

Proposed

SENATE
COMMITTEE SUBSTITUTE FOR
SENATE BILL 283

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

DISCUSSION ACT

AN ACT

RELATING TO THE PUBLIC PEACE, HEALTH, SAFETY AND WELFARE;
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

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underscored material = new
[bracketed material] = delete

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

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

1 conditions may make impracticable their reclamation or
2 development; other areas or portions of the slum or blighted
3 area may be suitable for conservation or rehabilitation efforts
4 and the conditions and evils enumerated in Subsection A of this
5 section may be eliminated, remedied or prevented by those
6 efforts; and to the extent feasible:

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

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

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

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1 and the power is declared to be in the public interest as a
2 matter of legislative determination."

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

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

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

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

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

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

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

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

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

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1 any combination of such factors; or an area that retards the
2 provisions of housing accommodations or constitutes an economic
3 or social burden and is a menace to the public health, safety,
4 morals or welfare in its present condition and use;

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

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

9 (2) rising housing costs that outpace wage
10 growth;

11 (3) low vacancy rates;

12 (4) excessive housing costs;

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

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

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

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

25 (2) provide for qualifying multifamily units

1 in a housing shortage area designated as a metropolitan
 2 redevelopment area;

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

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

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

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

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1 (1) seek to eliminate the problems created by
2 a slum area, ~~[or]~~ a blighted area or a housing shortage area;

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

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

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

23 ~~[M.]~~ N. "bonds" means any bonds, including
24 refunding bonds, notes, interim certificates, certification of
25 indebtedness, debentures, metropolitan redevelopment bonds or

1 other securities evidencing an obligation and issued under the
2 provisions of the Metropolitan Redevelopment Code or other
3 obligations;

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

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

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

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

25 [R-] S. "public officer" means any person who is in

1 charge of any department or branch of government of the local
2 government; [~~and~~

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

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

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

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

1 SECTION 3. Section 3-60A-7 NMSA 1978 (being Laws 1979,
2 Chapter 391, Section 7, as amended) is amended to read:

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

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

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

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

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

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

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

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

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

23 [~~C.~~] D. A local government shall not acquire real
24 property for a metropolitan redevelopment project unless the
25 local government has approved a metropolitan redevelopment plan

1 relating to the metropolitan redevelopment area in which the
2 real property is located."

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

5 "3-60A-9. PREPARATION OF A METROPOLITAN REDEVELOPMENT
6 PLAN.--

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

21 B. The local government shall hold a public hearing
22 on a metropolitan redevelopment plan or substantial
23 modification of an approved plan after public notice by
24 publication in a newspaper having a general circulation in the
25 area of operation of the local government. The notice shall

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

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

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

23 (2) a feasible method is included in the plan
24 to provide individuals and families who occupy residential
25 dwellings in the metropolitan redevelopment area and who may be

1 displaced by the proposed activities with decent, safe and
2 sanitary dwelling accommodations within their means and without
3 undue hardship to such individuals and families;

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

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

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

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

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

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1 the requirement of a public hearing, before it may be
2 approved."

3 SECTION 6. Section 3-60A-10 NMSA 1978 (being Laws 1979,
4 Chapter 391, Section 10, as amended) is amended to read:

5 "3-60A-10. POWERS OF LOCAL GOVERNMENT.--A local
6 government shall have all the powers, other than the power of
7 eminent domain, necessary or convenient to carry out and
8 effectuate the purposes and provisions of the Metropolitan
9 Redevelopment Code, including the following powers:

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

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

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

19 C. within its area of operation, to inspect any
20 building or property in a metropolitan redevelopment area in
21 order to make surveys, appraisals, soundings or test borings
22 and to obtain an order for this purpose from a court of
23 competent jurisdiction in the event inspection is denied by the
24 property owner or occupant; to acquire, by purchase, lease,
25 option, gift, grant, bequest, devise or otherwise, any real

