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SENATE BILL 734

44TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1999

INTRODUCED BY

Manny M Aragon

AN ACT

RELATING TO TAXATION; PROVIDING FOR PAYMENTS IN LIEU OF SCHOOL DISTRICT PROPERTY TAXES FOR CERTAIN PROPERTY EXEMPT FROM PROPERTY TAXATION BECAUSE IT IS HELD UNDER A LEASE FROM A COUNTY OR A MUNICIPALITY UNDER AUTHORITY OF AN INDUSTRIAL REVENUE BOND.

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

Section 1. A new section of the Property Tax Code is enacted to read:

[NEW MATERIAL] PAYMENT IN LIEU OF SCHOOL DISTRICT TAXES FOR EXEMPT PROJECT PROPERTY INTERESTS. --

A. A property interest held under a lease from a county or a municipality under authority of an industrial revenue bond that is exempted from property taxation pursuant to the provisions of Section 7-36-3 NMSA 1978 shall be valued

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1 by the appropriate valuation authority as of January 1 of each
2 year during the period for which the interest is exempt. The
3 interest shall be valued as if it were subject to property
4 taxation and a value equivalent to the net taxable value of
5 the interest shall be determined and reported to the county
6 treasurer at the same time and in the same manner as net
7 taxable values of property subject to property taxation are
8 reported.

9 B. Notices of valuation of exempt interests shall
10 be prepared and sent to the owner of the interest in the same
11 manner as notices of valuation for property subject to
12 taxation. Procedures for protesting values for property
13 taxation purposes shall apply to values determined for exempt
14 interests.

15 C. The county treasurer shall determine the amount
16 of and prepare a bill for a payment in lieu of school district
17 taxes to be sent to the person owning the exempt interest at
18 the same time as property tax bills are sent. The amount of a
19 payment in lieu of taxes shall be determined by applying to
20 the reported value of the exempt interest the same rates as
21 the following rates set by the department of finance and
22 administration and imposed on the net taxable value of
23 property subject to taxation and located in the same school
24 district as the exempt interest:

- 25 (1) the rate imposed pursuant to Paragraph
. 127732. 1

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1 (2) of Subsection B of Section 7-37-7 NMSA 1978;

2 (2) the rate imposed pursuant to the Public
3 School Capital Improvements Act;

4 (3) a rate imposed pursuant to the Public
5 School Buildings Act; and

6 (4) a rate imposed for the purpose of paying
7 and servicing general obligation bonded indebtedness of the
8 school district, including that incurred by the issuance of
9 any refunding bonds.

10 D. In setting the property tax rate for retiring a
11 school district's general obligation bonded indebtedness, the
12 department of finance and administration shall include in
13 anticipated revenue the amount of any payments in lieu of
14 school district taxes.

15 E. The liability for payments of any amount billed
16 as a payment in lieu of taxes pursuant to this section, plus
17 any penalties and interest accrued, is that of the person
18 owning the exempt interest and, in the event of nonpayment,
19 may be collected by the county treasurer in an action brought
20 for that purpose in the district court of the county in which
21 the exempt interest is located.

22 F. The county treasurer shall account for and
23 distribute the amounts collected for payments in lieu of
24 school district taxes in the same manner as property taxes
25 collected for the purposes of Paragraph (2) of Subsection B of

. 127732. 1

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1 Section 7-37-7 NMSA 1978, the Public School Capital
2 Improvements Act, the Public School Buildings Act and debt
3 service and payment of the school district's general
4 obligation bonded indebtedness.

5 G. Penalties and interest for nonpayment of
6 payments in lieu of taxes shall accrue at the same rates,
7 amounts and time as for nonpayment of property taxes.
8 Payments in lieu of taxes shall not be payable in
9 installments.

10 H. No lien arises or exists against the exempt
11 interest for payments in lieu of taxes, and provisions for
12 enforcement of the collection of property taxes are not
13 applicable to the enforcement of the collection of payments in
14 lieu of taxes."

15 Section 2. APPLICABILITY. --The provisions of this act
16 apply to property tax year 2000 and subsequent tax years.