

1 AN ACT

2 RELATING TO TAX INCREMENT DEVELOPMENT DISTRICTS; CLARIFYING
3 THAT THE TAX INCREMENT FOR DEVELOPMENT ACT ONLY ALLOWS STATE
4 GROSS RECEIPTS TAX INCREMENTS TO BE USED TO SECURE BONDS THAT
5 ARE AUTHORIZED BY THE LEGISLATURE PURSUANT TO LAW; LIMITING
6 THE AMOUNT OF REVENUE FROM THE STATE GROSS RECEIPTS TAX THAT
7 MAY BE DEDICATED; REQUIRING THE STATE BOARD OF FINANCE TO
8 PRIORITIZE IN ITS CONSIDERATION NEW FULL-TIME ECONOMIC BASE
9 JOB CREATION WHEN REVIEWING A TAX INCREMENT DEVELOPMENT PLAN
10 FOR APPROVAL; PROVIDING FOR A FILING FEE; REQUIRING TAX
11 INCREMENT DEVELOPMENT DISTRICTS TO REPORT TO THE STATE BOARD
12 OF FINANCE AND THE LEGISLATIVE FINANCE COMMITTEE.

13
14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

15 SECTION 1. Section 5-15-3 NMSA 1978 (being Laws 2006,
16 Chapter 75, Section 3) is amended to read:

17 "5-15-3. DEFINITIONS.--As used in the Tax Increment for
18 Development Act:

19 A. "base gross receipts taxes" means:

20 (1) the total amount of gross receipts taxes
21 collected within a tax increment development district, as
22 estimated by the governing body that adopted a resolution to
23 form that district, in consultation with the taxation and
24 revenue department, in the calendar year preceding the
25 formation of the tax increment development district or, when

1 an area is added to an existing district, the amount of gross
2 receipts taxes collected in the calendar year preceding the
3 effective date of the modification of the tax increment
4 development plan and designated by the governing body to be
5 available as part of the gross receipts tax increment; and

6 (2) any amount of gross receipts taxes that
7 would have been collected in such year if any applicable
8 additional gross receipts taxes imposed after that year had
9 been imposed in that year;

10 B. "base property taxes" means:

11 (1) the portion of property taxes produced
12 by the total of all property tax levied at the rate fixed
13 each year by each governing body levying a property tax on
14 the assessed value of taxable property within the tax
15 increment development area last certified for the year ending
16 immediately prior to the year in which a tax increment
17 development plan is approved for the tax increment
18 development area, or, when an area is added to an existing
19 tax increment development area, "base property taxes" means
20 that portion of property taxes produced by the total of all
21 property tax levied at the rate fixed each year by each
22 governing body levying a property tax upon the assessed value
23 of taxable property within the tax increment development area
24 on the date of the modification of the tax increment
25 development plan and designated by the governing body to be

1 available as part of the property tax increment; and

2 (2) any amount of property taxes that would
3 have been collected in such year if any applicable additional
4 property taxes imposed after that year had been imposed in
5 that year;

6 C. "county option gross receipts taxes" means
7 gross receipts taxes imposed by counties pursuant to the
8 County Local Option Gross Receipts Taxes Act and designated
9 by the governing body of the county to be available as part
10 of the gross receipts tax increment;

11 D. "district" means a tax increment development
12 district;

13 E. "district board" means a board formed in
14 accordance with the provisions of the Tax Increment for
15 Development Act to govern a tax increment development
16 district;

17 F. "enhanced services" means public services
18 provided by a municipality or county within the district at a
19 higher level or to a greater degree than otherwise available
20 to the land located in the district from the municipality or
21 county, including such services as public safety, fire
22 protection, street or sidewalk cleaning or landscape
23 maintenance in public areas; provided that "enhanced
24 services" does not include the basic operation and
25 maintenance related to infrastructure improvements financed

1 by the district pursuant to the Tax Increment for Development
2 Act;

3 G. "governing body" means the city council or city
4 commission of a city, the board of trustees or council of a
5 town or village or the board of county commissioners of a
6 county;

7 H. "gross receipts tax increment" means the gross
8 receipts taxes collected within a tax increment development
9 district in excess of the base gross receipts taxes collected
10 in the district;

