

SENATE BILL 58

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

INTRODUCED BY

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AN ACT

RELATING TO TAXATION; EXTENDING THE PROPERTY TAX EXEMPTION
PERIOD FOR PROJECT PROPERTY IN METROPOLITAN REDEVELOPMENT
AREAS.

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

SECTION 1. 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
3-60A-13 NMSA 1978 or Section 7-36-3.1 NMSA 1978, then during
the period extending from the date of acquisition of the
property by the local government through December 31 of the
year in which the ~~[seventh]~~ fourteenth anniversary of that

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1 acquisition date occurs, any lessee of the project property or
2 owner of a substantial beneficial interest in the project
3 property, in whose ownership the property would not be exempt
4 from property taxation except for the exemption granted under
5 Section 7-36-3.1 NMSA 1978, shall pay to the county treasurer
6 annually, at the same time property tax payments are due under
7 the Property Tax Code, an amount equal to the sum of:

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

13 (2) amounts that would have been imposed under
14 Subsection C of Section 7-37-7 NMSA 1978 on the project
15 property had it not been exempt and had it been valued at the
16 valuation for property taxation purposes that existed in the
17 year immediately preceding the year of acquisition by the local
18 government; and

19 (3) amounts that would have been imposed as
20 benefit assessments on the project property had it not been
21 exempt and had it been valued at the valuation for property
22 taxation purposes that existed in the year immediately
23 preceding the year of acquisition by the local government if
24 those benefit assessments are authorized by law and are
25 expressed in mills per dollar or dollars per thousand dollars

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1 of net taxable value of property, assessed value of property or
2 similar terms.

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

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

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

14 "7-36-3.1. METROPOLITAN REDEVELOPMENT PROPERTY--TAX
15 STATUS OF LESSEE'S INTERESTS.--Property interests of a lessee
16 in project property held under a lease with respect to a
17 project authorized by the Metropolitan Redevelopment Code and
18 acquired or held by a municipality prior to January 1, 1986
19 under the provisions of that code are exempt from property
20 taxation for as long as there is an outstanding bonded
21 indebtedness, but in any event for a period not to exceed [~~ten~~]
22 fourteen years from the date of execution of the first lease of
23 the project by the municipality. Property interests of a
24 lessee of or an owner of a substantial beneficial interest in
25 project property acquired or held by a municipality on or after

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1 January 1, 1986 with respect to a project authorized by the
2 Metropolitan Redevelopment Code are exempt from property
3 taxation for a period extending from the date of acquisition of
4 the project property by the municipality through December 31 of
5 the year in which the [~~seventh~~] fourteenth anniversary of that
6 acquisition date occurs."

7 SECTION 3. APPLICABILITY.--The provisions of this act
8 apply to leases of project property executed on or after the
9 effective date of this act.

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