

BILL

**50TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2012**

INTRODUCED BY

DISCUSSION DRAFT

AN ACT

RELATING TO TAXATION; CREATING A FINANCING MECHANISM FOR PUBLIC  
TRANSPORTATION INFRASTRUCTURE; DEDICATING GROSS RECEIPTS TAX  
INCREMENTS; AUTHORIZING THE ISSUANCE OF BONDS; ENACTING THE  
TRANSPORTATION REINVESTMENT ZONE ACT; DECLARING AN EMERGENCY.

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

**SECTION 1. SHORT TITLE.**--This act may be cited as the  
"Transportation Reinvestment Zone Act".

**SECTION 2. FINDINGS AND PURPOSE.**--

A. The purpose of the Transportation Reinvestment  
Zone Act is to:

(1) create a financing mechanism for the  
development and redevelopment of transportation infrastructure  
by using a dedicated gross receipts tax increment for public  
infrastructure; and

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1 (2) establish certain land use standards that  
2 support economic development and job creation, promote public  
3 safety, facilitate the movement of persons and materials and  
4 enable a local government to establish a zone that is able to  
5 collaborate to access other funding sources in order to finance  
6 public infrastructure.

7 B. The legislature finds and declares that the  
8 powers conferred by the Transportation Reinvestment Zone Act  
9 are for public uses and purposes for which public money may be  
10 expended and the public power exercised.

11 SECTION 3. DEFINITIONS.--As used in the Transportation  
12 Reinvestment Zone Act:

13 A. "adjusted taxable gross receipts" means taxable  
14 gross receipts plus, to the extent that dedicated gross  
15 receipts tax includes distributions pursuant to Section  
16 7-1-6.46 or 7-1-6.47 NMSA 1978, the amount of deductions  
17 allowed under Sections 7-9-92 and 7-9-93 NMSA 1978;

18 B. "base adjusted gross receipts taxes" means:

19 (1) the total amount of revenue from gross  
20 receipts taxes imposed on adjusted taxable gross receipts for  
21 reporting periods covering business activity in the base year  
22 and designated by the governing body to be available as part of  
23 the gross receipts tax increment; provided that, in the first  
24 year that a gross receipts tax increment is dedicated, the  
25 amount of base adjusted gross receipts taxes shall be

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1 determined from actual gross receipts tax revenue, to the  
2 extent possible, or estimated by multiplying the amount of  
3 adjusted taxable gross receipts reported in that first year by  
4 a factor reflecting an estimated growth rate from the base  
5 year, where the estimate is made by the governing body that  
6 adopted a resolution to form a transportation reinvestment zone  
7 in consultation with the taxation and revenue department and  
8 other economic forecasting experts in New Mexico;

9 (2) any amount of gross receipts taxes that  
10 would have been collected in the base year if any applicable  
11 additional gross receipts taxes or rate increases imposed or  
12 put into effect after that year had been imposed in that year;  
13 and

14 (3) when an area is added to an existing  
15 transportation reinvestment zone, the amount of gross receipts  
16 taxes from the adjusted taxable gross receipts reported in the  
17 added area in the calendar year that includes the effective  
18 date of the modification of the transportation reinvestment  
19 zone;

20 C. "base year" means the calendar year in which the  
21 transportation reinvestment zone is created and, when an area  
22 is added to an existing zone, for purposes of determining the  
23 gross receipts tax increment for the area added to the  
24 transportation reinvestment zone, the calendar year that  
25 includes the effective date of the modification of the

1 transportation reinvestment zone plan;

2 D. "governing body" means the city council or city  
3 commission, the board of trustees or council of a municipality  
4 or the board of county commissioners of a county;

5 E. "gross receipts tax increment" means the gross  
6 receipts taxes collected within a transportation reinvestment  
7 zone in excess of the base adjusted gross receipts taxes for  
8 the duration of the existence of a transportation reinvestment  
9 zone and distributions pursuant to Section 7-1-6.46 or 7-1-6.47  
10 NMSA 1978 to the transportation reinvestment zone;

11 F. "gross receipts tax increment bonds" means bonds  
12 issued by a transportation reinvestment zone in accordance with  
13 the Transportation Reinvestment Zone Act, the pledged revenue  
14 for which is a gross receipts tax increment;

15 G. "local government" means a municipality or  
16 county, or both;

17 H. "local option gross receipts tax" means a gross  
18 receipts tax imposed by a municipality or a county pursuant to  
19 the Municipal Local Option Gross Receipts Taxes Act, Local  
20 Hospital Gross Receipts Tax Act, County Local Option Gross  
21 Receipts Taxes Act or County Correctional Facility Gross  
22 Receipts Tax Act and designated by the governing body that  
23 imposed the tax to be available as part of the gross receipts  
24 tax increment;

25 I. "municipality" means an incorporated city, town

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1 or village;

2 J. "permitted activity" means:

3 (1) acquisition of land within the  
4 transportation reinvestment zone;

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

7 (3) installation, construction or  
8 reconstruction of transportation improvements, generation and  
9 power transmission facilities needed for transportation  
10 improvements and other public improvements necessary to carry  
11 out the objectives of the Transportation Reinvestment Zone Act;

12 (4) disposition of property acquired or held  
13 by a transportation reinvestment zone as part of the  
14 undertaking of a transportation reinvestment zone project at  
15 the fair market value of the property;

16 (5) contracting for professional services  
17 necessary to implement a transportation reinvestment zone plan  
18 or project and engaging or discharging employees of the  
19 transportation reinvestment zone;

20 (6) issuing gross receipts tax increment bonds  
21 for the purchase of land, buildings or infrastructure in an  
22 amount not to exceed seventy-five percent of the revenue stream  
23 that may be derived from the gross receipts tax increment  
24 estimated to be received by a transportation reinvestment zone;  
25 and

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1 (7) obtaining grants for public improvements;

2 K. "public improvement" means an off-site  
3 improvement that is owned by a local government, the state or  
4 the federal government when the improvement is completed and is  
5 a necessary part of a transportation improvement or ancillary  
6 to a transportation improvement and deemed to directly or  
7 indirectly benefit a transportation reinvestment zone or  
8 facilitate completion of a transportation reinvestment zone  
9 project; "public improvement" includes:

10 (1) completed transportation reinvestment zone  
11 projects;

12 (2) sanitary sewage and solid waste systems,  
13 including collection, transport, treatment, dispersal, effluent  
14 use and discharge related to or located on, under or adjacent  
15 to transportation improvements;

16 (3) drainage and flood control systems,  
17 including collection, transport, storage, treatment, dispersal,  
18 effluent use and discharge related to or located on, under or  
19 adjacent to transportation improvements;