11 I. "gross receipts tax increment bonds" means
12 bonds issued by a district in accordance with the Tax
13 Increment for Development Act, the pledged revenue for which
14 is a gross receipts tax increment;

15 J. "local government" means a municipality or
16 county;

17 K. "municipal option gross receipts taxes" means
18 those gross receipts taxes imposed by municipalities pursuant
19 to the Municipal Local Option Gross Receipts Taxes Act and
20 designated by the governing body of the municipality to be
21 available as part of the gross receipts tax increment;

22 L. "municipality" means an incorporated city, town
23 or village;

24 M. "new full-time economic base job" means a job:

25 (1) that is primarily performed in New

1 Mexico;

2 (2) that is held by an employee who is hired
3 to work an average of at least thirty-two hours per week for
4 at least forty-eight weeks per year;

5 (3) that is:

6 (a) involved, directly or in a
7 supervisory capacity, with the production of: 1) a service;
8 provided that the majority of the revenue generated from the
9 service is from sources outside the state; or 2) tangible or
10 intangible personal property for sale; or

11 (b) held by an employee that is
12 employed at a regional, national or international
13 headquarters operation or at an operation that primarily
14 provides services for other operations of the qualifying
15 entity that are located outside the state; and

16 (4) that is not directly involved with
17 natural resources extraction or processing, on-site services
18 where the customer is present for the delivery of the
19 service, retail, construction or agriculture except for
20 value-added processing performed on agricultural products
21 that would then be sold for wholesale or retail consumption;

22 N. "owner" means a person owning real property
23 within the boundaries of a district;

24 O. "person" means an individual, corporation,
25 association, partnership, limited liability company or other

1 legal entity;

2 P. "project" means a tax increment development
3 project;

4 Q. "property tax increment" means all property tax
5 collected on real property within the designated tax
6 increment development area that is in excess of the base
7 property tax until termination of the district and
8 distributed to the district in the same manner as
9 distributions are made under the provisions of the Tax
10 Administration Act;

11 R. "property tax increment bonds" means bonds
12 issued by a district in accordance with the Tax Increment for
13 Development Act, the pledged revenue for which is a property
14 tax increment;

15 S. "public improvements" means on-site
16 improvements and off-site improvements that directly or
17 indirectly benefit a tax increment development district or
18 facilitate development within a tax increment development
19 area and that are dedicated to the governing body in which
20 the district lies. "Public improvements" includes:

21 (1) sanitary sewage systems, including
22 collection, transport, treatment, dispersal, effluent use and
23 discharge;

24 (2) drainage and flood control systems,
25 including collection, transport, storage, treatment,

1 dispersal, effluent use and discharge;

2 (3) water systems for domestic, commercial,
3 office, hotel or motel, industrial, irrigation, municipal or
4 fire protection purposes, including production, collection,
5 storage, treatment, transport, delivery, connection and
6 dispersal;

7 (4) highways, streets, roadways, bridges,
8 crossing structures and parking facilities, including all
9 areas for vehicular use for travel, ingress, egress and
10 parking;

11 (5) trails and areas for pedestrian,
12 equestrian, bicycle or other non-motor vehicle use for
13 travel, ingress, egress and parking;

14 (6) pedestrian and transit facilities,
15 parks, recreational facilities and open space areas for the
16 use of members of the public for entertainment, assembly and
17 recreation;

18 (7) landscaping, including earthworks,
19 structures, plants, trees and related water delivery systems;

20 (8) public buildings, public safety
21 facilities and fire protection and police facilities;

22 (9) electrical generation, transmission and
23 distribution facilities;

24 (10) natural gas distribution facilities;

25 (11) lighting systems;

1 (12) cable or other telecommunications lines
2 and related equipment;

3 (13) traffic control systems and devices,
4 including signals, controls, markings and signage;

5 (14) school sites and facilities with the
6 consent of the governing board of the public school district
7 for which the facility is to be acquired, constructed or
8 renovated;

9 (15) library and other public educational or
10 cultural facilities;

11 (16) equipment, vehicles, furnishings and
12 other personal property related to the items listed in this
13 subsection;

14 (17) inspection, construction management,
15 planning and program management and other professional
16 services costs incidental to the project;

17 (18) workforce housing; and

18 (19) any other improvement that the
19 governing body determines to be for the use or benefit of the
20 public;

