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AN ACT

RELATING TO TAX INCREMENT DEVELOPMENT DISTRICTS; ESTABLISHING REQUIREMENTS FOR REVISING THE BASE YEAR USED TO DETERMINE A GROSS RECEIPTS TAX INCREMENT; REQUIRING THE RETURN OF CERTAIN GROSS RECEIPTS TAX INCREMENT REVENUE UPON A BASE YEAR REVISION; DECLARING AN EMERGENCY.

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

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

"BASE YEAR REVISION--RESOLUTION--COMMENT PERIOD-- SUBMISSION OF MATERIALS.--

A. A district may revise the base year that the district uses to determine its gross receipts tax increment. To initiate the process of revising its base year, a district board shall:

- (1) adopt a resolution declaring that intent; and
- (2) forward copies of the adopted resolution to the secretary of taxation and revenue, the secretary of finance and administration, the developer and the local governments that have dedicated a tax increment to the district.

B. The taxation and revenue department, the department of finance and administration, the developer and the local governments that have dedicated a tax increment to the district may submit written comments to the district with copies sent to the state board of finance for fifteen days after receiving a copy of a district board's resolution indicating the board's intent to revise the base year used to

1 determine the district's gross receipts tax increment.

2 C. No more than forty-five days after adopting the  
3 resolution declaring the intent to revise the base year that  
4 the district uses to determine its gross receipts tax  
5 increment, the district board shall submit to the state board  
6 of finance and send copies to the developer and any local  
7 government that has dedicated a tax increment to the  
8 district:

9 (1) a copy of the resolution;

10 (2) all comments on the matter that the  
11 district received from the taxation and revenue department,  
12 the department of finance and administration, the developer  
13 and the local governments that have dedicated a tax increment  
14 to the district; and

15 (3) any other related documentation.

16 D. As used in this section, "developer" means the  
17 owner or developer who has entered into an agreement pursuant  
18 to Subsection A of Section 5-15-4 NMSA 1978 with the  
19 governing body that formed the district or the owner's or  
20 developer's successors or assigns."

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

23 "BASE YEAR REVISION--APPROVAL.--

24 A. The state board of finance may approve the  
25 revision of the base year used to determine a district's  
gross receipts tax increment:

(1) once during the lifetime of the  
district;

(2) if the revised year is a calendar year  
that is completed;

1 (3) if no gross receipts tax increment bonds  
2 attributable to the district have been issued;

3 (4) if there is no unresolved objection to  
4 the revision by the developer or by a local government that  
5 has dedicated a tax increment to the district; and

6 (5) upon a finding that the revision is  
7 reasonable and in the best interest of the state.

8 B. If the state board of finance approves the  
9 revision of the base year used to determine a district's  
10 gross receipts tax increment, the state board of finance  
11 shall notify the district, the secretary of taxation and  
12 revenue, the developer and the local governments that have  
13 dedicated a tax increment to the district.

14 C. As used in this section, "developer" means the  
15 owner or developer who has entered into an agreement pursuant  
16 to Subsection A of Section 5-15-4 NMSA 1978 with the  
17 governing body that formed the district or the owner's or  
18 developer's successors or assigns."

19 SECTION 3. A new section of the Tax Increment for  
20 Development Act is enacted to read:

"BASE YEAR REVISION--EFFECT.--

21 A. Upon notice of the approval of a revision of  
22 the base year used to determine a district's gross receipts  
23 tax increment, the district shall:

24 (1) return to the taxation and revenue  
25 department any gross receipts tax increment credited to the  
period between the time that the revenue collection began and  
the end of the revised base year and distributed to the  
district;

(2) update the district tax increment

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development plan to reflect the revision; and  
(3) file with the clerk of the governing  
body that formed the district the revised tax increment  
development plan.

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B. Upon receipt of the revenue identified in  
Paragraph (1) of Subsection A of this section, the taxation  
and revenue department shall remit to the taxing entities  
that have dedicated a gross receipts tax increment to the  
district an amount of that revenue in proportion to the  
amount of gross receipts tax increment attributable to their  
dedication."

SECTION 4. EMERGENCY.--It is necessary for the public  
peace, health and safety that this act take effect  
immediately. \_\_\_\_\_