
15 read:

16 "3-60A-23.1. TAX INCREMENT BONDS.--

17 A. For the purpose of financing metropolitan
18 redevelopment projects, in whole or in part, a local
19 government may issue tax increment bonds or tax increment
20 bond anticipation notes that are payable from and secured by
21 revenue from a gross receipts tax increment allocated to the
22 metropolitan redevelopment fund pursuant to Sections 3-60A-21
23 and 3-60A-23 NMSA 1978. The principal of, premium, if any,
24 and interest on the bonds or notes shall be payable from and
25 secured by a pledge of such revenues, and the local

1 government shall irrevocably pledge all or part of the
2 revenues to the payment of the bonds or notes. The revenues
3 deposited in the metropolitan redevelopment fund or the
4 designated part thereof may thereafter be used only for the
5 payment of the principal of, premium, if any, and interest on
6 the bonds or notes, and a holder of the bonds or notes shall
7 have a first lien against the revenues deposited in the
8 metropolitan redevelopment fund or the designated part
9 thereof for the payment of principal of, premium, if any, and
10 interest on the bonds or notes. To increase the security and
11 marketability of the tax increment bonds or notes, the local
12 government may:

13 (1) create a lien for the benefit of the
14 bondholders on any public improvements or public works used
15 solely by the metropolitan redevelopment project or portion
16 of a project financed by the bonds or notes, or on the
17 revenues of such improvements or works;

18 (2) provide that the proceeds from the sale
19 of real and personal property acquired with the proceeds from
20 the sale of bonds or notes issued pursuant to the Tax
21 Increment Law shall be deposited in the metropolitan
22 redevelopment fund and used for the purposes of repayment of
23 principal of, premium, if any, and interest on the bonds or
24 notes; and

25 (3) make covenants and do any and all acts

1 not inconsistent with law as may be necessary, convenient or
2 desirable in order to additionally secure the bonds or notes
3 or make the bonds or notes more marketable in the exercise of
4 the discretion of the local government.

5 B. Bonds and notes issued pursuant to this section
6 shall not constitute an indebtedness within the meaning of
7 any constitutional or statutory debt limitation or
8 restriction, shall not be general obligations of the local
9 government, shall be collectible only from the proper pledged
10 revenues and shall not be subject to the provisions of any
11 other law or charter relating to the authorization, issuance
12 or sale of tax increment bonds or tax increment bond
13 anticipation notes. Bonds and notes issued pursuant to the
14 Tax Increment Law are declared to be issued for an essential
15 public and governmental purpose and, together with interest
16 thereon, shall be exempted from all taxes by the state.

17 C. The bonds or notes shall be authorized by an
18 ordinance of the local government; shall be in a denomination
19 or denominations, bear a date and mature, in the case of
20 bonds, at a time not exceeding twenty years from their date,
21 and in the case of notes, not exceeding five years from the
22 date of the original note; bear interest at a rate or have
23 appreciated principal value not exceeding the maximum net
24 effective interest rate permitted by the Public Securities
25 Act; and be in a form, carry registration privileges, be

1 executed in a manner, be payable at a place within or without
2 the state, be payable at intervals or at maturity and be
3 subject to terms of redemption as the authorizing ordinance
4 or supplemental resolution of the local government may
5 provide.

6 D. The bonds or notes may be sold in one or more
7 series at, below or above par, at public or private sale, in
8 a manner and for a price as the local government, in its
9 discretion, shall determine; provided that the price at which
10 the bonds or notes are sold shall not result in a net
11 effective interest rate that exceeds the maximum permitted by
12 the Public Securities Act. As an incidental expense of a
13 metropolitan redevelopment project or the portion financed
14 with the bonds or notes, the local government in its
15 discretion may employ financial and legal consultants with
16 regard to the financing of the project.

17 E. In case any of the public officials of the
18 local government whose signatures appear on any bonds or
19 notes issued pursuant to the Tax Increment Law cease to be
20 public officials before the delivery of the bonds or notes,
21 the signatures shall, nevertheless, be valid and sufficient
22 for all purposes, the same as if the officials had remained
23 in office until delivery. Any provision of law to the
24 contrary notwithstanding, any bonds or notes issued pursuant
25 to the Tax Increment Law shall be fully negotiable.

