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AN ACT

RELATING TO METROPOLITAN REDEVELOPMENT; AMENDING THE
METROPOLITAN REDEVELOPMENT CODE; PROVIDING COUNTIES WITH
POWERS AND DUTIES; INCLUDING CREATIVE ENTERPRISES, CULTURAL
FACILITIES AND PUBLIC INFRASTRUCTURE AS ELIGIBLE PROJECTS;
MAKING CONFORMING AND CLARIFYING CHANGES.

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

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

"3-60A-1. SHORT TITLE.--Chapter 3, Article 60A NMSA
1978 may be cited as the "Metropolitan Redevelopment Code".

SECTION 2. Section 3-60A-2 NMSA 1978 (being Laws 1979,
Chapter 391, Section 2, as amended by Laws 2007, Chapter 329,
Section 3 and by Laws 2007, Chapter 330, Section 3) 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 that constitute a
serious and growing menace, injurious to the public health,
safety, morals and welfare of the residents of the state;
that the existence of these areas contributes substantially
to the spread of disease and crime, constitutes an economic
and social burden, substantially impairs or arrests the sound
and orderly development of many areas of the state and

1 retards the maintenance and expansion of necessary housing
2 accommodations; that economic and commercial activities are
3 lessened in those areas by the slum or blighted conditions,
4 and the effects of these conditions include less employment
5 in the area, lower property values, less gross receipts tax
6 revenue and reduced use of buildings, residential dwellings
7 and other facilities in the area; that the prevention and
8 elimination of slum areas and blighted areas and the
9 prevention and elimination of conditions that impair sound
10 and orderly development is a matter of state policy and
11 concern in order that the state shall not continue to be
12 endangered by these areas that contribute little to the tax
13 income of the state and its local governments and that
14 consume an excessive proportion of its revenues because of
15 the extra services required for police, fire, accident,
16 hospitalization or other forms of public protection, services
17 and facilities.

18 B. Certain slum areas and blighted areas or
19 portions thereof may require land acquisition and clearance
20 by local government, since prevailing conditions may make
21 impracticable their reclamation or development; other areas
22 or portions of the slum or blighted area may be suitable for
23 conservation or rehabilitation efforts and the conditions and
24 evils enumerated in Subsection A of this section may be
25 eliminated, remedied or prevented by those efforts; and to

1 the extent feasible, salvageable slum and blighted areas
2 should be conserved and rehabilitated through voluntary
3 action and the regulatory process and, when necessary, by
4 government assistance.

5 C. The powers conferred by the Metropolitan
6 Redevelopment Code regarding the use of public money are for
7 public uses or purposes for which public money may be
8 expended. The individual benefits accruing to persons as the
9 result of the powers conferred by the Metropolitan
10 Redevelopment Code and projects conducted in accordance with
11 its provisions are found and declared to be incidental to the
12 objectives of that code and are far outweighed by the benefit
13 to the public as a whole. Activities authorized and powers
14 granted by the Metropolitan Redevelopment Code are hereby
15 declared not to result in a donation or aid to any person,
16 association or public or private organization or enterprise.
17 The necessity for these provisions and the power is declared
18 to be in the public interest as a matter of legislative
19 determination."

20 SECTION 3. Section 3-60A-3 NMSA 1978 (being Laws 1979,
21 Chapter 391, Section 3, as amended by Laws 2007, Chapter 329,
22 Section 4 and by Laws 2007, Chapter 330, Section 4) is
23 amended to read:

24 "3-60A-3. LEGISLATIVE INTENT.--

25 A. It is the intent of the legislature by the

1 passage of the Metropolitan Redevelopment Code to authorize
2 local governments to acquire, own, lease, improve and dispose
3 of properties in a designated metropolitan redevelopment area
4 to the end that such local governments may be able to promote
5 industry and develop trade or other economic activity by
6 inducing profit or nonprofit corporations, federal
7 governmental offices, hospitals and manufacturing,
8 industrial, commercial or business enterprises to locate,
9 expand or remain in such area, to mitigate the serious threat
10 of extensive unemployment in a metropolitan redevelopment
11 area and to secure and maintain a balanced and stable economy
12 in an area declared to be a slum or blighted area.

13 B. It is the further intent of the legislature to
14 authorize local governments to acquire, own, lease, improve
15 and dispose of properties so that adequate medical care,
16 residential housing and facilities for the disposal of sewage
17 and solid waste may be provided; and industrial,
18 manufacturing, commercial or business activities may be begun
19 or expanded in these areas; furnishing water, energy and gas
20 may be provided; more adequate facilities for sports events
21 and activities and recreation activities, conventions and
22 trade shows may be provided; more parking facilities or
23 storage or training facilities may be provided; and more
24 adequate research, product-testing and administrative
25 facilities may be provided, all of which promote the public

1 health, welfare, safety, convenience and prosperity.

2 C. It is, therefore, the intention of the
3 legislature to vest local governments with all powers, other
4 than the power of eminent domain, that may be necessary to
5 enable them to accomplish such purposes, which powers shall
6 in all respects be exercised for the benefit of the
7 inhabitants of this state and within the jurisdiction of the
8 local governments of the state for the promotion of their
9 health, safety, welfare, convenience and prosperity.

10 D. It is not intended by the Metropolitan
11 Redevelopment Code to authorize any local government to
12 operate any manufacturing, industrial, commercial or business
13 enterprise or any research, product-testing or administrative
14 facilities of such enterprise. Nor is it the intent of that
15 code to prohibit the operation of residential housing
16 facilities, health care facilities, sewage or solid waste
17 disposal facilities or the furnishing of water, sports or
18 recreation facilities, convention or trade show facilities,
19 airports, public transportation facilities or operations,
20 parking facilities or storage or training facilities by any
21 local government."

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

24 "3-60A-4. DEFINITIONS.--As used in the Metropolitan
25 Redevelopment Code:

1 A. "public body" means a local government, board,
2 commission, authority, district or other political
3 subdivision or public body of the state;

4 B. "local government" means an incorporated city,
5 town or village, whether incorporated under general act,
6 special act or special charter, or a county or, when the
7 context requires, the governing body of an incorporated city,
8 town or village or a county;

9 C. "clerk" means the clerk or other official of a
10 local government who is the chief custodian of the official
11 records of the local government;

12 D. "federal government" means the United States of
13 America or an agency or instrumentality, corporate or
14 otherwise, of the United States;

15 E. "slum area" means an area within the area of
16 operation in which there are numerous residential or
17 nonresidential buildings, improvements and structures that
18 are dilapidated, deteriorated, aged or obsolete or that have
19 inadequate provision for ventilation, light, air or
20 sanitation or the area lacks open spaces or has a high
21 density of population or overcrowding or there exist in the
22 area conditions that endanger life or property by fire or
23 other causes, and the area is conducive to ill health,
24 transmission of disease, infant mortality, juvenile
25 delinquency or crime and is detrimental to the public health,

1 safety, morals or welfare;

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

1 G. "metropolitan redevelopment project" or
2 "project" means an activity, undertaking or series of
3 activities or undertakings designed to eliminate slums or
4 blighted areas in areas designated as metropolitan
5 redevelopment areas and the activity or undertaking conforms
6 to an approved plan for the area for slum clearance and
7 redevelopment, rehabilitation and conservation;

8 H. "slum clearance and redevelopment" means the
9 use of those powers authorized by the Metropolitan
10 Redevelopment Code to eliminate slum areas and undertake
11 activities authorized by the Metropolitan Redevelopment Code
12 to rejuvenate or revitalize those areas so that the
13 conditions that caused those areas to be designated slum
14 areas are eliminated;

15 I. "rehabilitation" or "conservation" means the
16 restoration and renewal of a slum or blighted area or portion
17 thereof in accordance with an approved plan by use of powers
18 granted by the Metropolitan Redevelopment Code;

19 J. "metropolitan redevelopment area" means a slum
20 area or a blighted area or a combination thereof that the
21 local government so finds and declares and designates as
22 appropriate for a metropolitan redevelopment project;

23 K. "metropolitan redevelopment plan" means a plan,
24 as it exists from time to time, for one or more metropolitan
25 redevelopment areas or for a metropolitan redevelopment

1 project, which plan shall:

2 (1) seek to eliminate the problems created
3 by a slum area or blighted area;

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

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

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

24 M. "bonds" means any bonds, including refunding
25 bonds, notes, interim certificates, certification of

1 indebtedness, debentures, metropolitan redevelopment bonds or
2 other securities evidencing an obligation and issued under
3 the provisions of the Metropolitan Redevelopment Code or
4 other obligations;

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

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

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

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

1 R. "public officer" means any person who is in
2 charge of any department or branch of government of the local
3 government; and

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

7 SECTION 5. Section 3-60A-6 NMSA 1978 (being Laws 1979,
8 Chapter 391, Section 6) is amended to read:

9 "3-60A-6. USE OF PRIVATE ENTERPRISE AND PUBLIC
10 POWERS.--A local government, to the greatest feasible extent,
11 shall afford maximum opportunity for the rehabilitation or
12 redevelopment of the metropolitan redevelopment areas by
13 private enterprise. A local government shall give
14 consideration to this objective in exercising its powers
15 provided by the Redevelopment Law, including the approval of
16 metropolitan redevelopment plans consistent with the general
17 plan for the local government; the exercise of its zoning
18 powers; the enforcement of other laws, codes and regulations
19 relating to the use of land and the use and occupancy of
20 buildings and improvements; the disposition of any property
21 acquired; and the provision of necessary public
22 improvements."

23 SECTION 6. Section 3-60A-7 NMSA 1978 (being Laws 1979,
24 Chapter 391, Section 7) is amended to read:

25 "3-60A-7. FINDING OF NECESSITY BY LOCAL GOVERNMENT.--No

1 local government shall exercise any of the powers conferred
2 upon local governments by the Redevelopment Law until the
3 local government has adopted a resolution finding that:

4 A. one or more slum areas or blighted areas exist
5 in the local government's jurisdiction; and

6 B. the rehabilitation, conservation, slum
7 clearance, redevelopment or development, or a combination
8 thereof, of and in such area is necessary in the interest of
9 the public health, safety, morals or welfare of the residents
10 of the local government's jurisdiction."