21 T. "resident qualified elector" means a person who
22 resides within the boundaries of a tax increment development
23 district or proposed tax increment development district and
24 who is qualified to vote in the general elections held in the
25 state pursuant to Section 1-1-4 NMSA 1978;

1 U. "state gross receipts tax" means the gross
2 receipts tax imposed pursuant to the Gross Receipts and
3 Compensating Tax Act, but does not include that portion
4 distributed to municipalities pursuant to Sections 7-1-6.4
5 and 7-1-6.46 NMSA 1978 or to counties pursuant to
6 Section 7-1-6.47 NMSA 1978;

7 V. "sustainable development" means land
8 development that achieves sustainable economic and social
9 goals in ways that can be supported for the long term by
10 conserving resources, protecting the environment and ensuring
11 human health and welfare using mixed-use,
12 pedestrian-oriented, multimodal land use planning;

13 W. "tax increment development area" means the land
14 included within the boundaries of a tax increment development
15 district;

16 X. "tax increment development district" means a
17 district formed for the purposes of carrying out tax
18 increment development projects;

19 Y. "tax increment development plan" means a plan
20 for the undertaking of a tax increment development project;

21 Z. "tax increment development project" means
22 activities undertaken within a tax increment development area
23 to enhance the sustainability of the local, regional or
24 statewide economy; to support the creation of jobs, schools
25 and workforce housing; and to generate tax revenue for the

1 provision of public improvements and may include:

2 (1) acquisition of land within a designated
3 tax increment development area or a portion of that tax
4 increment development area;

5 (2) demolition and removal of buildings and
6 improvements and installation, construction or reconstruction
7 of streets, utilities, parks, playgrounds and improvements
8 necessary to carry out the objectives of the Tax Increment
9 for Development Act;

10 (3) installation, construction or
11 reconstruction of streets, water utilities, sewer utilities,
12 parks, playgrounds and other public improvements necessary to
13 carry out the objectives of the Tax Increment for Development
14 Act;

15 (4) disposition of property acquired or held
16 by a tax increment development district as part of the
17 undertaking of a tax increment development project at the
18 fair market value of such property for uses in accordance
19 with the Tax Increment for Development Act;

20 (5) payments for professional services
21 contracts necessary to implement a tax increment development
22 plan or project;

23 (6) borrowing to purchase land, buildings or
24 infrastructure in an amount not to exceed the revenue stream
25 that may be derived from the gross receipts tax increment or

1 the property tax increment estimated to be received by a tax
2 increment development district; and

3 (7) grants for public improvements essential
4 to the location or expansion of a business;

5 AA. "taxing entity" means the governing body of a
6 political subdivision of the state, the gross receipts tax
7 increment or property tax increment of which may be used for
8 a tax increment development project; and

9 BB. "workforce housing" means decent, safe and
10 sanitary dwellings, apartments, single-family dwellings or
11 other living accommodations that are affordable for persons
12 or families earning less than eighty percent of the median
13 income within the county in which the tax increment
14 development project is located; provided that an owner-
15 occupied housing unit is affordable to a household if the
16 expected sales price is reasonably anticipated to result in
17 monthly housing costs that do not exceed thirty-three percent
18 of the household's gross monthly income; provided that:

19 (1) determination of mortgage amounts and
20 payments are to be based on down payment rates and interest
21 rates generally available to lower- and moderate-income
22 households; and

23 (2) a renter-occupied housing unit is
24 affordable to a household if the unit's monthly housing
25 costs, including rent and basic utility and energy costs, do

1 not exceed thirty-three percent of the household's gross
2 monthly income."

3 SECTION 2. Section 5-15-15 NMSA 1978 (being Laws 2006,
4 Chapter 75, Section 15, as amended) is amended to read:

5 "5-15-15. TAX INCREMENT FINANCING--GROSS RECEIPTS TAX
6 INCREMENT TO SECURE BONDS.--

7 A. A tax increment development plan, as originally
8 approved or as later modified, may contain a provision that
9 gross receipts tax increments collected within the tax
10 increment development area after the effective date of
11 approval of the tax increment development plan may be
12 dedicated for the purpose of securing gross receipts tax
13 increment bonds pursuant to the Tax Increment for Development
14 Act.