20 (4) water systems for domestic, commercial,  
21 office, hotel or motel, industrial, irrigation, municipal or  
22 fire protection purposes, including production, collection,  
23 storage, treatment, transport, delivery, connection and  
24 dispersal related to or located on, under or adjacent to  
25 transportation improvements;

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1 (5) parks, recreational facilities and open  
2 space areas for the use of members of the public for  
3 recreation, entertainment and public assembly related to or  
4 located on or adjacent to transportation improvements;

5 (6) landscaping, including earthworks,  
6 structures, plants, trees and related water delivery systems  
7 related to or located on, under or adjacent to transportation  
8 improvements;

9 (7) local government-owned electrical  
10 generation, transmission and distribution facilities related to  
11 or located on, under or adjacent to transportation  
12 improvements;

13 (8) local government-owned natural gas  
14 distribution facilities related to or located on, under or  
15 adjacent to transportation improvements;

16 (9) local government-owned lighting systems  
17 related to or located on, under or adjacent to transportation  
18 improvements;

19 (10) local government-owned cable or other  
20 telecommunications lines and related equipment related to or  
21 located on, under or adjacent to transportation improvements;

22 (11) traffic control systems and devices,  
23 including signals, controls, markings and signage related to or  
24 located on, under or adjacent to transportation improvements;

25 (12) school sites and facilities with the

1 consent of the governing board of the school district for which  
2 the facility is to be acquired, constructed or renovated,  
3 libraries, other public educational or cultural facilities,  
4 other public buildings, police, fire and other public safety  
5 facilities and work force housing;

6 (13) equipment, vehicles, furnishings and  
7 other personal property for local government facilities  
8 included as components of the larger items listed in this  
9 subsection;

10 (14) inspection, construction management,  
11 planning and program management and other professional services  
12 costs incidental to the transportation reinvestment zone  
13 project; and

14 (15) any other improvement that the governing  
15 body determines to be for the use or benefit of the public  
16 related to or located on, under or adjacent to transportation  
17 improvements;

18 L. "state gross receipts tax" means the gross  
19 receipts tax imposed pursuant to the Gross Receipts and  
20 Compensating Tax Act, but does not include that portion  
21 distributed to municipalities pursuant to Sections 7-1-6.4 and  
22 7-1-6.46 NMSA 1978 or to counties pursuant to Section 7-1-6.47  
23 NMSA 1978;

24 M. "taxable gross receipts" means "gross receipts"  
25 as that term is defined for purposes of the Gross Receipts and



1 Compensating Tax Act, excluding any exemptions and less any  
2 deductions allowed for purposes of the Gross Receipts and  
3 Compensating Tax Act, that are reported within a transportation  
4 reinvestment zone on returns for which the corresponding gross  
5 receipts tax has been paid;

6 N. "taxing authority" means the governing body of  
7 one or more political subdivisions of the state that has  
8 established a transportation reinvestment zone, the gross  
9 receipts tax increment of which may be used for a  
10 transportation reinvestment zone project;

11 O. "transportation improvement" means publicly  
12 owned infrastructure that significantly improves the mobility  
13 of people within a transportation reinvestment zone and  
14 includes public improvements that are determined by the  
15 governing body to be advantageous to systematically develop in  
16 conjunction with the transportation improvement;

17 "transportation improvement" includes all modes of  
18 transportation or transportation facilities, including  
19 pedestrian and bicycle transportation facilities that provide  
20 for a safer environment, address vehicle parking and include  
21 public space improvements, including:

- 22 (1) an interstate and interstate interchanges;  
23 (2) a functionally classified arterial roadway  
24 and interchanges;  
25 (3) main street improvements;

- 1 (4) an airport or heliport;
- 2 (5) improvements that are designed to give
- 3 preferential treatment to transit modalities to reduce transit
- 4 travel time, improve service reliability, increase the
- 5 convenience of users and increase transit ridership, including:
- 6 (a) a fixed guideway, high occupancy
- 7 vehicle lane, transit way or transit lane;
- 8 (b) a transit center or station; and
- 9 (c) other real property associated with
- 10 a bus rapid transit operation;
- 11 (6) a passenger or freight rail facility,
- 12 light rail facility or street car facility that includes
- 13 tracks, a rail line, a depot, a center or station, a
- 14 maintenance facility or other real property associated with a
- 15 rail operation;
- 16 (7) highways, streets, roadways, bridges,
- 17 crossing structures and parking facilities, including all areas
- 18 for vehicular use for travel, ingress, egress and parking
- 19 related or linked to other transportation improvements; and
- 20 (8) trails and areas for pedestrian,
- 21 equestrian, bicycle or other non-motor-vehicle use for travel,
- 22 ingress, egress and parking related to the other items listed
- 23 in this subsection;
- 24 P. "transportation reinvestment zone" means a
- 25 special district formed pursuant to the Transportation

1 Reinvestment Zone Act and the land included within the  
2 boundaries of the district in which transportation reinvestment  
3 zone projects are completed according to a transportation  
4 reinvestment zone plan designed to create additional public  
5 revenues to improve the local economy, develop needed  
6 transportation improvements and improve the ability of local  
7 businesses to thrive or grow;

8 Q. "transportation reinvestment zone board" means  
9 the governing body of the county or the municipality that  
10 controls and oversees the activities of the transportation  
11 reinvestment zone;

12 R. "transportation reinvestment zone plan" means a  
13 plan that sets out the scope, goals and costs of a  
14 transportation reinvestment zone and the intended  
15 transportation reinvestment zone projects necessary to complete  
16 the plan; and

17 S. "transportation reinvestment zone project" means  
18 permitted activities undertaken within a transportation  
19 reinvestment zone to enhance the sustainability of the local,  
20 regional or statewide economy by creating, renovating,  
21 repairing or replacing transportation improvements to improve  
22 the mobility of people within the transportation reinvestment  
23 zone, region or municipality.

24 SECTION 4. FORMATION OF A TRANSPORTATION REINVESTMENT  
25 ZONE.--

1           A. In order for a transportation reinvestment zone  
2 to be formed, a majority of the members of the governing body  
3 shall approve its formation.

4           B. Any resolution that is adopted to approve the  
5 formation of a transportation reinvestment zone shall:

6                   (1) approve a transportation reinvestment zone  
7 plan;

8                   (2) identify and dedicate all gross receipts  
9 tax increments proposed to secure gross receipts tax increment  
10 bonds, including a statement as to whether increases in, or  
11 subsequently imposed, local option gross receipts taxes are  
12 dedicated;

13                   (3) establish a maximum principal amount of  
14 gross receipts tax increment bonds that may be issued and  
15 secured by the gross receipts tax increment; and

16                   (4) reference the Transportation Reinvestment  
17 Zone Act.