11 SECTION 7. Section 3-60A-8 NMSA 1978 (being Laws 1979,
12 Chapter 391, Section 8) is amended to read:

13 "3-60A-8. DESIGNATION OF A METROPOLITAN REDEVELOPMENT
14 AREA.--

15 A. A local government shall not prepare a
16 metropolitan redevelopment plan for an area unless the local
17 government has, by resolution, determined the area to be a
18 slum area or a blighted area or a combination thereof and
19 designated the area as appropriate for a metropolitan
20 redevelopment project, which resolution may be adopted only
21 after the local government has caused to be published in a
22 newspaper of general circulation within the area of operation
23 of the local government a notice that contains a general
24 description of the area and the date, time and place where
25 the local government shall hold a public hearing to consider

1 the resolution and a notice that any interested party may
2 appear and speak to the issue of the adoption of the
3 resolution.

4 B. Notice shall be published at least twice, and
5 the last publication shall be not less than twenty days
6 before the hearing. The owner of any real property affected
7 by the resolution has the right to file in the district court
8 of the county within which the local government is located,
9 within twenty days after the adoption of the resolution, an
10 action to set aside the determination made by the local
11 government.

12 C. A local government shall not acquire real
13 property for a metropolitan redevelopment project unless the
14 local government has approved a metropolitan redevelopment
15 plan relating to the metropolitan redevelopment area in which
16 the real property is located."

17 SECTION 8. Section 3-60A-9 NMSA 1978 (being Laws 1979,
18 Chapter 391, Section 9) is amended to read:

19 "3-60A-9. PREPARATION OF A METROPOLITAN REDEVELOPMENT
20 PLAN.--

21 A. When a local government has complied with the
22 provisions of the Redevelopment Law concerning public hearing
23 and designation of an area as a metropolitan redevelopment
24 area, it may prepare or cause to be prepared a metropolitan
25 redevelopment plan; however, prior to final consideration of

1 the plan by the local government, the plan shall be the
2 subject of at least one public hearing held by the local
3 government or the local government's planning commission, at
4 which time comments from the public as a whole can be
5 gathered and considered by the local government in its
6 preparation of the final plan. The local government may hold
7 a public hearing for purposes of approval of the proposed
8 plan, as provided in Subsection B of this section, only after
9 the hearing required by this subsection.

10 B. The local government shall hold a public
11 hearing on a metropolitan redevelopment plan or substantial
12 modification of an approved plan after public notice by
13 publication in a newspaper having a general circulation in
14 the area of operation of the local government. The notice
15 shall describe the time, date, place and purpose of the
16 hearing, shall generally identify the area covered by the
17 plan and shall outline the general scope of the metropolitan
18 redevelopment project under consideration. Prior to the
19 public hearing on this matter, notice of the public hearing
20 shall be mailed by first class mail to the owners of real
21 property in the metropolitan redevelopment area. The mailing
22 shall be to the owner's address as shown on the records of
23 the county treasurer. If the notice by first class mail to
24 the owner is returned undelivered, the local government shall
25 attempt to discover the owner's most recent address and shall

1 remail the notice by certified mail, return receipt
2 requested, to the address.

3 C. Following the public hearing, the local
4 government may approve a metropolitan redevelopment plan if
5 it finds that:

6 (1) the proposed activities will aid in the
7 elimination or prevention of slum or blight or the conditions
8 that lead to the development of slum or blight;

9 (2) a feasible method is included in the
10 plan to provide individuals and families who occupy
11 residential dwellings in the metropolitan redevelopment area
12 and who may be displaced by the proposed activities with
13 decent, safe and sanitary dwelling accommodations within
14 their means and without undue hardship to such individuals
15 and families;

16 (3) the plan conforms to the general plan
17 for the local government; and

18 (4) the plan affords maximum opportunity
19 consistent with the needs of the community for the
20 rehabilitation or redevelopment of the area by private
21 enterprise or persons and the objectives of the plan justify
22 the proposed activities as public purposes and needs.

23 D. A metropolitan redevelopment plan may be
24 modified at any time; however, if the plan is modified after
25 the lease or sale by the local government of real property in

1 the project area, the modification shall be subject to any
2 rights at law or in equity a lessee or purchaser or the
3 lessee's or purchaser's successors in interest may be
4 entitled to assert. Any proposed modification that will
5 substantially change the plan as previously approved by the
6 local government shall be subject to the requirements of this
7 section, including the requirement of a public hearing,
8 before it may be approved."

9 SECTION 9. Section 3-60A-10 NMSA 1978 (being Laws 1979,
10 Chapter 391, Section 10, as amended by Laws 2007, Chapter
11 329, Section 5 and by Laws 2007, Chapter 330, Section 5) is
12 amended to read:

13 "3-60A-10. POWERS OF LOCAL GOVERNMENT.--A local
14 government shall have all the powers, other than the power of
15 eminent domain, necessary or convenient to carry out and
16 effectuate the purposes and provisions of the Metropolitan
17 Redevelopment Code, including the following powers:

18 A. to undertake and carry out metropolitan
19 redevelopment projects within its area of operation,
20 including clearance and redevelopment, rehabilitation,
21 conservation and development activities and programs; to
22 make, enter into and execute contracts and other agreements
23 and instruments necessary or convenient to the exercise of
24 its powers under the Redevelopment Law; and to disseminate
25 information regarding slum clearance, prevention of blight

1 and the metropolitan redevelopment projects and areas;

2 B. to provide, arrange or contract for the
3 furnishing or repair by a public or private person or agency
4 for services, privileges, works, streets, roads, public
5 utilities, public buildings or other facilities for or in
6 connection with a metropolitan redevelopment project; to,
7 within its area of operation, install, acquire, construct,
8 reconstruct, remodel, rehabilitate, maintain and operate
9 streets, utilities, parks, buildings, playgrounds and public
10 buildings, including parking facilities, transportation
11 centers, public safety buildings and other public
12 improvements or facilities or improvements for public
13 purposes, as may be required by the local government, the
14 state or a political subdivision of the state; to agree to
15 conditions that it may deem reasonable and appropriate that
16 are attached to federal financial assistance and imposed
17 pursuant to federal law, including conditions relating to the
18 determination of prevailing salaries or wages or compliance
19 with federal and state labor standards, compliance with
20 federal property acquisition policy and the provision of
21 relocation assistance in accordance with federal law in the
22 undertaking or carrying out of a metropolitan redevelopment
23 project; and to include in a contract let in connection with
24 the project provisions to fulfill these conditions as it may
25 deem reasonable and appropriate; provided, however, that all

1 purchases of personal property shall be in accordance with
2 the Procurement Code;

3 C. within its area of operation, to inspect any
4 building or property in a metropolitan redevelopment area in
5 order to make surveys, appraisals, soundings or test borings
6 and to obtain an order for this purpose from a court of
7 competent jurisdiction in the event inspection is denied by
8 the property owner or occupant; to acquire, by purchase,
9 lease, option, gift, grant, bequest, devise or otherwise, any
10 real property or personal property for its administrative or
11 project purposes, together with any improvements thereon; to
12 hold, improve, clear or prepare for redevelopment any such
13 property; to mortgage, pledge, hypothecate or otherwise
14 encumber or dispose of any real property; to insure or
15 provide for the insurance of real or personal property or
16 operations of the local government against risks or hazards,
17 including the power to pay premiums on that insurance; and to
18 enter into contracts necessary to effectuate the purposes of
19 the Metropolitan Redevelopment Code;

20 D. to invest metropolitan redevelopment project
21 funds held in reserve, sinking funds or other project funds
22 that are not required for immediate disbursement in property
23 or securities in which local governments may legally invest
24 funds subject to their control; to redeem bonds as have been
25 issued pursuant to the Metropolitan Redevelopment Code at the

1 redemption price established in the bonds or to purchase the
2 bonds at less than redemption price. Bonds so redeemed or
3 purchased shall be canceled;

4 E. to borrow or lend money subject to those
5 procedures and limitations as may be provided in the
6 constitution of New Mexico or statutes and to apply for and
7 accept advances, loans, grants, contributions and other forms
8 of financial assistance from the federal government, the
9 state, the county or other public body or from sources,
10 public or private, for the purposes of the Metropolitan
11 Redevelopment Code; and to give security as may be required
12 and subject to the provisions and limitations of general law
13 except as may otherwise be provided by the Redevelopment Law
14 and to enter into and carry out contracts in connection with
15 that law. A local government may include in a contract for
16 financial assistance with the federal government for a
17 metropolitan redevelopment project conditions imposed
18 pursuant to federal law that the local government may deem
19 reasonable or appropriate and that are not inconsistent with
20 the purposes of the Metropolitan Redevelopment Code;

21 F. within its area of operation, to make plans
22 necessary for the carrying out of the purposes of the
23 Metropolitan Redevelopment Code and to contract with any
24 person, public or private, in making and carrying out such
25 plans and to adopt or approve, modify and amend the plans.