15 B. A municipality may dedicate a portion of a
16 gross receipts tax increment from any of the following taxes
17 to pay the principal of, the interest on and any premium due
18 in connection with the bonds of, loans or advances to, or any
19 indebtedness incurred by, whether funded, refunded, assumed
20 or otherwise, the authority for financing or refinancing, in
21 whole or in part, a tax increment development project within
22 the tax increment development area:

23 (1) municipal gross receipts tax authorized
24 pursuant to the Municipal Local Option Gross Receipts Taxes
25 Act;

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

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

7 (4) municipal capital outlay gross receipts
8 tax authorized pursuant to the Municipal Local Option Gross
9 Receipts Taxes Act; and

10 (5) an amount distributed to municipalities
11 pursuant to Sections 7-1-6.4 and 7-1-6.46 NMSA 1978.

12 C. A county may dedicate a portion of a gross
13 receipts tax increment from any of the following taxes to pay
14 the principal of, the interest on and any premium due in
15 connection with the bonds of, loans or advances to or any
16 indebtedness incurred by, whether funded, refunded, assumed
17 or otherwise, the district for financing or refinancing, in
18 whole or in part, a tax increment development project within
19 the tax increment development area:

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

22 (2) county environmental services gross
23 receipts tax authorized pursuant to the County Local Option
24 Gross Receipts Taxes Act;

25 (3) county infrastructure gross receipts tax

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

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

6 (5) county regional transit gross receipts
7 tax authorized pursuant to the County Local Option Gross
8 Receipts Taxes Act; and

9 (6) the amount distributed to counties
10 pursuant to Section 7-1-6.47 NMSA 1978.

11 D. Subject to the provisions of Subsection G of
12 this section, the state board of finance may dedicate a gross
13 receipts tax increment attributable to the state gross
14 receipts tax to pay the financing and refinancing costs, the
15 principal of, the interest on and any premium due in
16 connection with gross receipts tax increment bonds issued to
17 finance a tax increment development project within the tax
18 increment development area; provided that:

19 (1) beginning July 1, 2029 the increment from
20 the state gross receipts tax is no more than the average of:

21 (a) the increment from municipal option
22 gross receipts taxes dedicated by resolution by the
23 municipality, if the district is located in a municipality;
24 and

25 (b) the increment from county option

1 gross receipts taxes dedicated by resolution by the county;

2 (2) the state board of finance has adopted a
3 resolution dedicating an increment attributable to the state
4 gross receipts tax for the purpose of securing gross receipts
5 tax increment bonds pursuant to Subsection G of this section;
6 and

7 (3) the dedication shall be conditioned on
8 the gross receipts tax increment bonds being issued no later
9 than four years after the state board of finance has adopted
10 the resolution dedicating the increment.

11 E. The gross receipts tax increment generated by
12 the imposition of municipal or county option gross receipts
13 taxes specified by statute for particular purposes may
14 nonetheless be dedicated for the purposes of the Tax
15 Increment for Development Act if intent to do so is set forth
16 in the tax increment development plan approved by the
17 governing body, if the purpose for which the increment is
18 intended to be used is consistent with the purposes set forth
19 in the statute authorizing the municipal or county option
20 gross receipts tax.

21 F. An imposition of a gross receipts tax increment
22 attributable to a gross receipts tax by a taxing entity may
23 be dedicated for the purpose of securing gross receipts tax
24 increment bonds with the agreement of the taxing entity,
25 evidenced by a resolution adopted by a majority vote of that

1 taxing entity. A taxing entity shall not agree to dedicate
2 for the purposes of securing gross receipts tax increment
3 bonds more than seventy-five percent of its gross receipts
4 tax increment attributable to gross receipts taxes by the
5 taxing entity. A resolution of the taxing entity to dedicate
6 a gross receipts tax increment or to increase the dedication
7 of a gross receipts tax increment shall become effective only
8 on January 1 or July 1 of the calendar year.