18           C. To form a transportation reinvestment zone and  
19 to permit additional development to create the gross receipts  
20 tax increment, a governing body may determine that changes are  
21 needed to zoning, master plans or other local plans,  
22 subdivision rules and other ordinances and rules of the local  
23 government to permit:

24                   (1) development at the maximum density,  
25 floor-area ratio, units per area or intensity as permitted

1 under zoning categories, without the need for a further public  
2 hearing;

3 (2) expedited subdivision procedures that are  
4 in compliance with the New Mexico Subdivision Act or, if  
5 applicable, the Land Subdivision Act and other applicable  
6 statutes; and

7 (3) an expedited approval process for a  
8 development plan and a construction document review that allows  
9 the governing body to issue building permits, to the extent  
10 allowed by state statute and the local government's charter,  
11 and provide for conditional uses, for both transportation  
12 reinvestment zone-financed improvements and privately financed  
13 improvements, to be administratively issued and approved so  
14 long as they conform with the applicable land-use constraints.

15 D. Any changes to zoning ordinances, the master  
16 plan of the municipality, building codes, form-based codes,  
17 other governing body ordinances and subdivision rules may be  
18 adopted as part of the resolution forming the transportation  
19 reinvestment zone, unless the applicable ordinances and rules  
20 of the governing body require a separate action by the  
21 governing body. All required notices in relation to changes  
22 made pursuant to this subsection shall be provided to the  
23 required parties; provided that failure to receive a notice  
24 shall not affect the validity of the formation of a  
25 transportation reinvestment zone.

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1           E. At least thirty days prior to adopting a  
2 resolution forming a transportation reinvestment zone, the  
3 governing body of the local government shall notify the  
4 secretary of taxation and revenue, the secretary of finance and  
5 administration, the director of the legislative finance  
6 committee, the secretary of transportation and any governing  
7 bodies of taxing authorities located within the transportation  
8 reinvestment zone that, on the date, time and location  
9 specified in the notice, the governing body intends to consider  
10 the formation of a transportation reinvestment zone.

11           F. Except as provided in Subsections G and H of  
12 this section, a transportation reinvestment zone may be formed  
13 within more than one adjacent local government on the following  
14 conditions:

15                   (1) the governing body of the local government  
16 that has the majority of the geographic area of the  
17 transportation reinvestment zone within it shall be the  
18 "governing body" generally in relation to the governance of and  
19 required approvals as to the transportation reinvestment zone  
20 under the Transportation Reinvestment Zone Act;

21                   (2) the governing body of a local government  
22 that does not have the majority of the geographic area of the  
23 transportation reinvestment zone within it shall have approved  
24 the formation or extension of the transportation reinvestment  
25 zone within that local government; and

1 (3) prior to any amendment of the  
2 transportation reinvestment zone plan, the governing body of a  
3 local government that does not have the majority of the  
4 transportation reinvestment zone within it shall have approved  
5 the amendment.

6 G. A county may form a transportation reinvestment  
7 zone within the boundaries of a municipality, in which event,  
8 the governing body of the county shall be deemed to be the  
9 governing body of the transportation reinvestment zone.

10 H. A municipality may form a transportation  
11 reinvestment zone within its boundaries without the consent of  
12 the county in which the municipality is located after providing  
13 notice to the county in writing of the intended creation of the  
14 transportation reinvestment zone; provided that the county has  
15 not created a transportation reinvestment zone within the  
16 exterior boundaries of the municipality.

17 I. Two or more transportation reinvestment zones  
18 shall not be created in a manner that requires the area of one  
19 transportation reinvestment zone to overlap another previously  
20 existing transportation reinvestment zone.

21 **SECTION 5. CONTENTS OF A TRANSPORTATION REINVESTMENT ZONE**  
22 **PLAN.--**A transportation reinvestment zone plan shall include:

23 A. a map depicting the geographical boundaries of  
24 the transportation reinvestment zone;

25 B. a description of the proposed transportation

1 reinvestment zone projects, including a description of the  
2 permitted activities, public improvements and privately  
3 financed projects identified as necessary to complete the  
4 transportation reinvestment zone projects;

5 C. the estimated time necessary to complete the  
6 transportation reinvestment zone projects;

7 D. a description and the estimated cost of all  
8 permitted activities and public improvements proposed for the  
9 transportation reinvestment zone projects; and

10 E. the estimated annual gross receipts tax  
11 increment to be generated from within the transportation  
12 reinvestment zone, the portion of that gross receipts tax  
13 increment to be allocated during the time necessary to complete  
14 the transportation reinvestment zone plan and the manner of  
15 financing the costs of the plan.

16 SECTION 6. TRANSPORTATION IMPROVEMENTS--INTEGRATION WITH  
17 LAND-USE PLANS.--Transportation improvements shall be  
18 integrated with associated proposed land-use changes to  
19 generate development or redevelopment by improving access to  
20 manufacturing and industrial areas, employment centers, retail  
21 centers and housing.

22 SECTION 7. NOTICE OF FORMATION OF A TRANSPORTATION  
23 REINVESTMENT ZONE.--

24 A. If a transportation reinvestment zone is formed  
25 by a governing body, the governing body shall transfer a copy

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1 of the resolution ordering formation of the transportation  
2 reinvestment zone and a copy of the transportation reinvestment  
3 zone plan to each of the following persons or entities:

4 (1) any taxing authorities within which any  
5 portion of the property located within a transportation  
6 reinvestment zone area lies;

7 (2) the taxation and revenue department;

8 (3) the local government division of the  
9 department of finance and administration;

10 (4) the legislative finance committee; and

11 (5) the secretary of transportation.

12 B. If a gross receipts tax increment attributable  
13 to the state gross receipts tax is anticipated as part of the  
14 funding for the transportation reinvestment zone, copies of the  
15 resolution ordering the formation of the transportation  
16 reinvestment zone and the transportation reinvestment zone plan  
17 shall be transferred to the interim revenue stabilization and  
18 tax policy committee of the legislature.

19 C. A notice of the formation showing the number and  
20 date of the resolution and giving a description of the land  
21 included in the transportation reinvestment zone shall be  
22 recorded with the clerk of the county in which the  
23 transportation reinvestment zone is located.

24 D. A transportation reinvestment zone shall be a  
25 political subdivision of the state, separate and apart from a

1 municipality or county.

