

Proposed

SENATE \_\_\_\_\_  
COMMITTEE SUBSTITUTE FOR  
SENATE BILL 283

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

DISCUSSION DRAFT

AN ACT

RELATING TO THE PUBLIC PEACE, HEALTH, SAFETY AND WELFARE;  
EXPANDING THE METROPOLITAN REDEVELOPMENT CODE TO INCLUDE  
HOUSING SHORTAGE AREAS; EXPANDING THE SCOPE OF METROPOLITAN  
REDEVELOPMENT PROJECTS; EXEMPTING A QUALIFYING MULTIFAMILY  
PROPERTY IN A HOUSING SHORTAGE AREA FROM PROPERTY TAXATION FOR  
UP TO TWENTY YEARS PURSUANT TO THE METROPOLITAN REDEVELOPMENT  
CODE.

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

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

"3-60A-2. FINDINGS AND DECLARATIONS OF NECESSITY.--

A. It is found and declared that there exist in the  
state slum areas, ~~and~~ blighted areas and housing shortage  
areas that constitute a serious and growing menace, injurious

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underscored material = new  
[bracketed material] = delete

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

11 (3) low vacancy rates;

12 (4) excessive housing costs;

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

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

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

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

25 (2) provide for qualifying multifamily units

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

20 (2) redevelopment plans for specific areas;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

25                   A. If interests in project property are exempt from

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1 property taxation and assessments under Subsection B of Section  
2 3-60A-13 NMSA 1978 or Section 7-36-3.1 NMSA 1978, then during  
3 the period extending from the date of acquisition of the  
4 property by the local government through December 31 of the  
5 year in which the seventh anniversary of that acquisition date  
6 occurs, except for qualifying multifamily property, for which  
7 the period may be extended up to the twentieth anniversary if  
8 set forth in the applicable metropolitan redevelopment plan  
9 adopted by the local government, any lessee of the project  
10 property or owner of a substantial beneficial interest in the  
11 project property, in whose ownership the property would not be  
12 exempt from property taxation except for the exemption granted  
13 under Section 7-36-3.1 NMSA 1978, shall pay to the county  
14 treasurer annually, at the same time property tax payments are  
15 due under the Property Tax Code, an amount equal to the sum of:

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

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

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1 government; and

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

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

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

19 **SECTION 8.** Section 3-60A-15 NMSA 1978 (being Laws 1979,  
 20 Chapter 391, Section 15, as amended) is amended to read:

21 "3-60A-15. EXERCISE OF POWERS IN CARRYING OUT PROJECTS.--

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

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

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

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

14 (2) approve or amend redevelopment plans;

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

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

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

24 (6) issue redevelopment bonds; and

25 (7) appropriate funds and levy taxes and

1 assessments."

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

4 "7-36-3.1. METROPOLITAN REDEVELOPMENT PROPERTY--TAX  
5 STATUS OF LESSEE'S INTERESTS.--

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

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

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

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underscored material = new  
[bracketed material] = delete

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

underscoring material = new  
[bracketed material] = delete