9 G. The state board of finance shall
10 condition a dedication of a gross receipts tax increment
11 attributable to the state gross receipts tax on the approval
12 required pursuant to Section 5-15-21 NMSA 1978 and that the
13 initial gross receipts tax increment bonds issuance secured
14 by a portion of the gross receipts tax increment attributable
15 to the state gross receipts tax shall be issued no later than
16 four years after the state board of finance has adopted the
17 resolution making the dedication. Subject to the limitations
18 provided in Subsection D of this section, the state board of
19 finance shall not agree to dedicate more than seventy-five
20 percent of the gross receipts tax increment attributable to
21 the state gross receipts tax within the district. The
22 resolution of the state board of finance shall become
23 effective on January 1 or July 1 of the calendar year
24 following the notification period pursuant to Section 5-15-27
25 NMSA 1978 and shall find that:

1 (1) the state board of finance has reviewed
2 the request for the use of the state gross receipts tax;

3 (2) based upon review by the state board of
4 finance of the applicable tax increment development plan, the
5 dedication by the state board of finance of a portion of the
6 gross receipts tax increment within the district for use in
7 meeting the required goals of the tax increment plan is
8 reasonable and in the best interest of the state; and

9 (3) based upon the review by the state board
10 of finance, the use of the state gross receipts tax is likely
11 to stimulate the creation of jobs, economic opportunities and
12 general revenue for the state through the addition of new
13 businesses to the state and the expansion of existing
14 businesses within the state; provided that, when reviewing
15 the applicable tax increment development plan to create jobs
16 and economic opportunities, the state board of finance shall
17 prioritize in its consideration net, new full-time economic
18 base jobs that would not have occurred on a similar scale and
19 time line but for the use of the state gross receipts tax
20 increment. The benefit to be evaluated is the marginal
21 benefit of the speed-up in time or the incremental change in
22 job creation above expected normal growth and shall exclude
23 retail jobs, call center jobs and service jobs where the
24 customer is typically on site.

25 H. The governing body of the jurisdiction in which SB 566
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1 a tax increment development district has been established
2 shall timely notify the assessor of the county in which the
3 district has been established, the taxation and revenue
4 department and the local government division of the
5 department of finance and administration when:

6 (1) a tax increment development plan has
7 been approved that contains a provision for the allocation of
8 a gross receipts tax increment;

9 (2) any outstanding bonds of the district
10 have been paid off; and

11 (3) the purposes of the district have
12 otherwise been achieved."

13 SECTION 3. A new Section 5-15-15.1 NMSA 1978 is enacted
14 to read:

15 "5-15-15.1. FILING FEE FOR EVALUATING USE OF STATE
16 GROSS RECEIPTS TAX INCREMENT.--Prior to approval of a
17 dedication of a gross receipts tax increment attributable to
18 the state gross receipts tax by the state board of finance
19 pursuant to Section 5-15-15 NMSA 1978, a tax increment
20 development district shall submit a filing fee to the state
21 board of finance to pay the reasonable costs, as determined
22 by the department of finance and administration, of
23 evaluating the tax increment development plan and the
24 district's requested use of a state gross receipts tax
25 increment."

1 SECTION 4. Section 5-15-16 NMSA 1978 (being Laws 2006,
2 Chapter 75, Section 16) is amended to read:

3 "5-15-16. BONDING AUTHORITY--GROSS RECEIPTS TAX
4 INCREMENT.--

5 A. A district may issue gross receipts tax
6 increment revenue bonds, the pledged revenue for which is a
7 gross receipts tax increment dedicated in accordance with the
8 provisions of the Tax Increment for Development Act, for any
9 one or more of the purposes authorized by that act.

10 B. A district may pledge irrevocably the revenue
11 from a gross receipts tax increment received by the district
12 to the payment of the interest on and principal of the gross
13 receipts tax increment bonds for any of the purposes
14 authorized in the Tax Increment for Development Act. A law
15 that imposes or authorizes the imposition of a municipal or
16 county gross receipts tax or that affects the municipal or
17 county gross receipts tax shall not be repealed, amended or
18 otherwise directly or indirectly modified in any manner to
19 adversely impair any outstanding gross receipts tax increment
20 bonds that may be secured by a pledge of any municipal or
21 county option gross receipts tax increment, unless those
22 outstanding bonds have been discharged in full or provision
23 has been fully made for those bonds.

24 C. Revenues in excess of the annual principal and
25 interest due on gross receipts tax increment bonds secured by

1 a pledge of gross receipts tax increment revenue may be
2 accumulated in a debt service reserve account. The district
3 may appoint a commercial bank trust department to act as
4 paying agent or trustee of the gross receipts tax increment
5 revenue and to administer the payment of principal of and
6 interest on the bonds.