2       **SECTION 8. GOVERNANCE OF A TRANSPORTATION REINVESTMENT**  
3 **ZONE.--**

4           A. Following formation of a transportation  
5 reinvestment zone, the governing body shall administer in a  
6 reasonable manner the implementation of the transportation  
7 reinvestment zone plan as approved by the governing body and as  
8 approved by all taxing authorities, subject to the procedure  
9 for amendment set forth in the Transportation Reinvestment Zone  
10 Act.

11           B. The transportation reinvestment zone shall be  
12 governed by the governing body that adopted a resolution to  
13 form the transportation reinvestment zone.

14           C. In the event that a gross receipts tax increment  
15 attributable to the imposition of the state gross receipts tax  
16 is anticipated to be used to finance public improvements, prior  
17 to the formation of a transportation reinvestment zone, the  
18 governing body shall have:

19                   (1) received approval for the use of the gross  
20 receipts tax increment for the transportation reinvestment zone  
21 from the legislature in the form of a joint resolution that  
22 sets forth the summary of the details of the transportation  
23 reinvestment zone plan; and

24                   (2) consulted with the secretary of  
25 transportation regarding the scope of the public improvements

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1 that are to be dedicated to the state.

2 SECTION 9. RECORDS--OPEN MEETINGS.--

3 A. A transportation reinvestment zone shall keep  
4 the following records, which shall be open to the public:

5 (1) minutes of all meetings of the  
6 transportation reinvestment zone board, which need not be  
7 separately kept from the regular minutes of the governing body;

8 (2) all resolutions;

9 (3) accounts showing all money received and  
10 disbursed;

11 (4) the annual budget; and

12 (5) all other records required to be  
13 maintained by law.

14 B. A transportation reinvestment zone board shall  
15 appoint a clerk and a treasurer for the transportation  
16 reinvestment zone, who may be different persons than the clerk  
17 and treasurer for the governing body, need not be members of  
18 the governing body and shall be employees of the transportation  
19 reinvestment zone if not members of the governing body or  
20 otherwise employees of the governing body.

21 C. All meetings of a transportation reinvestment  
22 zone shall be open meetings held in accordance with the Open  
23 Meetings Act.

24 SECTION 10. TRANSPORTATION REINVESTMENT ZONE POWERS.--

25 A. In addition to other express or implied

1 authority granted by law, a transportation reinvestment zone  
2 may:

3 (1) enter into contracts or expend money for  
4 any permitted activity with respect to the transportation  
5 reinvestment zone;

6 (2) enter into agreements with a municipality,  
7 county or other local governmental entity in connection with  
8 real property located within the transportation reinvestment  
9 zone;

10 (3) enter into an intergovernmental agreement  
11 in accordance with the Joint Powers Agreements Act for the  
12 planning, design, inspection, ownership, control, maintenance,  
13 operation or repair of permitted activities within the  
14 transportation reinvestment zone or for any other purpose  
15 authorized by the Transportation Reinvestment Zone Act;

16 (4) sell, lease or otherwise dispose of  
17 transportation reinvestment zone property if the sale, lease or  
18 conveyance is not a violation of the terms of a contract, a  
19 bond covenant of the transportation reinvestment zone, state  
20 laws or the constitution of New Mexico;

21 (5) negotiate with a municipality or county in  
22 which the transportation reinvestment zone is located to  
23 determine an appropriate amount that the transportation  
24 reinvestment zone will reimburse the municipality or county for  
25 providing services within the transportation reinvestment zone

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1 area;

2 (6) engage and compensate counsel, advisers,  
3 consultants or employees of the transportation reinvestment  
4 zone directly from gross receipts tax increment receipts;

5 (7) reimburse a municipality or county in  
6 which the transportation reinvestment zone is located for staff  
7 and consultant services and support facilities supplied by the  
8 municipality or county;

9 (8) accept gifts or grants and incur and repay  
10 loans for permitted activities;

11 (9) enter into an agreement with a private  
12 party concerning the advance of money by a private party for a  
13 permitted activity or the granting of real property by the  
14 private party for a public improvement or transportation  
15 improvement;

16 (10) pay the financial, legal and  
17 administrative costs of the transportation reinvestment zone  
18 directly from gross receipts tax increment receipts;

19 (11) enter into contracts, agreements and  
20 trust indentures to obtain credit enhancement or liquidity  
21 support for its bonds and process the issuance, registration,  
22 transfer and payment of its bonds and the disbursement and  
23 investment of proceeds of the bonds in accordance with the  
24 provisions for investment of funds by local government  
25 treasurers;

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1                   (12) issue bonds within the limits of the  
2 Transportation Reinvestment Zone Act to fund permitted  
3 activities, including the construction, operation and  
4 maintenance of public improvements until dedicated to a public  
5 body or for any other lawful public purposes related to the  
6 purposes of the Transportation Reinvestment Zone Act;

7                   (13) use public easements and rights of way in  
8 or across public property, roadways, highways, streets or other  
9 thoroughfares and other public easements and rights of way of  
10 the transportation reinvestment zone, municipality or county  
11 after consultation and approval of the public entity  
12 controlling the easement or right of way; and

13                   (14) contract with a public or private entity  
14 to conduct permitted activities to construct, renovate or  
15 otherwise change a public improvement or transportation  
16 improvement in a transportation reinvestment zone plan and  
17 pledge and assign a specified amount of money in a tax  
18 increment account to that public improvement or transportation  
19 improvement; provided, however, that after a pledge or  
20 assignment is made, if the public or private entity has itself  
21 pledged or assigned that amount to secure bonds or other  
22 obligations issued to obtain funding for the public improvement  
23 or transportation improvement, the transportation reinvestment  
24 zone may not rescind its pledge or assignment until the bonds  
25 or other obligations secured by the pledge or assignment have

1 been paid or discharged.

2 B. Notwithstanding the provisions of the  
3 Procurement Code or local procurement requirements that may  
4 otherwise be applicable to the municipality or county in which  
5 the transportation reinvestment zone is located, the  
6 transportation reinvestment zone board may enter into contracts  
7 to carry out any of the transportation reinvestment zone's  
8 authorized powers, including the permitted activities required  
9 to make transportation improvements or public improvements.

10 C. A transportation reinvestment zone shall not  
11 have the power of eminent domain for any purpose.

12 D. A transportation reinvestment zone shall not use  
13 the proceeds of gross receipts tax increment bonds to finance  
14 public improvements exclusively for the use of a casino.

15 E. A transportation reinvestment zone shall not use  
16 transportation reinvestment zone bonds to pay salaries of  
17 administrative employees or to pay for administrative expenses  
18 not directly related to the execution of a transportation  
19 reinvestment zone project.

