

From: [Lujan, Pamela, SRCA](#)
To: [Luis Carrasco](#)
Cc: [Leach, Ashley, DFA](#); [Trujillo, Marcos B, DFA](#)
Subject: RE: [EXTERNAL] Proposed Rule
Date: Thursday, September 11, 2025 9:37:27 AM
Attachments: [image001.png](#)

Good morning Luis, thank you for the clarification for citations. I assumed citations were NMSA. Leave Redevelopment code citations as cited and again thank you for the clarification.

From: Luis Carrasco <LCarrasco@rodey.com>
Sent: Wednesday, September 10, 2025 9:05 AM
To: Lujan, Pamela, SRCA <pamela.lujan@srca.nm.gov>
Cc: Leach, Ashley, DFA <Ashley.Leach@dfa.nm.gov>; Trujillo, Marcos B, DFA <MarcosB.Trujillo@dfa.nm.gov>; Luis Carrasco <LCarrasco@rodey.com>
Subject: RE: [EXTERNAL] Proposed Rule

Hi Pamela,

Thank you for your review and comments. Just wanted to confirm that yes, the proposed effective date is 12/23/25. That is when we are anticipating the final rule being published in the NM Register.

Also, I wanted to get clarification on the citations. The statutes we are intending to cite to are from the metropolitan redevelopment code, which is Sections 3-60A-1 to -49. Available at the link below:

https://nmonesource.com/nmos/nmsa/en/item/4362/index.do#!fragment/zoupio-_Toc202977366/BQCwhgziBcwMYgK4DsDWszlQewE4BUBTADwBdoAvbRABwEtsBaAfX2zgCYAGDgTgHZ+AZgBsIglJQAaZNIKEIARUSFcAT2gByDZliEwuBEpXqtOvQZABlPKQBC6gEoBRADJOAagEEAcgGEnkqRgAEbQpOzi4kA

Are you sure that the citation changes you've made here are correct?

Thank you,

Luis

From: Lujan, Pamela, SRCA <pamela.lujan@srca.nm.gov>
Sent: Tuesday, September 9, 2025 11:52 AM
To: Luis Carrasco <LCarrasco@rodey.com>
Cc: Leach, Ashley, DFA <Ashley.Leach@dfa.nm.gov>; Trujillo, Marcos B, DFA <MarcosB.Trujillo@dfa.nm.gov>
Subject: RE: [EXTERNAL] Proposed Rule

CAUTION: This email was sent from someone outside of the Rodey email system.

Luis, attached is proposed new rule 2.61.2 for your review and corrections. Please make sure you

work off the attachment and do not refer to prior versions. Once you have made all corrections resubmit for review and approval.

From: Luis Carrasco <LCarrasco@rodey.com>
Sent: Monday, September 8, 2025 11:59 AM
To: Lujan, Pamela, SRCA <pamela.lujan@srca.nm.gov>
Cc: Leach, Ashley, DFA <Ashley.Leach@dfa.nm.gov>; Trujillo, Marcos B, DFA <MarcosB.Trujillo@dfa.nm.gov>; Luis Carrasco <LCarrasco@rodey.com>
Subject: [EXTERNAL] Proposed Rule

CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.


Hello Pamela,

Attached to this email, for your review and comment, is a Word copy of 2.61.2 NMAC Dedication of a Portion of the State's Gross Receipts Tax Increment for Metropolitan Redevelopment. We are making it available to the public in accordance with NMSA 1978, Section 14-4-2(E) and 2.1.2 NMAC Adoption of Rules by the State Board of Finance.

Thank you for all of your help so far and we look forward to continuing to work with you on this rulemaking. Please let me know if you have any questions, comments, or concerns.

Best,

Luis

	<p>Luis Carrasco Attorney <i>He/Him/His</i> LCarrasco@rodey.com 505.954.3905</p> <p>119 East Marcy Street, Suite 200 Santa Fe, New Mexico 87501 fax: 505.954.3942</p> <p>Rodey, Dickason, Sloan, Akin & Robb, P.A. www.rodey.com</p>
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This message is confidential and may be protected by the attorney-client privilege. If you believe that it has been sent to you in error, please reply to the sender that you received the message in error and then delete it. Thank you.