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1 property or personal property for its administrative or project
2 purposes, together with any improvements thereon; to hold,
3 improve, clear or prepare for redevelopment any such property;
4 to mortgage, pledge, hypothecate or otherwise encumber or
5 dispose of any real property; to insure or provide for the
6 insurance of real or personal property or operations of the
7 local government against risks or hazards, including the power
8 to pay premiums on that insurance; and to enter into contracts
9 necessary to effectuate the purposes of the Metropolitan
10 Redevelopment Code;

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

20 E. to borrow or lend money subject to those
21 procedures and limitations as may be provided in the
22 constitution of New Mexico or statutes and to apply for and
23 accept advances, loans, grants, contributions and other forms
24 of financial assistance from the federal government, the state,
25 the county or other public body or from sources, public or

1 private, for the purposes of the Metropolitan Redevelopment
2 Code; and to give security as may be required and subject to
3 the provisions and limitations of general law except as may
4 otherwise be provided by the Redevelopment Law and to enter
5 into and carry out contracts in connection with that law. A
6 local government may include in a contract for financial
7 assistance with the federal government for a metropolitan
8 redevelopment project conditions imposed pursuant to federal
9 law that the local government may deem reasonable or
10 appropriate and that are not inconsistent with the purposes of
11 the Metropolitan Redevelopment Code;

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

18 (1) a general plan for redevelopment of the area
19 as a whole;

20 (2) redevelopment plans for specific areas;

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

23 (4) plans for the enforcement of state and local
24 laws, codes and regulations relating to the use of land and the
25 use and occupancy of buildings and improvements and to the

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1 compulsory repair, rehabilitation, demolition or removal of
2 buildings and improvements; and

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

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

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

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

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1 redevelopment project powers, which agreements may extend over
2 any period, notwithstanding any provision or rule of law to the
3 contrary, respecting action to be taken by the local government
4 pursuant to the powers granted by the Redevelopment Law;

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

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

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

22 (1) acquisition, construction, reconstruction or
23 installation of public works, facilities and site or other
24 improvements, including neighborhood facilities, senior citizen
25 centers, historic properties, utilities, streets, street

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

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

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

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

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

1 (6) payment of reasonable administrative costs
2 and carrying charges related to the planning and execution of
3 plans and projects;

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

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

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

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

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

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

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

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

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1 N. the local government is empowered in a
2 metropolitan redevelopment area to undertake qualifying
3 multifamily property development and slum clearance and
4 redevelopment that includes:

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

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

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

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

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

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1 (1) carrying out plans for a program of
2 voluntary or compulsory construction or repair and
3 rehabilitation of buildings or other improvements;

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

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

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

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

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

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

1 (8) acquisition, without regard to any
2 requirement that the area be a housing shortage area, a slum or
3 a blighted area, of air-rights in an area consisting
4 principally of land on which is located a highway, railway,
5 bridge or subway tracks or tunnel entrance or other similar
6 facilities that have a blighting influence on the surrounding
7 area and over which air-rights sites are to be developed for
8 the construction or designation of qualifying multifamily
9 property or the elimination of such blighting influences; and

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

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

23 "3-60A-13.1. PAYMENTS IN LIEU OF PROPERTY TAXES AND
24 ASSESSMENTS.--

25 A. If interests in project property are exempt from

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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 anniversary of that acquisition date occurs, except for qualifying multifamily property, for which the period may be extended up to the twentieth anniversary if set forth in the applicable metropolitan redevelopment plan adopted by the local government, any lessee of the project property or owner of a substantial beneficial interest in the project property, in whose ownership the property would not be exempt from property taxation except for the exemption granted under Section 7-36-3.1 NMSA 1978, shall pay to the county treasurer annually, at the same time property tax payments are due under the Property Tax Code, an amount equal to the sum of:

(1) general property taxes that would have been imposed under Subsection B of Section 7-37-7 NMSA 1978 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;

(2) amounts that would have been imposed under Subsection C of Section 7-37-7 NMSA 1978 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

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1 government; and

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

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

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

19 **SECTION 8.** 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 PROJECTS.--

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

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

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

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

14 (2) approve or amend redevelopment plans;

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

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

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

24 (6) issue redevelopment bonds; and

25 (7) appropriate funds and levy taxes and

assessments."

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

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

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

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

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

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

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underscored material = new
[bracketed material] = delete