20 **SECTION 11. GROSS RECEIPTS TAX INCREMENT FINANCING.--**

21 A. Notwithstanding any law to the contrary, but in  
22 accordance with the provisions of the Transportation  
23 Reinvestment Zone Act, a portion of certain gross receipts tax  
24 increments collected within the transportation reinvestment  
25 zone area after the effective date of approval of the

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1 transportation reinvestment zone plan may be dedicated for the  
2 purpose of securing gross receipts tax increment bonds pursuant  
3 to the Transportation Reinvestment Zone Act.

4 B. The gross receipts tax increment generated by  
5 the imposition of local option gross receipts taxes specified  
6 by statute for particular purposes may be dedicated for the  
7 purposes of the Transportation Reinvestment Zone Act if the  
8 intent to do so is set forth in the transportation reinvestment  
9 zone plan approved by the governing body and if the purpose for  
10 which the gross receipts tax increment is intended to be used  
11 is consistent with the purposes set forth in the statute  
12 authorizing the local option gross receipts tax; provided that  
13 the use of the gross receipts tax increment for purposes of the  
14 transportation reinvestment zone plan does not impair  
15 previously agreed-to bond contracts.

16 C. A transportation reinvestment zone created by a  
17 municipality or to which a municipality has dedicated a gross  
18 receipts tax increment may create a special fund into which the  
19 state may directly deposit the gross receipts tax increments  
20 dedicated to the transportation reinvestment zone by that  
21 municipality. The balances in the fund may be used by the  
22 transportation reinvestment zone for purposes allowed by the  
23 statute authorizing the imposition of the tax by the  
24 municipality. The fund shall be created for the purpose of  
25 paying the principal of, the interest on and any premium due in



1 connection with the bonds of, loans or advances to or  
2 indebtedness incurred by, whether funded, refunded or  
3 refinanced, in whole or in part, the transportation  
4 reinvestment zone to complete a transportation reinvestment  
5 zone project, or otherwise be used for permitted activities of  
6 the Transportation Reinvestment Zone Act within the  
7 transportation reinvestment zone. Up to seventy-five percent  
8 of any of the following gross receipts tax increments may be  
9 dedicated by the municipality:

10 (1) the municipal gross receipts tax  
11 authorized pursuant to the Municipal Local Option Gross  
12 Receipts Taxes Act;

13 (2) the municipal environmental services gross  
14 receipts tax authorized pursuant to the Municipal Local Option  
15 Gross Receipts Taxes Act;

16 (3) the municipal infrastructure gross  
17 receipts tax authorized pursuant to the Municipal Local Option  
18 Gross Receipts Taxes Act;

19 (4) the municipal capital outlay gross  
20 receipts tax authorized pursuant to the Municipal Local Option  
21 Gross Receipts Taxes Act;

22 (5) the municipal regional transit gross  
23 receipts tax authorized pursuant to the Municipal Local Option  
24 Gross Receipts Taxes Act;

25 (6) the quality of life gross receipts tax

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1 authorized pursuant to the Municipal Local Option Gross  
2 Receipts Taxes Act;

3 (7) the municipal regional spaceport gross  
4 receipts tax authorized pursuant to the Municipal Local Option  
5 Gross Receipts Taxes Act;

6 (8) the municipal higher education facilities  
7 gross receipts tax authorized pursuant to the Municipal Local  
8 Option Gross Receipts Taxes Act;

9 (9) an amount distributed to municipalities  
10 pursuant to Sections 7-1-6.4 and 7-1-6.46 NMSA 1978; and

11 (10) subject to the other provisions of the  
12 Transportation Reinvestment Zone Act, the state gross receipts  
13 tax.

14 D. A transportation reinvestment zone created by a  
15 county or to which a county has dedicated a gross receipts tax  
16 increment may create a special fund into which the state may  
17 directly deposit the gross receipts tax increments dedicated to  
18 the transportation reinvestment zone by that county. The  
19 balances in the fund may be used by the transportation  
20 reinvestment zone for purposes allowed by the statute  
21 authorizing the imposition of the tax by the county. The fund  
22 shall be created for the purpose of paying the principal of,  
23 the interest on and any premium due in connection with the  
24 bonds of, loans or advances to or indebtedness incurred by,  
25 whether funded, refunded or refinanced, in whole or in part,

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1 the transportation reinvestment zone to complete a  
2 transportation reinvestment zone project, or otherwise be used  
3 for permitted activities of the Transportation Reinvestment  
4 Zone Act within the transportation reinvestment zone. Up to  
5 seventy-five percent of any of the following gross receipts tax  
6 increments may be dedicated by the county:

7 (1) the local hospital gross receipts tax  
8 authorized pursuant to the Local Hospital Gross Receipts Tax  
9 Act;

10 (2) the county gross receipts tax authorized  
11 pursuant to the County Local Option Gross Receipts Taxes Act;

12 (3) the special county hospital gross receipts  
13 tax authorized pursuant to the County Local Option Gross  
14 Receipts Taxes Act;

15 (4) the county fire protection excise tax  
16 authorized pursuant to the County Local Option Gross Receipts  
17 Taxes Act;

18 (5) the county environmental services gross  
19 receipts tax authorized pursuant to the County Local Option  
20 Gross Receipts Taxes Act;

21 (6) the county health care gross receipts tax  
22 authorized pursuant to the County Local Option Gross Receipts  
23 Taxes Act;

24 (7) the county infrastructure gross receipts  
25 tax authorized pursuant to the County Local Option Gross

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1 Receipts Taxes Act;

2 (8) the county education gross receipts tax  
3 authorized pursuant to the County Local Option Gross Receipts  
4 Taxes Act;

5 (9) the county capital outlay gross receipts  
6 tax authorized pursuant to the County Local Option Gross  
7 Receipts Taxes Act;

8 (10) the county area emergency communications  
9 and emergency medical and behavioral health services tax or  
10 countywide emergency communications and emergency medical and  
11 behavioral health services tax authorized pursuant to the  
12 County Local Option Gross Receipts Taxes Act;

13 (11) the county regional transit gross  
14 receipts tax authorized pursuant to the County Local Option  
15 Gross Receipts Taxes Act;

16 (12) the quality of life gross receipts tax  
17 authorized pursuant to the County Local Option Gross Receipts  
18 Taxes Act;

19 (13) the county regional spaceport gross  
20 receipts tax authorized pursuant to the County Local Option  
21 Gross Receipts Taxes Act;

22 (14) the water and sanitation gross receipts  
23 tax authorized pursuant to the County Local Option Gross  
24 Receipts Taxes Act;

25 (15) the county correctional facility gross

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1 receipts tax authorized pursuant to the County Correctional  
2 Facility Gross Receipts Tax Act;

3 (16) the amount distributed to counties  
4 pursuant to Section 7-1-6.47 NMSA 1978; and

5 (17) subject to the other provisions of the  
6 Transportation Reinvestment Zone Act, the state gross receipts  
7 tax.