1 The plans may include without limitation:

2 (1) a general plan for redevelopment of the
3 area as a whole;

4 (2) redevelopment plans for specific areas;

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

7 (4) plans for the enforcement of state and
8 local laws, codes and regulations relating to the use of land
9 and the use and occupancy of buildings and improvements and
10 to the compulsory repair, rehabilitation, demolition or
11 removal of buildings and improvements; and

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

16 G. to develop, test and report methods and
17 techniques and carry out demonstrations and other activities
18 for the prevention and elimination of slums and blight and to
19 pay for, accept and use grants of funds from the federal
20 government for those purposes;

21 H. to prepare plans for the relocation of families
22 displaced from a metropolitan redevelopment area to the
23 extent essential for acquiring possession of and clearing the
24 area or its parts or permit the carrying out of the
25 metropolitan redevelopment project;

1 I. to appropriate under existing authority the
2 funds and make expenditures necessary to carry out the
3 purposes of the Metropolitan Redevelopment Code and under
4 existing authority to levy taxes and assessments for such
5 purposes; to close, vacate, plan or replan streets, roads,
6 sidewalks, ways or other places; in accordance with
7 applicable law or ordinances, to plan or replan, zone or
8 rezone any part within the jurisdiction of the local
9 government or make exceptions from building regulations; and
10 to enter into agreements with a metropolitan redevelopment
11 agency vested with metropolitan redevelopment project powers,
12 which agreements may extend over any period, notwithstanding
13 any provision or rule of law to the contrary, respecting
14 action to be taken by the local government pursuant to the
15 powers granted by the Redevelopment Law;

16 J. within its area of operation, to organize,
17 coordinate and direct the administration of the provisions of
18 the Redevelopment Law as they apply to the local government
19 in order that the objective of remedying slum areas and
20 blighted areas and preventing the causes of those areas
21 within the jurisdiction of the local government may be most
22 effectively promoted and achieved and to establish any new
23 office of the local government or to reorganize existing
24 offices as necessary;

25 K. to acquire real property that is appropriate for

1 the preservation or restoration of historic sites; the
2 beautification of urban land; the conservation of open
3 spaces, natural resources and scenic areas; or the provision
4 of recreational opportunities; or that is to be used for
5 public purposes;

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

8 (1) acquisition, construction, reconstruction
9 or installation of public works, facilities and site or other
10 improvements, including neighborhood facilities, senior
11 citizen centers, historic properties, utilities, streets,
12 street lights, water and sewer facilities, including
13 connections for residential users, foundations and platforms
14 for air-rights sites, pedestrian malls and walkways, parks,
15 playgrounds and other recreation facilities, flood and
16 drainage facilities, parking facilities, solid waste disposal
17 facilities and fire protection or health facilities that
18 serve designated areas;

19 (2) special projects directed to the removal of
20 materials and architectural barriers that restrict the
21 mobility and accessibility of elderly and disabled persons;

22 (3) provision of public services in the
23 metropolitan redevelopment area that are not otherwise
24 available in the area, including the provisions of public
25 services directed to the employment, economic development,

1 crime prevention, child care, health, drug abuse, welfare or
2 recreation needs of the people who reside in the metropolitan
3 redevelopment area;

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

7 (5) if federal funds are used in the project,
8 to provide for payment of relocation costs and assistance to
9 individuals, families, businesses, organizations and farm
10 operations displaced as a direct result of a metropolitan
11 redevelopment project in accordance with applicable law
12 governing such payment;

13 (6) payment of reasonable administrative costs
14 and carrying charges related to the planning and execution of
15 plans and projects;

16 (7) economic and marketing studies to determine
17 the economic condition of an area and to determine the
18 viability of certain economic ventures proposed for the
19 metropolitan redevelopment area;

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

23 (9) grants to nonprofit corporations, local
24 development corporations or entities organized under Section
25 301 (d) of the federal Small Business Investment Act of 1958

1 for the purposes of carrying out the provisions of the
2 Metropolitan Redevelopment Code;

3 M. if payments are to be made by the local
4 government or metropolitan redevelopment agency under the
5 terms of a contract for reconstruction or rehabilitation of
6 private property, payments shall be made from a special fund
7 created for that purpose and shall not be paid directly to
8 the property owner but shall instead be paid to the
9 contractor by the local government or agency from such fund
10 upon proper authorization of the property owner and
11 notification that the terms of the contract have been
12 fulfilled. However, those rehabilitation contracts shall be
13 between the property owner and the contractor after a sealed
14 bidding procedure and award of contract approved by the local
15 government has taken place;

16 N. 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 elimination and prevention
20 of the development or spread of slums or blight and may
21 involve slum clearance and redevelopment in that area or
22 rehabilitation or conservation in that area or any
23 combination or part of those areas in accordance with a
24 metropolitan redevelopment plan and for undertakings or
25 activities of a local government in a metropolitan

1 redevelopment area to eliminate the conditions that caused an
2 area to be so designated and may include the following:

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

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

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

25 O. the local government is empowered in a

1 metropolitan redevelopment area to undertake slum clearance
2 and redevelopment that includes:

3 (1) acquisition of a slum area or a blighted
4 area or portion thereof;

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

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

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

20 P. to engage in rehabilitation or conservation that
21 includes the restoration and renewal of a slum or blighted
22 area or portion thereof in accordance with any approved plan,
23 by:

24 (1) carrying out plans for a program of
25 voluntary or compulsory repair and rehabilitation of

1 buildings or other improvements;

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

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

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

17 (5) acquisition of real property in the area
18 that, under a plan, is to be repaired or rehabilitated;

19 (6) repair or rehabilitation of structures
20 within the area;

21 (7) power to resell repaired or rehabilitated
22 property;

23 (8) acquisition, without regard to any
24 requirement that the area be a slum or blighted area, of
25 air-rights in an area consisting principally of land on which

1 is located a highway, railway, bridge or subway tracks or
2 tunnel entrance or other similar facilities that have a
3 blighting influence on the surrounding area and over which
4 air-rights sites are to be developed for the elimination of
5 such blighting influences; and

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

18 SECTION 10. Section 3-60A-12 NMSA 1978 (being Laws 1979,
19 Chapter 391, Section 12) is amended to read:

20 "3-60A-12. DISPOSAL OF PROPERTY.--

21 A. A local government may sell, lease or otherwise
22 transfer real property or any interest in real property
23 acquired by it in a metropolitan redevelopment area and may
24 enter into contracts with respect to the real property for
25 residential, commercial, industrial or other uses or for

1 public use or may retain such property or interest for public
2 use in accordance with the metropolitan redevelopment plan,
3 subject to any covenants, conditions and restrictions,
4 including covenants running with the land and including the
5 incorporation by reference in the covenants of the provisions
6 of a metropolitan redevelopment plan or any part thereof, as
7 it may deem to be in the public interest or necessary to
8 carry out the purposes of the metropolitan redevelopment
9 plan. The purchasers or lessees and their successors and
10 assigns shall be obligated to devote the real property only
11 to the uses specified in the metropolitan redevelopment plan
12 for a period of years as set out in the sale or lease
13 agreement and may be obligated to comply with other
14 requirements that the local government may determine to be in
15 the public interest, including the obligation to begin within
16 a reasonable time any improvements on real property required
17 by the metropolitan redevelopment plan. The real property or
18 interest shall be sold, leased, otherwise transferred or
19 retained at not less than its fair value for uses in
20 accordance with the Redevelopment Law as determined by the
21 local government or by the metropolitan redevelopment agency,
22 if so authorized. In determining the fair value of real
23 property for uses in accordance with the metropolitan
24 redevelopment plan, a local government shall take into
25 account and give consideration to the uses provided in the

1 plan, the restrictions upon and the covenants, conditions and
2 obligations assumed by the purchaser or lessee or by the
3 local government retaining the property and the objectives of
4 the plan for the prevention of and recurrence of slum or
5 blighted areas. The local government in any instrument of
6 conveyance to a private purchaser or lessee may provide that
7 the purchaser or lessee shall be without power to sell, lease
8 or otherwise transfer the real property without the prior
9 written consent of the local government until the purchaser
10 or lessee has completed the construction of any and all
11 improvements that the purchaser or lessee is obligated to
12 construct on the real property. Real property acquired by a
13 local government that, in accordance with the provisions of
14 the metropolitan redevelopment plan, is to be transferred
15 shall be transferred consistent with the carrying out of the
16 provisions of the plan. The inclusion in any contract or
17 conveyance to a purchaser or lessee of covenants,
18 restrictions or conditions, including the incorporation by
19 reference in the covenants of the provisions of a
20 metropolitan redevelopment plan or any part thereof, shall
21 not prevent the filing of the contract or conveyance in the
22 land records of the county in a manner as to afford actual or
23 constructive notice thereof.

24 B. A local government may dispose of real property
25 in a metropolitan redevelopment area to private persons only

1 in accordance with the procedures set out in this subsection.
2 The local government shall, prior to entering into any
3 agreement to convey title or an interest in real property,
4 publish a public notice once each week for at least two
5 consecutive weeks of the date, time and place it will receive
6 proposals for the purchase, lease or rental, for development
7 or redevelopment purposes, of the real property or interest
8 in the real property it intends to dispose of. The public
9 notice shall contain sufficient information to describe the
10 location of the real property, the type of development sought
11 or land use requirement and the selection criteria the local
12 government will follow during review of proposals and shall
13 state that details may be obtained at the office designated
14 in the notice. The local government shall consider all
15 proposals submitted in accordance with the public notice and
16 shall only accept proposals it deems in the public interest
17 and meeting the objectives of the metropolitan redevelopment
18 plan after considering the type of development, redevelopment
19 or use proposed and the financial ability of the persons
20 making the proposals to carry them out.

21 C. If, after following the procedures set out in
22 Subsection B of this section, a local government receives no
23 proposals or determines the ones received are not in
24 accordance with the call for proposals or do not meet the
25 objectives of the Metropolitan Redevelopment Code, the local

1 government may reject any proposals received and then dispose
2 of the real property through reasonable negotiating
3 procedures; provided, however, that negotiated sales, leases
4 or transfers shall be reported to the local government and
5 approved before the sale, lease or transfer may take effect.

6 D. A local government may operate and maintain real
7 property acquired in a metropolitan redevelopment area
8 pending the disposition of the property for development or
9 redevelopment without regard to the provisions of Subsection
10 A of this section for any uses and purposes deemed desirable
11 even though not in conformity with the Redevelopment Law."

12 SECTION 11. Section 3-60A-13 NMSA 1978 (being Laws 1979,
13 Chapter 391, Section 13, as amended) is amended to read:

14 "3-60A-13. PROPERTY EXEMPT FROM TAXES AND FROM LEVY AND
15 SALE BY VIRTUE OF AN EXECUTION.--

16 A. All property of a local government, including
17 funds, owned or held in fee simple by it for the purposes of
18 the Metropolitan Redevelopment Code shall be exempt from levy
19 and sale by virtue of an execution, and no execution or other
20 judicial process shall issue against the property nor shall
21 judgment against a local government be a charge or lien upon
22 the property; provided, however, that the provisions of this
23 section shall not apply to or limit the right of obligees to
24 pursue any remedies for the enforcement of any pledge or lien
25 given pursuant to the Redevelopment Law by a local government

1 on its rents, fees, grants, land or revenues from projects.