1 F. In any suit, action or proceeding involving the
2 validity or enforceability of any bond or note issued
3 pursuant to the Tax Increment Law or the security therefor,
4 any bond or note reciting in substance that it has been
5 issued by the local government in connection with a
6 metropolitan redevelopment project shall be conclusively
7 deemed to have been issued for that purpose and the project
8 shall be conclusively deemed to have been planned, located
9 and carried out in accordance with the provisions of the
10 Metropolitan Redevelopment Code.

11 G. The proceedings under which tax increment bonds
12 or tax increment bond anticipation notes are authorized to be
13 issued and any mortgage, deed of trust, trust indenture or
14 other lien or security device on real and personal property
15 given to secure the same may contain provisions customarily
16 contained in instruments securing bonds and notes and
17 constituting a covenant with the bondholders.

18 H. A local government may issue bonds or notes
19 pursuant to this section with the proceeds from the bonds or
20 notes to be used as other money is authorized to be used in
21 the Metropolitan Redevelopment Code.

22 I. Subject to the provisions of Section 6 of this
23 2023 act, the local government shall have the power to issue
24 renewal notes, to issue bonds to pay notes and, whenever it
25 deems refunding expedient, to refund any bonds by the

1 issuance of new bonds, whether the bonds to be refunded have
2 or have not matured, and to issue bonds partly to refund
3 bonds then outstanding and partly for other purposes in
4 connection with financing metropolitan redevelopment
5 projects, in whole or in part. Refunding bonds issued
6 pursuant to the Tax Increment Law to refund outstanding tax
7 increment bonds shall be payable from a gross receipts tax
8 increment, out of which the bonds to be refunded thereby are
9 payable or from other lawfully available revenues.

10 J. The proceeds from the sale of any bonds or
11 notes shall be applied only for the purpose for which the
12 bonds or notes were issued, and if, for any reason, any
13 portion of the proceeds are not needed for the purpose for
14 which the bonds or notes were issued, the unneeded portion of
15 the proceeds shall be applied to the payment of the principal
16 of or the interest on the bonds or notes.

17 K. The cost of financing a metropolitan
18 redevelopment project shall be deemed to include the actual
19 cost of acquiring a site and the cost of the construction of
20 any part of a project, including architects' and engineers'
21 fees, the purchase price of any part of a project that may be
22 acquired by purchase and all expenses in connection with the
23 authorization, sale and issuance of the bonds or notes to
24 finance the acquisition and any related costs incurred by the
25 local government.

1 L. No action shall be brought questioning the
2 legality of any contract, mortgage, deed of trust, trust
3 indenture or other lien or security device, proceeding or
4 bonds or notes executed in connection with any project
5 authorized by the Metropolitan Redevelopment Code on and
6 after thirty days from the effective date of the ordinance
7 authorizing the issuance of such bonds or notes."

8 SECTION 8. Section 3-60A-27 NMSA 1978 (being Laws 1979,
9 Chapter 391, Section 27, as amended) is amended to read:

10 "3-60A-27. DEFINITIONS.--As used in the Redevelopment
11 Bonding Law:

12 A. "finance" or "financing" means the issuing of
13 bonds by a local government and the use of substantially all
14 of the proceeds from the bonds pursuant to a financing
15 agreement with the user to pay or to reimburse the user or
16 its designee for the costs of the acquisition or construction
17 of a project, whether these costs are incurred by the local
18 government, the user or a designee of the user; provided that
19 title to or in the project may at all times remain in the
20 user, and, in such case, the bonds of the local government
21 may be secured by mortgage or other lien upon the project or
22 upon any other property of the user, or both, granted by the
23 user or by a pledge of one or more notes, debentures, bonds
24 or other secured or unsecured debt obligations of the user,
25 as the governing body deems advisable, but no local

1 government shall be authorized hereby to pledge any of its
2 property or to otherwise secure the payment of any bonds with
3 its property, except that the local government may pledge the
4 revenues from the project;

5 B. "financing agreement" includes a lease,
6 sublease, installment purchase agreement, rental agreement,
7 option to purchase or any other agreement or any combination
8 thereof entered into in connection with the financing of a
9 project pursuant to the Metropolitan Redevelopment Code;

10 C. "mortgage" means a deed of trust or any other
11 security device for both real and personal property;

12 D. "ordinance" means an ordinance of a local
13 government financing or refinancing an activity involving or
14 affecting improvement or improvements;

