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 a year that shall not exceed the fourteenth anniversary of that acquisition date, 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 government; and

(3) amounts that would have been imposed as benefit assessments 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 government if those benefit assessments are authorized by law and are expressed in mills per dollar or dollars per thousand dollars of net taxable value of property, assessed value of property or similar terms.

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

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

SECTION 2. 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.--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 fourteen years from the date of execution of the first lease of the project by the municipality. 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 a year that shall not exceed the fourteenth anniversary of that acquisition date."

SECTION 3. APPLICABILITY.--The provisions of this act

apply to leases of project property executed on or after the effective date of this act.