2 B. The property of a local government acquired or
3 held for the purposes of the Metropolitan Redevelopment Code
4 is declared to be public property used for essential public
5 and governmental purposes, and the property shall be exempt
6 from property taxes or assessments of the local government,
7 the county, the state or any political subdivision thereof;
8 provided that the exemption shall terminate when the local
9 government transfers its fee simple interest in the property
10 to a purchaser that is not entitled to the exemption with
11 respect to the property. Nothing in this subsection
12 authorizes an exemption or deduction from the imposition of
13 the gross receipts and compensating taxes under the Gross
14 Receipts and Compensating Tax Act on the gross receipts from
15 the sale of property to or the use of property by a local
16 government or any other person in connection with a
17 metropolitan redevelopment project created under the
18 Metropolitan Redevelopment Code."

19 SECTION 12. Section 3-60A-13.1 NMSA 1978 (being Laws
20 1985, Chapter 225, Section 2) is amended to read:

21 "3-60A-13.1. PAYMENTS IN LIEU OF PROPERTY TAXES AND
22 ASSESSMENTS.--

23 A. If interests in project property are exempt from
24 property taxation and assessments under Subsection B of
25 Section 3-60A-13 NMSA 1978 or Section 7-36-3.1 NMSA 1978,

1 then during the period extending from the date of acquisition
2 of the property by the local government through December 31
3 of the year in which the seventh anniversary of that
4 acquisition date occurs, any lessee of the project property
5 or owner of a substantial beneficial interest in the project
6 property, in whose ownership the property would not be exempt
7 from property taxation except for the exemption granted under
8 Section 7-36-3.1 NMSA 1978, shall pay to the county treasurer
9 annually, at the same time property tax payments are due
10 under the Property Tax Code, an amount equal to the sum of:

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

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

23 (3) amounts that would have been imposed as
24 benefit assessments on the project property had it not been
25 exempt and had it been valued at the valuation for property

1 taxation purposes that existed in the year immediately
2 preceding the year of acquisition by the local government if
3 those benefit assessments are authorized by law and are
4 expressed in mills per dollar or dollars per thousand dollars
5 of net taxable value of property, assessed value of property
6 or similar terms.

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

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

16 SECTION 13. Section 3-60A-14 NMSA 1978 (being Laws 1979,
17 Chapter 391, Section 14) is amended to read:

18 "3-60A-14. COOPERATION BY PUBLIC BODIES.--

19 A. For the purpose of aiding in the planning,
20 undertaking or carrying out of a metropolitan redevelopment
21 project located within the area in which it is authorized to
22 act, any public body upon terms with or without consideration
23 may:

24 (1) dedicate, sell, convey or lease any of its
25 interest in any property or grant easements, licenses or

1 other rights or privileges in the property to a local
2 government;

3 (2) incur the entire expense of any public
4 improvements made by the public body in exercising the powers
5 granted in this section;

6 (3) do any and all things necessary to aid or
7 cooperate in the planning or carrying out of a metropolitan
8 redevelopment plan;

9 (4) lend, grant or contribute funds to a local
10 government;

11 (5) enter into agreements that may extend over
12 any period, notwithstanding any provision or rule of law to
13 the contrary, with a local government or other public body
14 respecting action to be taken pursuant to any of the powers
15 granted by the Redevelopment Law, including the furnishing of
16 funds or other assistance in connection with metropolitan
17 redevelopment; or

18 (6) cause public buildings and public
19 facilities, including parks and playgrounds, recreational,
20 community, educational, transportation, water, sewer or
21 drainage facilities or any other works that it is otherwise
22 empowered to undertake, to be furnished to the local
23 government; furnish, dedicate, close, vacate, pave, install,
24 grade, regrade, plan or replan streets, roads, sidewalks,
25 ways or other places; plan or replan, zone or rezone any part

1 of the public property or make exceptions from building
2 regulations; and cause administrative and other services to
3 be furnished to the local government.

4 If at any time title to or possession of any
5 redevelopment project is held by any public body or
6 governmental agency, other than the local government that is
7 authorized by law to engage in the undertaking, carrying out
8 or administration of development projects, including the
9 federal government, the provisions of the agreements referred
10 to in this section shall inure to the benefit of and may be
11 enforced by such public body or governmental agency. As used
12 in this subsection, the term "local government" includes a
13 metropolitan redevelopment agency vested with metropolitan
14 redevelopment project powers pursuant to the provisions of
15 the Metropolitan Redevelopment Code.

16 B. For the purpose of aiding in the planning,
17 undertaking or carrying out of the metropolitan redevelopment
18 project by a redevelopment agency, a local government may, in
19 addition to its other powers and upon such terms with or
20 without consideration, perform any or all of the actions or
21 things that, by the provisions of Subsection A of this
22 section, a public body is authorized to do or perform,
23 including the furnishing of financial and other assistance.

24 C. For the purposes of this section or for the
25 purpose of aiding in the planning, undertaking or carrying

1 out of a metropolitan redevelopment project of a local
2 government, the local government may, in addition to any
3 authority to issue bonds pursuant to the Redevelopment
4 Bonding Law, issue and sell its general obligation or revenue
5 bonds. Any bonds issued by a local government pursuant to
6 this section shall be issued in the manner and within the
7 limitations prescribed by the laws of this state for the
8 issuance and authorization of bonds by a local government for
9 public purposes generally."

10 SECTION 14. Section 3-60A-15 NMSA 1978 (being Laws 1979,
11 Chapter 391, Section 15, as amended by Laws 2007, Chapter
12 329, Section 6 and by Laws 2007, Chapter 330, Section 6) is
13 amended to read:

14 "3-60A-15. EXERCISE OF POWERS IN CARRYING OUT
15 PROJECTS.--

16 A. A local government may directly exercise its
17 metropolitan redevelopment project powers or it may, by
18 ordinance if it determines such action to be in the public
19 interest, elect to delegate the exercise of such powers to
20 the metropolitan redevelopment agency created pursuant to the
21 Redevelopment Law. If the local government so determines,
22 the agency shall be vested with all of the powers in the same
23 manner as though all the powers were conferred on the agency
24 or authority instead of the local government.

25 B. As used in this section, the term "redevelopment

1 project powers" includes any rights, powers, functions and
2 duties of a local government authorized by the Redevelopment
3 Law except the following, which are reserved to the local
4 government, the power to:

5 (1) declare an area to be a slum or a blighted
6 area or combination thereof and to designate the area as
7 appropriate for a redevelopment project;

8 (2) approve or amend redevelopment plans;

9 (3) approve a general plan for the local
10 government as a whole;

11 (4) make findings of necessity prior to
12 preparation of a metropolitan redevelopment plan as provided
13 in the Redevelopment Law and the findings and determinations
14 required prior to approval of a metropolitan redevelopment
15 plan or project as provided in the Redevelopment Law;

16 (5) issue general obligation bonds and revenue
17 bonds as authorized by law;

18 (6) approve loans or grants;

19 (7) approve leases of more than one year's
20 duration;

21 (8) issue redevelopment bonds; and

22 (9) appropriate funds and levy taxes and
23 assessments."

24 SECTION 15. Section 3-60A-16 NMSA 1978 (being Laws 1979,
25 Chapter 391, Section 16) is amended to read:

1 "3-60A-16. METROPOLITAN REDEVELOPMENT AGENCY.--

2 A. There may be created in each local government a
3 public body to be known as the "metropolitan redevelopment
4 agency". The metropolitan redevelopment agency shall not
5 transact any business or exercise any powers until the local
6 government has adopted an ordinance creating a metropolitan
7 redevelopment agency and has specified the powers and duties
8 of the agency.

9 B. When the metropolitan redevelopment agency has
10 been authorized to transact business and exercise powers, the
11 mayor or manager of the local government, with the advice and
12 consent of the local government, shall appoint a board of
13 commissioners of the redevelopment agency, which shall
14 consist of five commissioners. The commissioners shall be
15 initially appointed to serve staggered terms as follows from
16 the date of their appointment:

17 (1) two members for three-year terms;

18 (2) two members for two-year terms; and

19 (3) one member for a one-year term.

20 Thereafter, commissioners shall be appointed for terms of
21 five years each.

22 C. A commissioner shall receive no compensation for
23 services but shall be entitled to the necessary expenses,
24 including traveling expenses, incurred in the discharge of
25 the commissioner's duties. Each commissioner shall hold

1 office until the commissioner's successor has been appointed
2 and qualified. A certificate of the appointment or
3 reappointment of any commissioner shall be filed with the
4 clerk of the local government, and the certificate shall be
5 conclusive evidence of the due and proper appointment of the
6 commissioner. A commissioner may be removed from office at
7 any time by the mayor or manager of the local government.

8 D. The powers of a metropolitan redevelopment
9 agency shall be exercised by the commissioners. A majority
10 of the appointed commissioners constitutes a quorum for the
11 purpose of conducting business and exercising the powers of
12 the agency and for all other purposes. Action may be taken
13 by the agency upon a vote of a majority of the commissioners
14 present at a lawful meeting, unless the bylaws require a
15 larger number. Any person may be appointed as commissioner
16 if the person resides within the area of operation of the
17 agency, which shall be coterminous with the area of operation
18 of the local government, and is otherwise eligible for
19 appointment under the Redevelopment Law.

20 E. The mayor or manager of the local government
21 shall designate a chair and vice chair from among the
22 commissioners. The commission may employ and determine the
23 qualifications, duties and compensation of an executive
24 director, technical experts and other agents and employees,
25 permanent and temporary, as the metropolitan redevelopment

1 agency may require. For legal services as the agency may
2 require, the commission may employ or retain for the agency
3 legal counsel and a legal staff. A metropolitan
4 redevelopment agency shall file annually with the local
5 government a report of its activities for the preceding
6 fiscal year, which report shall include a complete financial
7 statement setting forth its assets, liabilities, income and
8 operating expenses as of the end of the fiscal year."