15 E. "project" means an activity that can be funded
16 or refinanced by revenue bonds issued pursuant to the
17 Redevelopment Bonding Law for the purpose of acquiring,
18 improving, rehabilitating, conserving, financing,
19 refinancing, erecting or building new or improved facilities
20 on land, building or buildings or any other improvement or
21 improvements, site or any other activity authorized by the
22 Metropolitan Redevelopment Code for projects or activities
23 located within the boundaries of a metropolitan redevelopment
24 area. The revenue bonds may be used for the projects
25 hereafter enumerated for any purpose or use in such project,

1 except that no funds shall be used for inventories, raw
2 materials or other working capital, whether or not in
3 existence, suitable or used for or in connection with any of
4 the following projects:

5 (1) manufacturing, industrial, commercial or
6 business enterprises, including without limitation
7 enterprises engaged in storing, warehousing, distributing,
8 selling or transporting any products of industry, commerce,
9 manufacturing or business or any utility plant;

10 (2) hospital, health care or nursing home
11 facilities, including without limitation clinics and
12 outpatient facilities and facilities for the training of
13 hospital, health care or nursing home personnel;

14 (3) residential facilities intended for use
15 as the place of residence by the owners or intended
16 occupants;

17 (4) sewage or solid waste disposal
18 facilities;

19 (5) facilities for the furnishing of water,
20 if available, on reasonable demand to members of the general
21 public;

22 (6) facilities for the furnishing of energy
23 or gas;

24 (7) sports and recreational facilities;

25 (8) convention or trade show facilities;

1 (9) research, product testing and
2 administrative facilities;

3 (10) creative enterprises or industries;

4 (11) cultural facilities as defined in the
5 Local Economic Development Act; and

6 (12) public infrastructure in state-
7 authorized main street projects or arts and cultural
8 districts;

9 F. "revenue bonds" means bonds, notes or other
10 securities evidencing an obligation and issued pursuant to
11 the powers granted by the Metropolitan Redevelopment Code by
12 a local government for purposes authorized by that code;

13 G. "user" means one or more persons who enter into
14 a financing agreement with a local government relating to a
15 project, except that the user need not be the person actually
16 occupying, operating or maintaining the project; and

17 H. "utility plant" means any facility used for or
18 in connection with the generation, production, transmission
19 or distribution of electricity; the production, manufacture,
20 storage or distribution of gas; the transportation or
21 conveyance of gas, oil or other fluid substance by pipeline;
22 or the diverting, developing, pumping, impounding,
23 distributing or furnishing of water."

24 SECTION 9. Section 3-60A-30 NMSA 1978 (being Laws 1979,
25 Chapter 391, Section 30, as amended) is amended to read:

1 "3-60A-30. BONDS AS LEGAL INVESTMENTS.--All banks,
2 trust companies, bankers, building and loan associations,
3 savings and loan associations, investment companies and other
4 persons carrying on a banking or investment business; all
5 insurance companies, insurance associations and other persons
6 carrying on an insurance business; and all executors,
7 administrators, curators, trustees and other fiduciaries may
8 legally invest any sinking funds, money or other funds
9 belonging to them or within their control in any bonds or
10 other obligations issued by a local government pursuant to
11 the Metropolitan Redevelopment Code or by any agency vested
12 with metropolitan redevelopment project powers under the
13 Redevelopment Law; provided that the bonds and other
14 obligations shall be secured by a pledge of revenues that is
15 of sufficient value to equal the principal and interest of
16 the bonds at maturity. The bonds and other obligations shall
17 be authorized security for all public deposits. Nothing
18 contained in this section with regard to legal investments
19 shall be construed as relieving any person of any duty of
20 exercising reasonable care in selecting securities."

21 SECTION 10. Section 3-60A-33 NMSA 1978 (being
22 Laws 1979, Chapter 391, Section 33, as amended) is amended to
23 read:

24 "3-60A-33. REVENUE BONDS--BOND SECURITY.--The principal
25 of, the interest on and any prior redemption premiums due in

1 connection with the revenue bonds shall be payable from,
2 secured by a pledge of and constitute a lien on the revenues
3 out of which the bonds shall be made payable. In addition,
4 they may be secured by a mortgage covering all or any part of
5 the project or upon any other property of the user or both by
6 a pledge of the revenues from or a financing agreement for
7 the project or both as the local government in its discretion
8 may determine; but no local government shall be authorized by
9 the Redevelopment Bonding Law to pledge any of its property
10 or to otherwise secure the payment of any bonds with its
11 property, except that the local government may pledge the
12 revenues from the project."