7 D. Except as otherwise provided in the Tax
8 Increment for Development Act, gross receipts tax increment
9 bonds:

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

13 (2) may be subject to a prior redemption at
14 the district's option at a time and upon terms and
15 conditions, with or without the payment of a premium, as
16 determined by the district board;

17 (3) may mature at any time not exceeding
18 twenty-five years after the date of issuance;

19 (4) may be serial in form and maturity, may
20 consist of one bond payable at one time or in installments or
21 may be in another form determined by the district board;

22 (5) shall be sold for cash at, above or
23 below par and at a price that results in a net effective
24 interest rate that does not exceed the maximum permitted by
25 the Public Securities Act and the Public Securities

1 Short-Term Interest Rate Act; and

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

4 E. At a regular or special meeting, the district
5 board may adopt a resolution that:

6 (1) declares the necessity for issuing gross
7 receipts tax increment bonds;

8 (2) authorizes the issuance of gross
9 receipts tax increment bonds by an affirmative vote of a
10 majority of all the members of the district board; and

11 (3) designates the sources of gross receipts
12 increments thereof to be pledged to the repayment of the
13 gross receipts tax increment bonds."

14 SECTION 5. Section 5-15-20 NMSA 1978 (being Laws 2006,
15 Chapter 75, Section 20) is amended to read:

16 "5-15-20. GENERAL BONDING AUTHORITY OF A TAX INCREMENT
17 DEVELOPMENT DISTRICT--OTHER LIMITATIONS.--

18 A. A district board shall not issue bonds against
19 gross receipts tax increments attributable to:

20 (1) the state gross receipts tax without:

21 (a) the state board of finance adopting
22 a resolution dedicating a gross receipts tax increment
23 attributable to the state gross receipts tax for the purpose
24 of securing the gross receipts tax increment bonds pursuant
25 to Subsection G of Section 5-15-15 NMSA 1978; and

1 (b) the approval required by
2 Section 5-15-21 NMSA 1978; and

3 (2) a gross receipts tax imposed by a taxing
4 entity without the agreement of the taxing entity as
5 evidenced by a resolution adopted pursuant to Subsection B or
6 C of Section 5-15-15 NMSA 1978.

7 B. Except as otherwise provided in this section, a
8 district board shall not issue bonds against either gross
9 receipts tax increments or property tax increments without
10 the express written authorization of the department of
11 finance and administration, as evidenced by a letter signed
12 by the secretary of finance and administration. A district
13 formed and approved by a class A county or by a municipality
14 within a class A county if the municipality has a population
15 of more than sixty-five thousand persons, according to the
16 most recent federal decennial census, is not required to
17 obtain express written authorization of the department of
18 finance and administration for the issuance of gross receipts
19 tax increment bonds or property tax increment bonds.

20 C. Prior to the issuance of indebtedness evidenced
21 by the gross receipts tax increment bonds or property tax
22 increment bonds issued by a district pursuant to the Tax
23 Increment for Development Act, the property owners within the
24 district shall contribute a minimum of twenty percent of the
25 initial public infrastructure costs, which may be reimbursed

1 with proceeds of gross receipts tax increment or property tax
2 increment bonds; unless the project to be financed with gross
3 receipts tax increment bonds or property tax increment bonds
4 is a metropolitan redevelopment project pursuant to the
5 Metropolitan Redevelopment Code.

6 D. The amount of indebtedness evidenced by the
7 gross receipts tax increment bonds or property tax increment
8 bonds issued pursuant to the Tax Increment for Development
9 Act shall not exceed the estimated cost of the public
10 improvements plus all costs connected with the public
11 infrastructure purposes and the issuance and sale of bonds,
12 including, without limitation, formation costs, credit
13 enhancement and liquidity support fees and costs.

14 E. The indebtedness evidenced by the gross
15 receipts tax increment bonds or property tax increment bonds
16 shall not affect the general obligation bonding capacity of
17 the municipality or county in which the tax increment
18 development district is located.