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

11 "3-60A-17. CONFLICT OF INTEREST--MISCONDUCT.--No public
12 official or employee of a local government or member of any
13 board or commission of a local government and no commissioner
14 or employee of a metropolitan redevelopment agency that has
15 been vested by a local government with metropolitan
16 redevelopment project powers by the Redevelopment Law shall
17 voluntarily acquire any interest, direct or indirect, in any
18 metropolitan redevelopment project of the local government or
19 in any contract or proposed contract in connection with the
20 project. Where the acquisition is not voluntary, the
21 interest acquired shall be immediately disclosed in writing
22 to the local government, and the disclosure shall be entered
23 upon its minutes. If any such official, commissioner or
24 employee currently owns or controls or owned or controlled
25 within the preceding two years any interest, direct or

1 indirect, in any property that the official, commissioner or
2 employee knows is included or planned to be included in a
3 metropolitan redevelopment project, the official,
4 commissioner or employee shall immediately disclose this fact
5 in writing to the local government, and this disclosure shall
6 be entered upon the minutes of the local government, and the
7 official, commissioner or employee shall not participate in
8 any action by the local government affecting the property.
9 Any disclosure required to be made by this section to the
10 local government shall concurrently be made to a metropolitan
11 redevelopment agency that has been vested with metropolitan
12 redevelopment project powers by the local government."

13 SECTION 17. Section 3-60A-18 NMSA 1978 (being Laws 1979,
14 Chapter 391, Section 18) is amended to read:

15 "3-60A-18. OTHER POWERS.--

16 A. Except as otherwise specifically set forth in
17 Section 3-60A-15 NMSA 1978, the local government may delegate
18 its metropolitan redevelopment powers in the manner provided
19 for delegation of powers in the Redevelopment Law to a
20 metropolitan redevelopment agency that shall be vested with
21 the powers in the same manner as though the powers were
22 conferred on the agency instead of the local government.

23 B. The local government may, in the manner required
24 by state law or municipal charter, provide for ordinances,
25 rules, regulations or by other means it deems proper as are

1 necessary to implement the Redevelopment Law. The local
2 government and the agency shall be empowered to exercise only
3 those powers authorized by the Redevelopment Law or otherwise
4 provided by law. Nothing in the Redevelopment Law shall be
5 construed to authorize the local government to operate an
6 electric or gas utility."

7 SECTION 18. Section 3-60A-19 NMSA 1978 (being Laws 1979,
8 Chapter 391, Section 19) is amended to read:

9 "3-60A-19. TAX INCREMENT LAW--SHORT TITLE.--Sections
10 3-60A-19 through 3-60A-24 NMSA 1978 may be cited as the "Tax
11 Increment Law"."

12 SECTION 19. Section 3-60A-20 NMSA 1978 (being Laws 1979,
13 Chapter 391, Section 20) is amended to read:

14 "3-60A-20. ALTERNATIVE METHOD OF FINANCING.--

15 A. Effective for tax years beginning on or after
16 January 1, 1980, the local government may elect by resolution
17 to use the procedures set forth in the Tax Increment Law for
18 financing metropolitan redevelopment projects. Such
19 procedures may be used in addition to or in conjunction with
20 other methods provided by law for financing such projects.

21 B. The tax increment method, for the purpose of
22 financing metropolitan redevelopment projects, is the
23 dedication for further use in metropolitan redevelopment
24 projects of that increase in property tax revenue directly
25 resulting from the increased net taxable value of a parcel of

1 property attributable to its rehabilitation, redevelopment or
2 other improvement because of its inclusion within an urban
3 renewal, community development or metropolitan redevelopment
4 project."

5 SECTION 20. Section 3-60A-21 NMSA 1978 (being Laws 1979,
6 Chapter 391, Section 21, as amended) is amended to read:

7 "3-60A-21. TAX INCREMENT PROCEDURES.--The procedures to
8 be used in the tax increment method are:

9 A. the local government shall, at the time after
10 approval of a metropolitan redevelopment project, notify the
11 county assessor and the taxation and revenue department of
12 the taxable parcels of property within the project;

13 B. upon receipt of notification pursuant to
14 Subsection A of this section, the county assessor and the
15 taxation and revenue department shall identify the parcels of
16 property within the metropolitan redevelopment project within
17 their respective jurisdictions and certify to the county
18 treasurer the net taxable value of the property at the time
19 of notification as the base value for the distribution of
20 property tax revenues authorized by the Property Tax Code.

21 If because of acquisition by the local government the
22 property becomes tax exempt, the county assessor and the
23 taxation and revenue department shall note that fact on their
24 respective records and so notify the county treasurer, but
25 the county assessor, the taxation and revenue department and

1 the county treasurer shall preserve a record of the net
2 taxable value at the time of inclusion of the property within
3 the metropolitan redevelopment project as the base value for
4 the purpose of distribution of property tax revenues when the
5 parcel again becomes taxable. The county assessor is not
6 required by this section to preserve the new taxable value at
7 the time of inclusion of the property within the metropolitan
8 redevelopment project as the base value for the purposes of
9 valuation of the property;

10 C. if because of acquisition by the local
11 government the property becomes tax exempt, when the parcel
12 again becomes taxable, the local government shall notify the
13 county assessor and the taxation and revenue department of
14 the parcels of property that because of their rehabilitation
15 or other improvement are to be revalued for property tax
16 purposes. A new taxable value of this property shall then be
17 determined by the county assessor or by the taxation and
18 revenue department if the property is within the valuation
19 jurisdiction of that department. If no acquisition by the
20 local government occurs, improvement or rehabilitation of
21 property subject to valuation by the assessor shall be
22 reported to the assessor as required by the Property Tax
23 Code, and the new taxable value shall be determined as of
24 January 1 of the tax year following the year in which the
25 improvement or rehabilitation is completed;

1 D. current tax rates shall then be applied to the
2 new taxable value. The amount by which the revenue received
3 exceeds that which would have been received by application of
4 the same rates to the base value before inclusion in the
5 metropolitan redevelopment project shall be credited to the
6 local government and deposited in the metropolitan
7 redevelopment fund. This transfer shall take place only
8 after the county treasurer has been notified to apply the tax
9 increment method to a specific property included in a
10 metropolitan redevelopment area. Unless the entire
11 metropolitan redevelopment area is specifically included by
12 the local government for purposes of tax increment financing,
13 the payment by the county treasurer to the local government
14 shall be limited to those properties specifically included.
15 The remaining revenue shall be distributed to participating
16 units of government as authorized by the Property Tax Code;
17 and

18 E. the procedures and methods specified in this
19 section shall be followed annually for a maximum period of
20 twenty years following the date of notification of inclusion
21 of property as coming under the transfer provisions of this
22 section."

23 SECTION 21. Section 3-60A-22 NMSA 1978 (being Laws 1979,
24 Chapter 391, Section 22) is amended to read:

25 "3-60A-22. METROPOLITAN REDEVELOPMENT FUND--CREATION--

1 DISBURSEMENT.--There is created a "metropolitan redevelopment
2 fund" for purposes of the Metropolitan Redevelopment Code.
3 Money in the metropolitan redevelopment fund shall be
4 disbursed to the local government to be used as other money
5 is authorized to be used in the Metropolitan Redevelopment
6 Code."

7 SECTION 22. Section 3-60A-23 NMSA 1978 (being Laws 1979,
8 Chapter 391, Section 23, as amended) is amended to read:

9 "3-60A-23. TAX INCREMENT FINANCING METHOD APPROVAL.--

10 A. The property tax increment method shall be
11 applicable only to the units of government participating in
12 property tax revenue derived from the properties within the
13 district.

14 B. A local government shall request an approval for
15 up to a twenty-year period for property included in the tax
16 increment funding. The governor or the governor's authorized
17 representative shall approve, partially approve or disapprove
18 the use of the method for state government; the governing
19 body of each other participating unit shall approve,
20 partially approve or disapprove by ordinance or resolution
21 the use of the method for its respective units.

22 C. At the request of a participating unit of
23 government, made within ten days of receipt of the request by
24 the local government, the local government shall make a
25 presentation to the governor or the governor's authorized

1 representative and to the governing bodies of all
2 participating units of government, which presentation shall
3 include a description of the metropolitan redevelopment
4 project and the parcels in the project to which the tax
5 increment method will apply and an estimate of the general
6 effect of the project and the application of the tax
7 increment method on property values and tax revenues. All
8 participating units shall notify the local government seeking
9 approval within thirty days of receipt of the local
10 government's request. At the expiration of that time, the
11 alternative method of financing set forth in this section
12 shall be effective for a period of up to twenty tax years."

13 SECTION 23. Section 3-60A-23.1 NMSA 1978 (being Laws
14 2000, Chapter 103, Section 4) is amended to read:

15 "3-60A-23.1. TAX INCREMENT BONDS.--

16 A. For the purpose of financing metropolitan
17 redevelopment projects, in whole or in part, a local
18 government may issue tax increment bonds or tax increment
19 bond anticipation notes that are payable from and secured by
20 real property taxes, in whole or in part, allocated to the
21 metropolitan redevelopment fund pursuant to the provisions of
22 Sections 3-60A-21 and 3-60A-23 NMSA 1978. The principal of,
23 premium, if any, and interest on the bonds or notes shall be
24 payable from and secured by a pledge of such revenues, and
25 the local government shall irrevocably pledge all or part of

1 the revenues to the payment of the bonds or notes. The
2 revenues deposited in the metropolitan redevelopment fund or
3 the designated part thereof may thereafter be used only for
4 the payment of the principal of, premium, if any, and
5 interest on the bonds or notes, and a holder of the bonds or
6 notes shall have a first lien against the revenues deposited
7 in the metropolitan redevelopment fund or the designated part
8 thereof for the payment of principal of, premium, if any, and
9 interest on the bonds or notes. To increase the security and
10 marketability of the tax increment bonds or notes, the local
11 government may:

12 (1) create a lien for the benefit of the
13 bondholders on any public improvements or public works used
14 solely by the metropolitan redevelopment project or portion
15 of a project financed by the bonds or notes, or on the
16 revenues of such improvements or works;

17 (2) provide that the proceeds from the sale of
18 real and personal property acquired with the proceeds from
19 the sale of bonds or notes issued pursuant to the Tax
20 Increment Law shall be deposited in the metropolitan
21 redevelopment fund and used for the purposes of repayment of
22 principal of, premium, if any, and interest on the bonds or
23 notes; and

24 (3) make covenants and do any and all acts not
25 inconsistent with law as may be necessary, convenient or

1 desirable in order to additionally secure the bonds or notes
2 or make the bonds or notes more marketable in the exercise of
3 the discretion of the local government.