13 SECTION 11. A new section of the Tax Administration Act
14 is enacted to read:

15 "DISTRIBUTION--METROPOLITAN REDEVELOPMENT FUND.--A
16 distribution for a metropolitan redevelopment project
17 pursuant to the Metropolitan Redevelopment Code shall be made
18 to the metropolitan redevelopment fund in accordance with a
19 notice filed by a municipality or county pursuant to Section
20 3-60A-21 NMSA 1978 with respect to a dedication of a gross
21 receipts tax increment."

22 SECTION 12. Section 7-1-6.12 NMSA 1978 (being
23 Laws 1983, Chapter 211, Section 17, as amended) is amended to
24 read:

25 "7-1-6.12. TRANSFER--REVENUES FROM MUNICIPAL LOCAL

1 OPTION GROSS RECEIPTS AND COMPENSATING TAXES.--

2 A. A transfer pursuant to Section 7-1-6.1
3 NMSA 1978 shall be made to each municipality for which the
4 department is collecting a local option gross receipts tax
5 and municipal compensating tax imposed by that municipality
6 in an amount, subject to any increase or decrease made
7 pursuant to Section 7-1-6.15 NMSA 1978, equal to the net
8 receipts attributable to the local option gross receipts tax
9 and municipal compensating tax imposed by that municipality,
10 less any deduction for administrative cost determined and
11 made by the department pursuant to the provisions of the act
12 authorizing imposition by that municipality of the local
13 option gross receipts tax and municipal compensating tax and
14 any additional administrative fee withheld pursuant to
15 Section 7-1-6.41 NMSA 1978.

16 B. A transfer pursuant to this section may be
17 adjusted for a distribution made to a tax increment
18 development district with respect to a portion of a gross
19 receipts tax increment dedicated by a municipality pursuant
20 to the Tax Increment for Development Act.

21 C. A transfer pursuant to this section shall be
22 adjusted for a distribution made to the Local Economic
23 Development Act fund pursuant to Section 7-1-6.67 NMSA 1978
24 and with respect to the amount dedicated by a municipality
25 pursuant to Subsection B of Section 5-10-17 NMSA 1978.

1 D. A transfer pursuant to this section shall be
2 adjusted for a distribution made to the metropolitan
3 redevelopment fund pursuant to Section 11 of this 2023 act
4 and with respect to the amount dedicated by a municipality
5 pursuant to Section 3-60A-23 NMSA 1978."

6 SECTION 13. Section 7-1-6.13 NMSA 1978 (being Laws
7 1983, Chapter 211, Section 18, as amended) is amended to
8 read:

9 "7-1-6.13. TRANSFER--REVENUES FROM COUNTY LOCAL OPTION
10 GROSS RECEIPTS AND COMPENSATING TAXES.--

11 A. A transfer pursuant to Section 7-1-6.1 NMSA
12 1978 shall be made to each county for which the department is
13 collecting a local option gross receipts tax and county
14 compensating tax imposed by that county in an amount, subject
15 to any increase or decrease made pursuant to Section 7-1-6.15
16 NMSA 1978, equal to the net receipts attributable to the
17 local option gross receipts tax and county compensating tax
18 imposed by that county, less any deduction for administrative
19 cost determined and made by the department pursuant to the
20 provisions of the act authorizing imposition by that county
21 of the local option gross receipts tax and county
22 compensating tax and any additional administrative fee
23 withheld pursuant to Section 7-1-6.41 NMSA 1978.

24 B. A transfer pursuant to this section may be
25 adjusted for a distribution made to a tax increment

1 development district with respect to a portion of a gross
2 receipts tax increment dedicated by a county pursuant to the
3 Tax Increment for Development Act.

4 C. A transfer pursuant to this section shall be
5 adjusted for a distribution made to the Local Economic
6 Development Act fund pursuant to Section 7-1-6.67 NMSA 1978
7 and with respect to the amount dedicated by a county pursuant
8 to Subsection B of Section 5-10-17 NMSA 1978.

9 D. A transfer pursuant to this section shall be
10 adjusted for a distribution made to the metropolitan
11 redevelopment fund pursuant to Section 11 of this 2023 act
12 and with respect to the amount dedicated by a county pursuant
13 to Section 3-60A-23 NMSA 1978."

14 SECTION 14. REPEAL.--Section 3-60A-24 NMSA 1978 (being
15 Laws 1979, Chapter 391, Section 24) is repealed.

16 SECTION 15. EFFECTIVE DATE.--The effective date of the
17 provisions of this act is July 1, 2024. _____