8 E. An imposition of a gross receipts tax increment  
9 attributable to the imposition of a gross receipts tax by a  
10 local government taxing authority may be dedicated for the  
11 purpose of securing gross receipts tax increment bonds with the  
12 agreement of the taxing authority, evidenced by a resolution  
13 adopted by a majority vote of the governing body of that taxing  
14 authority, for a period of up to ten years.

15 F. An imposition of a gross receipts tax increment  
16 attributable to the imposition of the state gross receipts tax  
17 within a transportation reinvestment zone less the  
18 distributions made pursuant to Section 7-1-6.4 NMSA 1978 may be  
19 dedicated for the purpose of securing gross receipts tax  
20 increment bonds:

21 (1) with the approval of a majority of the  
22 state board of finance and the legislature by approval of a  
23 joint resolution in relation to a maximum principal amount of  
24 less than ten million dollars (\$10,000,000) of bonds secured by  
25 a gross receipts tax increment attributable to the imposition

1 of the state gross receipts tax so long as a majority of net  
2 bond proceeds are expected to be used for an interstate,  
3 highway, street or road that is maintained by the state or  
4 federal government; and

5 (2) with the approval of a majority of the  
6 state board of finance and the legislature by approval of a  
7 joint resolution in relation to bonds secured by a gross  
8 receipts tax increment attributable to the imposition of the  
9 state gross receipts tax that do not meet the requirements of  
10 Paragraph (1) of this subsection.

11 G. For the purposes of securing gross receipts tax  
12 increment bonds, no taxing authority shall approve the  
13 dedication of more than seventy-five percent of a gross  
14 receipts tax increment attributable to a specific type,  
15 enactment or category of gross receipts taxes. A resolution of  
16 a taxing authority dedicating a gross receipts tax increment  
17 shall approve the transportation reinvestment zone plan, which  
18 may be amended as set forth in the Transportation Reinvestment  
19 Zone Act. A resolution of a taxing authority to dedicate a  
20 gross receipts tax increment or to increase the dedication of a  
21 gross receipts tax increment shall become effective only on  
22 January 1 or July 1 of the calendar year; provided that no  
23 dedication shall be effective without written notice having  
24 been provided to the taxation and revenue department of the  
25 dedication or increase in dedication at least one hundred

1 twenty days before the effective date of the dedication or  
2 increase.

3 H. The governing body of the jurisdiction in which  
4 a transportation reinvestment zone has been established shall  
5 timely notify the taxation and revenue department, the local  
6 government division of the department of finance and  
7 administration and the secretary of transportation when:

8 (1) a transportation reinvestment zone plan  
9 has been approved that contains a provision for the allocation  
10 of a gross receipts tax increment;

11 (2) any outstanding bonds of the  
12 transportation reinvestment zone have been paid off; and

13 (3) the purposes of the transportation  
14 reinvestment zone have otherwise been achieved.

15 SECTION 12. BONDING AUTHORITY--GROSS RECEIPTS TAX  
16 INCREMENT.--

17 A. A transportation reinvestment zone may issue  
18 gross receipts tax increment bonds, the pledged revenue for  
19 which is a gross receipts tax increment, for any one or more of  
20 the purposes authorized by the Transportation Reinvestment Zone  
21 Act.

22 B. A transportation reinvestment zone may pledge  
23 irrevocably any or all of a gross receipts tax increment  
24 received by the transportation reinvestment zone to the payment  
25 of the interest on and principal of the gross receipts tax

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1 increment bonds for any of the purposes authorized in the  
2 Transportation Reinvestment Zone Act. A law that imposes or  
3 authorizes the imposition of a municipal or county gross  
4 receipts tax or that affects the municipal or county gross  
5 receipts tax shall not be repealed, amended or otherwise  
6 directly or indirectly modified in any manner to adversely  
7 impair any outstanding gross receipts tax increment bonds that  
8 may be secured by a pledge of any municipal or county gross  
9 receipts tax increment, unless those outstanding bonds have  
10 been discharged in full or provision has been fully made for  
11 those bonds.

12 C. Revenues in excess of the annual principal and  
13 interest due on gross receipts tax increment bonds secured by a  
14 pledge of gross receipts tax increment revenue may be  
15 accumulated in a debt service reserve account. The  
16 transportation reinvestment zone may appoint a commercial bank  
17 trust department to act as paying agent or trustee of the gross  
18 receipts tax increment revenue and to administer the payment of  
19 principal of and interest on the gross receipts tax increment  
20 bonds.

21 D. A county may pledge irrevocably revenues  
22 permitted to be pledged pursuant to Section 4-62-1 NMSA 1978 in  
23 relation to gross receipts tax revenue bonds for the payment of  
24 principal and interest due in connection with, and other  
25 expenses related to, bonds issued by a transportation



1 reinvestment zone, otherwise subject to the provisions of  
2 Chapter 4, Article 62 NMSA 1978. A municipality may pledge  
3 irrevocably revenues permitted to be pledged pursuant to  
4 Section 3-31-1 NMSA 1978 in relation to gross receipts tax  
5 revenue bonds for the payment of principal and interest due in  
6 connection with, and other expenses related to, bonds issued by  
7 a transportation reinvestment zone, otherwise subject to the  
8 provisions of Chapter 3, Article 31 NMSA 1978.

9 E. Except as otherwise provided in the  
10 Transportation Reinvestment Zone Act, gross receipts tax  
11 increment bonds:

12 (1) may have interest, principal value or any  
13 part thereof payable at intervals or at maturity as may be  
14 determined by the governing body;

15 (2) may be subject to a prior redemption at  
16 the transportation reinvestment zone's option at a time and  
17 upon terms and conditions, with or without the payment of a  
18 premium, as determined by the transportation reinvestment zone  
19 board;

20 (3) may mature at any time not exceeding any  
21 limitations set by the governing body in the resolution forming  
22 the transportation reinvestment zone;

23 (4) may be serial in form and maturity, may  
24 consist of one bond payable at one time or in installments or  
25 may be in another form determined by the transportation

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1 reinvestment zone board;

2 (5) shall be sold for cash at, above or below  
3 par and at a price that results in a net effective interest  
4 rate that does not exceed the maximum permitted by the Public  
5 Securities Act and the Public Securities Short-Term Interest  
6 Rate Act; and

7 (6) may be sold at public or negotiated sale.