4 B. Bonds and notes issued pursuant to this section
5 shall not constitute an indebtedness within the meaning of
6 any constitutional or statutory debt limitation or
7 restriction, shall not be general obligations of the local
8 government, shall be collectible only from the proper pledged
9 revenues and shall not be subject to the provisions of any
10 other law or charter relating to the authorization, issuance
11 or sale of tax increment bonds or tax increment bond
12 anticipation notes. Bonds and notes issued pursuant to the
13 Tax Increment Law are declared to be issued for an essential
14 public and governmental purpose and, together with interest
15 thereon, shall be exempted from all taxes by the state.

16 C. The bonds or notes shall be authorized by an
17 ordinance of the local government; shall be in a denomination
18 or denominations, a such date and mature, in the case of
19 bonds, at a time not exceeding twenty years from their date,
20 and in the case of notes, not exceeding five years from the
21 date of the original note; bear interest at a rate or have
22 appreciated principal value not exceeding the maximum net
23 effective interest rate permitted by the Public Securities
24 Act; and be in a form, carry registration privileges, be
25 executed in a manner, be payable at a place within or without

1 the state, be payable at intervals or at maturity and be
2 subject to terms of redemption as the authorizing ordinance
3 or supplemental resolution of the local government may
4 provide.

5 D. The bonds or notes may be sold in one or more
6 series at, below or above par, at public or private sale, in
7 a manner and for a price as the local government, in its
8 discretion, shall determine; provided that the price at which
9 the bonds or notes are sold shall not result in a net
10 effective interest rate that exceeds the maximum permitted by
11 the Public Securities Act. As an incidental expense of a
12 metropolitan redevelopment project or the portion financed
13 with the bonds or notes, the local government in its
14 discretion may employ financial and legal consultants with
15 regard to the financing of the project.

16 E. In case any of the public officials of the local
17 government whose signatures appear on any bonds or notes
18 issued pursuant to the Tax Increment Law cease to be public
19 officials before the delivery of the bonds or notes, the
20 signatures shall, nevertheless, be valid and sufficient for
21 all purposes, the same as if the officials had remained in
22 office until delivery. Any provision of law to the contrary
23 notwithstanding, any bonds or notes issued pursuant to the
24 Tax Increment Law shall be fully negotiable.

25 F. In any suit, action or proceeding involving the

1 validity or enforceability of any bond or note issued
2 pursuant to the Tax Increment Law or the security therefor,
3 any bond or note reciting in substance that it has been
4 issued by the local government in connection with a
5 metropolitan redevelopment project shall be conclusively
6 deemed to have been issued for that purpose and the project
7 shall be conclusively deemed to have been planned, located
8 and carried out in accordance with the provisions of the
9 Metropolitan Redevelopment Code.

10 G. The proceedings under which tax increment bonds
11 or tax increment bond anticipation notes are authorized to be
12 issued and any mortgage, deed of trust, trust indenture or
13 other lien or security device on real and personal property
14 given to secure the same may contain provisions customarily
15 contained in instruments securing bonds and notes and
16 constituting a covenant with the bondholders.

17 H. A local government may issue bonds or notes
18 pursuant to this section with the proceeds from the bonds or
19 notes to be used as other money is authorized to be used in
20 the Metropolitan Redevelopment Code.

21 I. The local government shall have the power to
22 issue renewal notes, to issue bonds to pay notes and,
23 whenever it deems refunding expedient, to refund any bonds by
24 the issuance of new bonds, whether the bonds to be refunded
25 have or have not matured, and to issue bonds partly to refund

1 bonds then outstanding and partly for other purposes in
2 connection with financing metropolitan redevelopment
3 projects, in whole or in part. Refunding bonds issued
4 pursuant to the Tax Increment Law to refund outstanding tax
5 increment bonds shall be payable from real property tax
6 revenues, out of which the bonds to be refunded thereby are
7 payable or from other lawfully available revenues.

8 J. The proceeds from the sale of any bonds or notes
9 shall be applied only for the purpose for which the bonds or
10 notes were issued, and if, for any reason, any portion of the
11 proceeds are not needed for the purpose for which the bonds
12 or notes were issued, the unneeded portion of the proceeds
13 shall be applied to the payment of the principal of or the
14 interest on the bonds or notes.

15 K. The cost of financing a metropolitan
16 redevelopment project shall be deemed to include the actual
17 cost of acquiring a site and the cost of the construction of
18 any part of a project, including architects' and engineers'
19 fees, the purchase price of any part of a project that may be
20 acquired by purchase and all expenses in connection with the
21 authorization, sale and issuance of the bonds or notes to
22 finance the acquisition and any related costs incurred by the
23 local government.

24 L. No action shall be brought questioning the
25 legality of any contract, mortgage, deed of trust, trust

1 indenture or other lien or security device, proceeding or
2 bonds or notes executed in connection with any project
3 authorized by the Metropolitan Redevelopment Code on and
4 after thirty days from the effective date of the ordinance
5 authorizing the issuance of such bonds or notes."

6 SECTION 24. Section 3-60A-26 NMSA 1978 (being Laws 1979,
7 Chapter 391, Section 26) is amended to read:

8 "3-60A-26. REDEVELOPMENT BONDING LAW--SHORT TITLE.--
9 Sections 3-60A-26 through 3-60A-46 NMSA 1978 may be cited as
10 the "Redevelopment Bonding Law"."

11 SECTION 25. Section 3-60A-27 NMSA 1978 (being Laws 1979,
12 Chapter 391, Section 27) is amended to read:

13 "3-60A-27. DEFINITIONS.--As used in the Redevelopment
14 Bonding Law:

15 A. "finance" or "financing" means the issuing of
16 bonds by a local government and the use of substantially all
17 of the proceeds from the bonds pursuant to a financing
18 agreement with the user to pay or to reimburse the user or
19 its designee for the costs of the acquisition or construction
20 of a project, whether these costs are incurred by the local
21 government, the user or a designee of the user; provided that
22 title to or in the project may at all times remain in the
23 user, and, in such case, the bonds of the local government
24 may be secured by mortgage or other lien upon the project or
25 upon any other property of the user, or both, granted by the

1 user or by a pledge of one or more notes, debentures, bonds
2 or other secured or unsecured debt obligations of the user,
3 as the governing body deems advisable, but no local
4 government shall be authorized hereby to pledge any of its
5 property or to otherwise secure the payment of any bonds with
6 its property, except that the local government may pledge the
7 property of the project or revenues from the project;

8 B. "financing agreement" includes a lease,
9 sublease, installment purchase agreement, rental agreement,
10 option to purchase or any other agreement or any combination
11 thereof entered into in connection with the financing of a
12 project pursuant to the Metropolitan Redevelopment Code;

13 C. "mortgage" means a deed of trust or any other
14 security device for both real and personal property;

15 D. "ordinance" means an ordinance of a local
16 government financing or refinancing an activity involving or
17 affecting improvement or improvements;

18 E. "project" means an activity that can be funded
19 or refinanced by revenue bonds issued pursuant to the
20 Redevelopment Bonding Law for the purpose of acquiring,
21 improving, rehabilitating, conserving, financing,
22 refinancing, erecting or building new or improved facilities
23 on land, building or buildings or any other improvement or
24 improvements, site or any other activity authorized by the
25 Metropolitan Redevelopment Code for projects or activities

1 located within the boundaries of a metropolitan redevelopment
2 area. The revenue bonds may be used for the projects
3 hereafter enumerated for any purpose or use in such project,
4 except that no funds shall be used for inventories, raw
5 materials or other working capital, whether or not in
6 existence, suitable or used for or in connection with any of
7 the following projects:

8 (1) manufacturing, industrial, commercial or
9 business enterprises, including without limitation
10 enterprises engaged in storing, warehousing, distributing,
11 selling or transporting any products of industry, commerce,
12 manufacturing or business or any utility plant;

13 (2) hospital, health care or nursing home
14 facilities, including without limitation clinics and
15 outpatient facilities and facilities for the training of
16 hospital, health care or nursing home personnel;

17 (3) residential facilities intended for use as
18 the place of residence by the owners or intended occupants;

19 (4) sewage or solid waste disposal facilities;

20 (5) facilities for the furnishing of water, if
21 available, on reasonable demand to members of the general
22 public;

23 (6) facilities for the furnishing of energy or
24 gas;

25 (7) sports and recreational facilities;

- 1 (8) convention or trade show facilities;
2 (9) research, product testing and
3 administrative facilities;
4 (10) creative enterprises or industries;
5 (11) cultural facilities as defined in the
6 Local Economic Development Act; and
7 (12) public infrastructure in state-authorized
8 main street projects or arts and cultural districts;

9 F. "revenue bonds" means bonds, notes or other
10 securities evidencing an obligation and issued pursuant to
11 the powers granted by the Metropolitan Redevelopment Code by
12 a local government for purposes authorized by that code;

13 G. "user" means one or more persons who enter into
14 a financing agreement with a local government relating to a
15 project, except that the user need not be the person actually
16 occupying, operating or maintaining the project; and

17 H. "utility plant" means any facility used for or
18 in connection with the generation, production, transmission
19 or distribution of electricity; the production, manufacture,
20 storage or distribution of gas; the transportation or
21 conveyance of gas, oil or other fluid substance by pipeline;
22 or the diverting, developing, pumping, impounding,
23 distributing or furnishing of water."