19 F. The indebtedness evidenced by the gross
20 receipts tax increment bonds or property tax increment bonds
21 shall be payable only from the special funds into which are
22 deposited the gross receipts tax increments and property tax
23 increments as set forth in the Tax Increment for Development
24 Act.

25 G. Bonds issued by a tax increment development

1 district shall not be a general obligation of the state, the
2 county or the municipality in which the tax increment
3 development district is located and shall not pledge the full
4 faith and credit of the state, the county or the municipality
5 in which the tax increment development district is located."

6 SECTION 6. Section 5-15-21 NMSA 1978 (being Laws 2006,
7 Chapter 75, Section 21, as amended) is amended to read:

8 "5-15-21. APPROVAL REQUIRED FOR ISSUANCE OF BONDS
9 AGAINST STATE GROSS RECEIPTS TAX INCREMENTS.--

10 A. In addition to all other requirements of the
11 Tax Increment for Development Act, prior to a district board
12 issuing bonds that are issued in whole or in part against a
13 gross receipts tax increment attributable to the state gross
14 receipts tax within a district and before a distribution
15 attributable to the state gross receipts tax is made pursuant
16 to Section 7-1-6.54 NMSA 1978, the New Mexico finance
17 authority shall review the proposed issuance of the bonds and
18 determine that the proceeds of the bonds will be used for a
19 tax increment development project in accordance with the
20 district's tax increment development plan and present the
21 proposed issuance of the bonds to the legislature for
22 approval.

23 B. The issuance of the bonds and the maximum
24 amount of bonds to be issued shall be specifically authorized
25 by law."

1 SECTION 7. Section 5-15-27 NMSA 1978 (being Laws 2006,
2 Chapter 75, Section 27) is amended to read:

3 "5-15-27. DEDICATION OF GROSS RECEIPTS TAX INCREMENT--
4 NOTICE TO TAXATION AND REVENUE DEPARTMENT.--

5 A. If the state board of finance or a taxing
6 entity approves a dedication or increase in the dedication of
7 a gross receipts tax increment to a district, the state board
8 of finance or the taxing entity shall notify the taxation and
9 revenue department of that approval at least one hundred
10 twenty days before the effective date of the dedication or
11 increase in the dedication; provided that the effective date
12 of the dedication by the state board of finance is on or
13 after the date the bonds are approved by the legislature
14 pursuant to Section 5-15-21 NMSA 1978.

15 B. In regard to a dedication of a gross receipts
16 tax increment attributable to the state gross receipts tax,
17 if the approval required pursuant to Section 5-15-21 NMSA
18 1978 has not occurred when the notice pursuant to Subsection
19 A of this section is made, the state board of finance shall
20 include in the notice that legislative approval is needed
21 prior to a distribution pursuant to Section 7-1-6.54 NMSA
22 1978 attributable to the state gross receipts tax can be
23 made. Upon approval pursuant to Section 5-15-21 NMSA 1978,
24 the state board of finance shall notify the department of the
25 approval."

1 SECTION 8. A new section of the Tax Increment for
2 Development Act is enacted to read:

3 "REPORT REQUIRED.--On September 1 of each year, the
4 district board of a district that receives a distribution of
5 a gross receipts tax increment attributable to the state
6 gross receipts tax shall submit a report to the state board
7 of finance and the legislative finance committee that
8 includes the estimated capital investment in the district,
9 the estimated total net new jobs and new full-time economic
10 base jobs created in the district and the total revenues
11 distributed to the district in each previous fiscal year."

12 SECTION 9. Section 7-1-6.54 NMSA 1978 (being Laws 2006,
13 Chapter 75, Section 29) is amended to read:

14 "7-1-6.54. DISTRIBUTIONS--TAX INCREMENT DEVELOPMENT
15 DISTRICTS.--A distribution for a tax increment development
16 district shall be made by the department to a special fund of
17 the district, in accordance with a notice that is filed
18 pursuant to Section 5-15-27 NMSA 1978 with respect to a
19 dedication of a gross receipts tax increment, to a special
20 fund of the tax increment development district."

21 SECTION 10. APPLICABILITY.--The provisions of this act
22 shall not apply to dedications of gross receipts tax
23 increments by the state board of finance made prior to the
24 effective date of this act.

25 SECTION 11. EFFECTIVE DATE.--The effective date of the

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provisions of this act is July 1, 2019. _____