8 F. At a regular or special meeting, the  
9 transportation reinvestment zone board may adopt a resolution  
10 that:

11 (1) declares the necessity for issuing gross  
12 receipts tax increment bonds;

13 (2) authorizes the issuance of gross receipts  
14 tax increment bonds by an affirmative vote of a majority of all  
15 the members of the transportation reinvestment zone board; and

16 (3) designates the sources of gross receipts  
17 taxes or portions thereof to be pledged to the repayment of the  
18 gross receipts tax increment bonds.

19 SECTION 13. REFUNDING BONDS.--

20 A. A transportation reinvestment zone board that  
21 has issued bonds in accordance with the Transportation  
22 Reinvestment Zone Act may issue refunding bonds for the purpose  
23 of refinancing, paying and discharging all or any part of  
24 outstanding bonds for the:

25 (1) acceleration, deceleration or other

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1 modification of the payment of the outstanding bonds,  
2 including, without limitation, any capitalization of any  
3 interest thereon in arrears or about to become due for any  
4 period not exceeding two years from the date of the refunding  
5 bonds;

6 (2) purpose of reducing interest costs or  
7 effecting other economies; or

8 (3) purpose of modifying or eliminating  
9 restrictive contractual limitations:

10 (a) pertaining to the issuance of  
11 additional bonds; or

12 (b) concerning the outstanding bonds or  
13 facilities relating to the outstanding bonds.

14 B. A transportation reinvestment zone board may  
15 pledge irrevocably for the payment of interest, principal and  
16 premium, if any, on refunding bonds the appropriate pledged  
17 revenues, which may be pledged to an original issue of bonds.

18 C. Refunding bonds may be issued separately or in  
19 combination in one series or more.

20 D. Refunding bonds shall be authorized by  
21 resolution. Bonds that are refunded shall be paid at maturity  
22 or on any permitted prior redemption date in the amounts, at  
23 the time and places and, if called prior to maturity, in  
24 accordance with any applicable notice provisions, all as  
25 provided in the proceedings authorizing the issuance of the

1     refunded bonds or otherwise appertaining thereto, except for  
2     any such bond that is voluntarily surrendered for exchange or  
3     payment by the holder or owner.

4             E. The principal amount of the refunding bonds may  
5     exceed the principal amount of the refunded bonds and may also  
6     be less than or the same as the principal amount of the bonds  
7     being refunded if provision is duly and sufficiently made for  
8     the payment of the refunded bonds.

9             F. The proceeds of refunding bonds, including  
10    accrued interest and premiums appertaining to the sale of  
11    refunding bonds, shall be immediately applied to the retirement  
12    of the bonds being refunded or placed in escrow in a commercial  
13    bank or trust company that possesses and exercises trust powers  
14    and that is a member of the federal deposit insurance  
15    corporation. The proceeds shall be applied to the principal  
16    of, interest on and any prior redemption premium due in  
17    connection with the bonds being refunded; provided that the  
18    refunding bond proceeds, including accrued interest and  
19    premiums appertaining to a sale of refunding bonds, may be  
20    applied to the establishment and maintenance of a reserve fund  
21    and to the payment of expenses incidental to the refunding and  
22    the issuance of the refunding bonds, the interest on those  
23    bonds and the principal of those bonds, or both interest and  
24    principal as the transportation reinvestment zone board  
25    determines. This section does not require the establishment of

1 an escrow if the refunded bonds and the amounts necessary to  
2 retire the refunded bonds within that time are deposited with  
3 the paying agent for the refunded bonds. Any such escrow shall  
4 not necessarily be limited to proceeds of refunding bonds but  
5 may include other money available for its purpose. Proceeds in  
6 escrow pending such use may be invested or reinvested in bills,  
7 certificates of indebtedness, notes or bonds that are direct  
8 obligations of, or the principal and interest of which  
9 obligations are unconditionally guaranteed by, the United  
10 States or in certificates of deposit of banks that are members  
11 of the federal deposit insurance corporation; provided that the  
12 par value of the certificates of deposit is collateralized by a  
13 pledge of obligations or by a pledge of payment that is  
14 unconditionally guaranteed by the United States; and provided  
15 further that the par value of those obligations is at least  
16 seventy-five percent of the par value of the certificates of  
17 deposit. Such proceeds and investments in escrow, together  
18 with any interest or other income to be derived from any such  
19 investment, shall be in an amount at all times sufficient as to  
20 principal, interest, any prior redemption premium due and any  
21 charges of the escrow agent payable therefrom to pay the bonds  
22 being refunded as they become due at their respective  
23 maturities or at any designated prior redemption date or dates  
24 in connection with which the transportation reinvestment zone  
25 shall exercise a prior redemption option. A purchaser of a

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1 refunding bond issued is not responsible for the application of  
2 the proceeds by the transportation reinvestment zone or any of  
3 its officers, agents or employees.

4 G. Refunding bonds may bear additional terms and  
5 provisions as determined by the transportation reinvestment  
6 zone subject to the limitations in this section relating to  
7 original bond issues. Refunding bonds are not subject to the  
8 provisions of any other statute.

9 H. Transportation reinvestment zone refunding  
10 bonds:

11 (1) may have interest, principal value or any  
12 part thereof payable at intervals or at maturity, as determined  
13 by the transportation reinvestment zone board;

14 (2) may be subject to prior redemption at the  
15 transportation reinvestment zone's option at a time or times  
16 and upon terms and conditions with or without payment of  
17 premium or premiums, as determined by the transportation  
18 reinvestment zone board;

19 (3) may be serial in form and maturity or may  
20 consist of a single bond payable in one or more installments or  
21 may be in another form, as determined by the transportation  
22 reinvestment zone board; and

23 (4) shall be exchanged for the bonds and any  
24 matured unpaid interest being refunded at not less than par or  
25 sold at public or negotiated sale at, above or below par and at

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1 a price that results in a net effective interest rate that does  
2 not exceed the maximum permitted by the Public Securities Act.

3 I. At a regular or special meeting, a  
4 transportation reinvestment zone board may adopt a resolution  
5 by majority vote to authorize the issuance of the refunding  
6 bonds.

7 **SECTION 14. GENERAL BONDING AUTHORITY OF A TRANSPORTATION**  
8 **REINVESTMENT ZONE--OTHER LIMITATIONS.--**

9 A. The amount of indebtedness evidenced by the  
10 gross receipts tax increment bonds issued pursuant to the  
11 Transportation Reinvestment Zone Act shall not exceed the  
12 estimated cost of the public improvements plus all costs  
13 connected with the public infrastructure purposes and the  
14 issuance and sale of bonds, including, without limitation,  
15 formation costs, credit enhancement and liquidity support fees  
16 and costs.