24 SECTION 26. Section 3-60A-28 NMSA 1978 (being Laws 1979,
25 Chapter 391, Section 28) is amended to read:

1 "3-60A-28. GENERAL POWERS.--In addition to any other
2 powers, each local government has the following powers:

3 A. to acquire, whether by construction, purchase,
4 gift, devise, lease or sublease; to improve and equip; and to
5 finance, sell, lease or otherwise dispose of one or more
6 projects or part thereof. If a local government issues
7 revenue bonds as provided by the Metropolitan Redevelopment
8 Code to finance or acquire projects, the projects shall be
9 located within the jurisdiction of the local government and
10 within a metropolitan redevelopment area;

11 B. to enter into financing agreements with others
12 for the purpose of providing revenues to pay the bonds
13 authorized by the Redevelopment Bonding Law; to lease, sell
14 or otherwise dispose of any or all of its projects to others
15 for revenue and upon terms and conditions the local
16 government may deem advisable; and to grant options to renew
17 any lease or other agreement with respect to the project and
18 to grant options to buy any project at a price the local
19 government deems desirable;

20 C. to issue revenue bonds for the purpose of
21 defraying the cost of financing, acquiring, improving and
22 equipping any project, including the payment of principal and
23 interest on the bonds for a period not to exceed three years
24 and all other incidental expenses incurred in issuing the
25 bonds; and

1 D. to secure payment of revenue bonds as provided
2 in the Redevelopment Bonding Law."

3 SECTION 27. Section 3-60A-29 NMSA 1978 (being Laws 1979,
4 Chapter 391, Section 29) is amended to read:

5 "3-60A-29. REVENUE BONDS--ISSUANCE.--

6 A. A local government may issue revenue bonds from
7 time to time in its discretion to finance the undertaking of
8 any project authorized by the Redevelopment Bonding Law or
9 the exercise of any power or authority delegated under the
10 Metropolitan Redevelopment Code. These bonds shall be made
11 payable as to both principal and interest solely from the
12 income, proceeds, revenues and funds of the project.

13 B. Bonds issued under this section shall not
14 constitute an indebtedness within the meaning of any
15 constitutional or statutory debt limitation or restriction
16 and shall not be subject to the provisions of any other law
17 or charter relating to the authorization, issuance or sale of
18 bonds. Bonds issued under the provisions of the Metropolitan
19 Redevelopment Code are declared to be issued for an essential
20 public and governmental purpose and, together with interest
21 thereon and income thereon and income therefrom, shall be
22 exempted from all taxes by the state.

23 C. Bonds issued under this section shall be
24 authorized by resolution of the local government. The bonds
25 may be issued in one or more series and shall bear a date or

1 dates, be payable upon demand or mature at a time or times,
2 bear interest at a rate or rates not exceeding the legally
3 authorized rate, be in a denomination or denominations, be in
4 a form either coupon or registered, carry conversion or
5 registration privileges, have rank or priority, be executed
6 in a manner, be payable in a medium of payment at a place or
7 places, be subject to the terms of redemption with or without
8 premium, be secured in a manner and have the other
9 characteristics as may be provided by the resolution or trust
10 indenture or mortgage issued pursuant to the bonds.

11 D. The revenue bonds or any portion to the bonds
12 may be sold at not less than par at public sales held after
13 notice published prior to the sale in a newspaper having a
14 general circulation in the area of operation and in any other
15 medium of publication as the local government may determine
16 or may be exchanged for other bonds on the basis of par;
17 provided that the bonds may be sold to the federal government
18 or to the state at private sale at not less than par, and, in
19 the event less than all of the authorized principal amount of
20 the bonds is sold to the federal government or to the state
21 or to political subdivisions thereof, the balance may be sold
22 at private sale at not less than par at an interest cost to
23 the local government of not to exceed the interest cost to
24 the local government of the portion of the bonds sold to the
25 federal government.

1 E. In case any of the public officials of the local
2 government whose signatures appear on any bonds or coupons
3 issued under the Metropolitan Redevelopment Code cease to be
4 public officials before the delivery of the bonds, the
5 signatures shall, nevertheless, be valid and sufficient for
6 all purposes, the same as if the officials had remained in
7 office until delivery. Any provision of any law to the
8 contrary notwithstanding, any bonds issued pursuant to the
9 Metropolitan Redevelopment Code shall be fully negotiable.

10 F. In any suit, action or proceeding involving the
11 validity or enforceability of any bond issued under the
12 Metropolitan Redevelopment Code or the security therefor, any
13 bond reciting in substance that it has been issued by the
14 local government in connection with a metropolitan
15 redevelopment project shall be conclusively deemed to have
16 been issued for such purpose, and the project shall be
17 conclusively deemed to have been planned, located and carried
18 out in accordance with the provisions of the Metropolitan
19 Redevelopment Code."

20 SECTION 28. Section 3-60A-30 NMSA 1978 (being Laws 1979,
21 Chapter 391, Section 30) is amended to read:

22 "3-60A-30. BONDS AS LEGAL INVESTMENTS.--All banks, trust
23 companies, bankers, building and loan associations, savings
24 and loan associations, investment companies and other persons
25 carrying on a banking or investment business; all insurance

1 companies, insurance associations and other persons carrying
2 on an insurance business; and all executors, administrators,
3 curators, trustees and other fiduciaries may legally invest
4 any sinking funds, money or other funds belonging to them or
5 within their control in any bonds or other obligations issued
6 by a local government pursuant to the Metropolitan
7 Redevelopment Code or by any agency vested with metropolitan
8 redevelopment project powers under the Redevelopment Law;
9 provided that the bonds and other obligations shall be
10 secured by a pledge of property or revenues or combinations
11 thereof that is of sufficient value to equal the principal
12 and interest of the bonds at maturity. The bonds and other
13 obligations shall be authorized security for all public
14 deposits. Nothing contained in this section with regard to
15 legal investments shall be construed as relieving any person
16 of any duty of exercising reasonable care in selecting
17 securities."

18 SECTION 29. Section 3-60A-31 NMSA 1978 (being Laws 1979,
19 Chapter 391, Section 31) is amended to read:

20 "3-60A-31. REVENUE BONDS--ISSUANCE--STATUS.--

21 A. A local government may issue revenue bonds in
22 connection with a financing agreement for the purposes of
23 financing a project authorized by the provisions of the
24 Redevelopment Bonding Law.

25 B. A revenue bond shall be a limited obligation of

1 the local government, the principal and interest of which
2 shall be payable, subject to the mortgage provisions of the
3 Redevelopment Bonding Law, solely out of the revenues derived
4 from the financing, sale or leasing of the project with
5 respect to which the bonds are issued.

6 C. The revenue bond and interest coupons, if any,
7 appurtenant thereto shall never constitute a debt or
8 indebtedness of the local government within the meaning of
9 any provision or limitation of the constitution of
10 New Mexico, statutes of the state or a home rule charter of
11 the local government, and the bond shall not constitute or
12 give rise to a pecuniary liability of the local government or
13 a charge against its general credit or taxing powers. These
14 limitations shall be plainly stated on the face of each
15 bond."

16 SECTION 30. Section 3-60A-32 NMSA 1978 (being Laws 1979,
17 Chapter 391, Section 32) is amended to read:

18 "3-60A-32. REVENUE BONDS--FORM AND TERMS.--

19 A. Revenue bonds shall be authorized by ordinance
20 of the local government, shall be subject to a maximum net
21 effective interest rate and shall be in denominations, bear a
22 date, mature at a time not exceeding forty years from their
23 respective dates, bear an interest at a rate, be in a form,
24 carry registration privileges, be executed in a manner, be
25 payable at a place within or without the state and be subject

1 to terms of redemption as the authorizing ordinance or
2 supplemental resolution of the local government may provide.

3 B. The revenue bonds may be sold in one or more
4 series at par or below or above par at public or private sale
5 in a manner and for a price as the local government in its
6 discretion shall determine; but the local government shall
7 not sell revenue bonds at a price such that the net effective
8 interest rate of the issue of bonds exceeds the maximum net
9 effective interest rate authorized. As an incidental expense
10 of the project, the local government in its discretion may
11 employ financial and legal consultants in regard to the
12 financing of the project."

13 SECTION 31. Section 3-60A-33 NMSA 1978 (being Laws 1979,
14 Chapter 391, Section 33) is amended to read:

15 "3-60A-33. REVENUE BONDS--BOND SECURITY.--The principal
16 of, the interest on and any prior redemption premiums due in
17 connection with the revenue bonds shall be payable from,
18 secured by a pledge of and constitute a lien on the revenues
19 out of which the bonds shall be made payable. In addition,
20 they may be secured by a mortgage covering all or any part of
21 the project or upon any other property of the user or both by
22 a pledge of the revenues from or a financing agreement for
23 the project or both as the local government in its discretion
24 may determine; but no local government shall be authorized by
25 the Redevelopment Bonding Law to pledge any of its property

1 or to otherwise secure the payment of any bonds with its
2 property, except that the local government may pledge the
3 property of the project or revenues from the project."

4 SECTION 32. Section 3-60A-34 NMSA 1978 (being Laws 1979,
5 Chapter 391, Section 34) is amended to read:

6 "3-60A-34. REVENUE BONDS--TERMS OF PROCEEDINGS AND
7 INSTRUMENTS.--The proceedings under which the revenue bonds
8 are authorized to be issued and any mortgage or trust
9 indenture given to secure the bonds may contain any
10 provisions customarily contained in instruments securing
11 bonds and constituting a covenant with the bondholders,
12 including:

13 A. provisions respecting custody of the proceeds
14 from the sale of the bonds, including their investment and
15 reinvestment until used to defray the cost of the project;

16 B. provisions respecting the fixing and collection
17 of revenues from the project;

18 C. the terms to be incorporated in the financing
19 agreement and any mortgage or trust indenture for the
20 project, including without limitation provision for
21 subleasing;

22 D. the maintenance and insurance of the project;

23 E. the creation of funds and accounts into which
24 any bond proceeds, revenues and income may be deposited or
25 credited;

1 F. limitation on the purpose to which the proceeds
2 of any bonds then or thereafter to be issued may be applied;

3 G. limitation on the issuance of additional bonds,
4 the terms upon which additional bonds are issued and secured,
5 the refunding of bonds and the replacement of bonds;

6 H. the procedure, if any, by which the terms of any
7 contract with bondholders may be amended or abrogated;

8 I. vesting in a trustee properties, rights, powers
9 and duties in trust as the local government determines and
10 limiting the rights, duties and powers of the trustees; and

11 J. the rights and remedies available in case of a
12 default to the bondholders or to any trustee under the
13 financing agreement, a mortgage or a trust indenture for the
14 project."