17 B. The indebtedness evidenced by the gross receipts  
18 tax increment bonds shall not affect the general obligation  
19 bonding capacity of the local government in which the  
20 transportation reinvestment zone is located.

21 C. The indebtedness evidenced by the gross receipts  
22 tax increment bonds shall be payable only from the special  
23 funds into which are deposited the gross receipts tax  
24 increments as set forth in the Transportation Reinvestment Zone  
25 Act.

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1           D. Bonds issued by a transportation reinvestment  
2 zone shall not be a general obligation of the state, the county  
3 or the municipality in which the transportation reinvestment  
4 zone is located and shall not pledge the full faith and credit  
5 of the state, the county or the municipality in which the  
6 transportation reinvestment zone is located. After the  
7 retirement of all bonds issued pursuant to the transportation  
8 reinvestment zone plan, any balance in a debt service reserve  
9 account established for the payment of those bonds shall be  
10 paid to the governments that have dedicated a gross receipts  
11 tax increment to the transportation reinvestment zone in  
12 proportion to the amount of the gross receipts tax increment  
13 attributable to their dedication.

14           **SECTION 15. EXEMPTION FROM TAXATION.**--The bonds  
15 authorized by the Transportation Reinvestment Zone Act and the  
16 income from the bonds or any other instrument executed as  
17 security for the bonds shall be exempt from all taxation by the  
18 state or any political subdivision of the state.

19           **SECTION 16. PROTECTION FROM IMPAIRMENT.**--If the  
20 provisions set forth in the Transportation Reinvestment Zone  
21 Act impair the ability of a municipality, county or other  
22 public body to meet its principal or interest payment  
23 obligations for revenue bonds outstanding prior to the  
24 effective date of the Transportation Reinvestment Zone Act that  
25 are secured by the pledge of all or part of the municipality,



1 county or other public body's revenue gross receipts tax, then  
2 the amount otherwise payable to the transportation reinvestment  
3 zone pursuant to the Transportation Reinvestment Zone Act shall  
4 be paid instead to the municipality, county or public body in  
5 an amount sufficient to meet any required payment.

6 SECTION 17. GROSS RECEIPTS TAX INCREMENT ACCOUNTING  
7 PROCEDURES.--

8 A. A transportation reinvestment zone board shall  
9 separately account for all revenues and indebtedness based on  
10 gross receipts tax increments. The transportation reinvestment  
11 zone board shall individually account for all gross receipts  
12 tax increments.

13 B. For the purposes of Subsections A and B of  
14 Section 7-1-8.9 NMSA 1978, a transportation reinvestment zone  
15 may obtain the information that a municipality and a county are  
16 entitled to receive and shall conform to the nondisclosure  
17 requirements of that section.

18 C. In addition to the provisions in Section 7-1-8.9  
19 NMSA 1978, in relation to gross receipts taxes reported with a  
20 transportation reinvestment zone, an employee of the taxation  
21 and revenue department may disclose to a transportation  
22 reinvestment zone board the amount of gross receipts taxes  
23 reported in relation to the transportation reinvestment zone  
24 area, which disclosure shall otherwise be subject to the  
25 provisions of Section 7-1-8 NMSA 1978.

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1           **SECTION 18. MODIFICATION OF TRANSPORTATION REINVESTMENT**  
2           **ZONE BOUNDARIES OR TRANSPORTATION REINVESTMENT ZONE PLAN.--**

3           A. After the formation of a transportation  
4           reinvestment zone, an area may be eliminated from the  
5           transportation reinvestment zone area only by adoption of a  
6           resolution of intention to do so by the governing body of all  
7           local governments in which the transportation reinvestment zone  
8           is located.

9           B. At any time after adoption of a resolution  
10          creating a transportation reinvestment zone, an area may be  
11          added to the transportation reinvestment zone upon action by  
12          the governing body in which the proposed extension is located  
13          and all other governing bodies in which the transportation  
14          reinvestment zone is located.

15          C. The transportation reinvestment zone board may,  
16          subject to the approval of the governing body of all local  
17          governments in which the transportation reinvestment zone is  
18          located and, in the event that any state gross receipts tax has  
19          been dedicated, subject to the approval of the secretary of  
20          transportation and the state board of finance, amend the  
21          transportation reinvestment zone plan.

22           **SECTION 19. TERMINATION OF TRANSPORTATION REINVESTMENT**  
23           **ZONE.--**

24           A. A transportation reinvestment zone shall be  
25           terminated by a resolution of the transportation reinvestment

1 zone board that all of the following conditions exist:

2 (1) all improvements owned by the  
3 transportation reinvestment zone have been, or provision has  
4 been made for all improvements to be, conveyed to a public  
5 body;

6 (2) either the transportation reinvestment  
7 zone does not have any outstanding bond obligations or the  
8 municipality or county has assumed all of the outstanding bond  
9 obligations of the transportation reinvestment zone; and

10 (3) all obligations of the transportation  
11 reinvestment zone pursuant to any agreement with the  
12 municipality or county have been satisfied.

13 B. A transportation reinvestment zone terminates on  
14 December 31 of the tenth year after the year the zone was  
15 formed, solely to the extent that if before that date the zone  
16 has not entered into a contract in order to construct  
17 transportation improvements or public improvements, has not  
18 expended a gross receipts tax increment or has not issued  
19 bonds.

20 C. The transportation reinvestment zone shall not  
21 be terminated if any bonds of the transportation reinvestment  
22 zone remain outstanding unless an amount of money sufficient,  
23 together with investment income thereon, to make all payments  
24 due on the bonds either at maturity or prior redemption has  
25 been deposited with a trustee or escrow agent and pledged to

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1 the payment and redemption of the bonds. The transportation  
2 reinvestment zone may continue to operate after termination  
3 only as needed to collect money and make payments on any  
4 outstanding bonds.

5 SECTION 20. OTHER DEDICATIONS OF GROSS RECEIPTS TAX  
6 INCREMENT.--A transportation reinvestment zone shall not  
7 include any areas that have already been incorporated as part  
8 of a tax increment development district pursuant to the  
9 provisions of the Tax Increment for Development Act.

10 SECTION 21. EXEMPTION.--Transportation reinvestment zones  
11 and the provisions of the Transportation Reinvestment Zone Act  
12 are exempt from the provisions of the Community Service  
13 District Act and the Special District Procedures Act.

14 SECTION 22. EMERGENCY.--It is necessary for the public  
15 peace, health and safety that this act take effect immediately.

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