15 SECTION 33. Section 3-60A-35 NMSA 1978 (being Laws 1979,
16 Chapter 391, Section 35) is amended to read:

17 "3-60A-35. REVENUE BONDS--INVESTMENTS AND BANK
18 DEPOSITS.--

19 A. The local government may provide that proceeds
20 from the sale of revenue bonds and special funds from the
21 revenues of the project shall be invested and reinvested in
22 securities and other investments, whether or not any
23 investment or reinvestment is authorized under any other law
24 of this state, as may be provided in the proceedings under
25 which the bonds are authorized to be issued, including:

1 (1) bonds or other obligations of the
2 United States;

3 (2) bonds or other obligations, the payment of
4 the principal and interest of which is unconditionally
5 guaranteed by the United States;

6 (3) obligations issued or guaranteed as to
7 principal and interest by any agency or person controlled or
8 supervised by and acting as an instrumentality of the
9 United States pursuant to authority granted by the congress
10 of the United States;

11 (4) obligations issued or guaranteed by any
12 state of the United States or any political subdivision of
13 any such state;

14 (5) prime commercial paper;

15 (6) prime finance company paper;

16 (7) bankers' acceptances drawn on and accepted
17 by commercial banks;

18 (8) repurchase agreements fully secured by
19 obligations issued or guaranteed as to principal and interest
20 by the United States or by any person controlled or
21 supervised by and acting as an instrumentality of the
22 United States pursuant to authority granted by the congress
23 of the United States; and

24 (9) certificates of deposit issued by
25 commercial banks.

1 B. The local government may also provide that the
2 proceeds, funds or investments and the revenues payable under
3 the financing agreement shall be received, held and disbursed
4 by one or more banks or trust companies located within or
5 without this state."

6 SECTION 34. Section 3-60A-36 NMSA 1978 (being Laws 1979,
7 Chapter 391, Section 36) is amended to read:

8 "3-60A-36. REVENUE BONDS--ACQUISITION OF PROJECT.--

9 A. The local government may also provide that:

10 (1) the project and improvements to be
11 constructed, if any, shall be constructed by the local
12 government, the user, the user's designee or any one or more
13 of them on real estate owned by the local government, the
14 user or the user's designee, as the case may be; and

15 (2) the bond proceeds shall be disbursed by the
16 trustee bank or trust company during construction upon the
17 estimate, order or certificate of the user or the user's
18 designee.

19 B. The project, if and to the extent constructed on
20 real estate not owned by the local government, may be
21 conveyed or leased or an easement in the real estate granted
22 to the local government at any time."

23 SECTION 35. Section 3-60A-37 NMSA 1978 (being Laws 1979,
24 Chapter 391, Section 37) is amended to read:

25 "3-60A-37. REVENUE BONDS--LIMITED OBLIGATION.--In making

1 agreements or provisions, a local government shall not
2 obligate itself except with respect to the project and the
3 application of the revenues and revenue bond proceeds from
4 the project."

5 SECTION 36. Section 3-60A-39 NMSA 1978 (being Laws 1979,
6 Chapter 391, Section 39) is amended to read:

7 "3-60A-39. REVENUE BONDS--DETERMINATION OF REVENUE.--

8 A. Prior to entering into a financing agreement for
9 the project and the issuance of revenue bonds in connection
10 with the project, the local government shall determine:

11 (1) the amount necessary in each year to pay
12 the principal of and the interest on the first bonds proposed
13 to be issued to finance the project;

14 (2) the amount necessary to be paid each year
15 into any reserve funds that the local government may deem
16 advisable to establish in connection with the retirement of
17 the proposed bonds and the maintenance of the project; and

18 (3) the estimated cost of maintaining the
19 project in good repair and keeping it properly insured unless
20 the terms under which the project is to be financed provide
21 that the user shall maintain the project and carry all proper
22 insurance with respect to the project.

23 B. The determination and findings of the local
24 government required to be made by Subsection A of this
25 section shall be set forth in the proceedings under which the

1 proposed revenue bonds are to be issued; but the foregoing
2 amounts need not be expressed in dollars and cents in the
3 financing agreement and proceedings under which the bonds are
4 authorized to be issued."

5 SECTION 37. Section 3-60A-40 NMSA 1978 (being Laws 1979,
6 Chapter 391, Section 40) is amended to read:

7 "3-60A-40. REVENUE BONDS--FINANCING OF PROJECT.--Prior
8 to the issuance of any revenue bonds authorized by the
9 Redevelopment Bonding Law, the local government shall enter
10 into a financing agreement with respect to the project with a
11 user providing for payment to the local government of revenue
12 upon the basis of determinations and findings that the
13 revenue will be sufficient to pay the principal of and
14 interest on the bonds issued to finance the project, to build
15 up and maintain any reserves deemed advisable by the local
16 government in connection with the project and to pay the
17 costs of maintaining the project in good repair and keeping
18 it properly insured unless the financing agreement obligates
19 the user to pay for the maintenance of and insurance on the
20 project."

21 SECTION 38. Section 3-60A-41 NMSA 1978 (being Laws 1979,
22 Chapter 391, Section 41) is amended to read:

23 "3-60A-41. OPTION TO PURCHASE.--

24 A. A lease may grant the user of a project an
25 option to purchase all or a part of the project at a

1 stipulated purchase price or at a price to be determined upon
2 appraisal as is provided in the lease.

3 B. The option may be exercised at a time as the
4 lease may provide.

5 C. The local government and the user may agree and
6 provide in the lease that all or a part of the rentals paid
7 by the user prior to and at the time of the exercise of the
8 option shall be applied toward the purchase price and shall
9 be in full or partial satisfaction of the purchase price."

10 SECTION 39. Section 3-60A-42 NMSA 1978 (being Laws 1979,
11 Chapter 391, Section 42) is amended to read:

12 "3-60A-42. REVENUE BONDS--REFUNDING.--

13 A. Any revenue bonds issued under the provisions of
14 the Redevelopment Bonding Law and at any time outstanding may
15 at any time and from time to time be refunded by a local
16 government by the issuance of its refunding bonds in such
17 amount as the local government may deem necessary to refund
18 the principal of the bonds to be so refunded, any unpaid
19 interest on the bonds and any premiums and incidental
20 expenses necessary to be paid in connection with the bonds.

21 B. Any refunding may be effected, whether the bonds
22 to be refunded have matured or shall thereafter mature,
23 either by sale of the refunding bonds and the application of
24 the proceeds, directly or indirectly, to the payment of the
25 bonds to be refunded or by exchange of the refunding bonds

1 for the bonds to be refunded, but the holders of any bonds to
2 be so refunded shall not be compelled, without their consent,
3 to surrender their bonds for payment or exchange prior to the
4 date on which they are payable by maturity date, option to
5 redeem or otherwise or if they are called for redemption
6 prior to the date on which they are by their terms subject to
7 redemption by option or otherwise.

8 C. All refunding bonds issued under authority of
9 the Redevelopment Bonding Law to refund revenue bonds shall
10 be payable solely from revenues out of which bonds to be
11 refunded are payable or from revenues out of which bonds of
12 the same character may be made payable under the
13 Redevelopment Bonding Law or any other law in effect at the
14 time of the refunding."

15 SECTION 40. Section 3-60A-43 NMSA 1978 (being Laws 1979,
16 Chapter 391, Section 43) is amended to read:

17 "3-60A-43. REVENUE BONDS--APPLICATION OF PROCEEDS.--

18 A. The proceeds from the sale of any revenue bonds
19 shall be applied only for the purpose for which the bonds
20 were issued, and, if for any reason any portion of the
21 proceeds are not needed for the purpose for which the bonds
22 were issued, the unneeded portion of the proceeds shall be
23 applied to the payment of the principal of or the interest on
24 the bonds.

25 B. The cost of acquiring any project shall be

1 deemed to include the actual cost of acquiring a site and the
2 cost of the construction of any part of a project that may be
3 constructed, including architects' and engineers' fees, the
4 purchase price of any part of a project that may be acquired
5 by purchase and all expenses in connection with the
6 authorization, sale and issuance of the bonds to finance the
7 acquisition and any costs incurred by the local government."

8 SECTION 41. Section 3-60A-44 NMSA 1978 (being Laws 1979,
9 Chapter 391, Section 44) is amended to read:

10 "3-60A-44. NO PAYMENT BY LOCAL GOVERNMENT.--

11 A. No local government or public body shall pay out
12 of its general fund or otherwise contribute any part of the
13 costs of acquiring a project and, unless specifically
14 acquired for uses of the character described in the
15 Redevelopment Bonding Law or unless the land is determined by
16 the governing body to be no longer necessary for other
17 municipal purposes or purposes of a public body, shall not
18 use land already owned by the local government or public body
19 or in which the local government or public body has an equity
20 for the construction thereon of a project or any part
21 thereof.

22 B. The entire cost of acquiring any project shall
23 be paid out of the proceeds from the sale of the revenue
24 bonds, but this provision shall not be construed to prevent a
25 local government or public body from accepting donations of

1 property to be used as a part of any project or money to be
2 used for defraying any part of the cost of any project."

3 SECTION 42. Section 3-60A-45 NMSA 1978 (being Laws 1979,
4 Chapter 391, Section 45) is amended to read:

5 "3-60A-45. NO LOCAL GOVERNMENT OPERATION.--

6 A. When all principal of, interest on and any prior
7 redemption premium due in connection with the revenue bonds
8 issued for a project leased to a user have been paid in full
9 and in the event the option to purchase or option to renew
10 the lease, if any, contained in the lease has not been
11 exercised as to all of the property contained in the project,
12 the lease shall terminate and the local government shall sell
13 the remaining property or devote the property to local
14 government purposes other than manufacturing, commercial or
15 industrial.

16 B. Any sale that is not made pursuant to the
17 exercise of an option to purchase by the user of a project
18 shall be conducted in the same manner as is then provided by
19 law governing the issuer's sale of surplus property."

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