TITLE 2 PUBLIC FINANCE
CHAPTER 61 STATE INDEBTEDNESS AND SECURITIES
PART 2 DEDICATION OF A PORTION OF THE STATE'S GROSS RECEIPTS TAX
INCREMENT FOR METROPOLITAN REDEVELOPMENT

2.61.2.1 ISSUING AGENCY: State Board of Finance.

[2.61.2.1 NMAC - N, 12/23/2025]

Commented [PL1]: Are you proposing 12/23/2025 as the effective date, if not I recommend inserting xx/xx/2025.

2.61.2.2 SCOPE: Metropolitan redevelopment districts formed pursuant to the Metropolitan Redevelopment Code with respect to the state's dedication of a portion of its gross receipts tax increment.

[2.61.2.2 NMAC - N, 12/23/2025]

2.61.2.3 STATUTORY AUTHORITY: These regulations are promulgated pursuant to authority granted in Subsection E of Section 6-1-1 and Subsection D of Section 3-60A-21 NMSA 1978.

[2.61.2.3 NMAC - N, 12/23/2025]

Commented [PL2]: Is the correct citation Section 60A-21.3 NMSA 1978?

2.61.2.4 DURATION: Permanent.

[2.61.2.4 NMAC - N, 12/23/2025]

2.61.2.5 EFFECTIVE DATE: December 23, 2025, unless a later date is cited at the end of a section.

[2.61.2.5 NMAC - N, 12/23/2025]

2.61.2.6 OBJECTIVE: To establish rules and regulations governing the dedication of a portion of the state's gross receipts tax increment provided for by the Metropolitan Redevelopment Code (Sections 3-60A-1 through 3-60A-49 NMSA 1978); to provide guidance as to board evaluation of district requests by defining terms setting forth the bases upon which the required findings are to be made, and outlining the methodological framework to be used; to set forth procedures for submittals of applications for a dedication; and to establish reporting requirements.

[2.61.2.6 NMAC - N, 12/23/2025]

Commented [PL3]: Same comment as above.

2.61.2.7 DEFINITIONS: As used in these rules:

A. "Blighted area" has the same meaning herein as provided in the Metropolitan Redevelopment Code, as amended.

B. "Board" means the State Board of Finance.

C. "Bonds" has the same meaning herein as provided in the Metropolitan Redevelopment Code, as amended.

D. "Economic analysis study" means an economic analysis that evaluates the economic feasibility of a project, including the analysis of costs, benefits, and projected economic impacts, prepared by a qualified independent professional or consultant approved by the board. An economic analysis study must include tables and charts generated from tools such as IMPLAN, REMI, and ESRI, a straightforward narrative of how data from the United States Census Bureau, United States Bureau of Labor Statistics, and other sources to substantiate the analysis, and an appendix with methodology details, including tools and data sources utilized, limitations of the analysis, and the following:

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(1) An analysis and narrative detailing projected local business impacts, property value trends, infrastructure needs/utilization, and community effects, including:

(a) The Local Business Impacts segment, which must:

(i) assess the proposed redevelopment's projected impacts on existing businesses, including projections of new customer generation, projections of ancillary and complementary business creations, and projected effects on the existing business tax base; and

(ii) include estimates of projected revenue changes for small and large businesses within the redevelopment area.

(b) The Property Value Trends segment, which must:

(i) analyze projected impacts on existing property values and expected property value trends over the projected twenty-year tax increment procedure period described by Subsection C of Section 3-60A-21 NMSA 1978;

(ii) discuss the proposed redevelopment and expected property value trends

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and implications for residential and commercial landowners; and

(iii) discuss the proposed redevelopment's mitigation of the negative impacts of blight within the area.

(c) **The Infrastructure Utilization segment**, which must evaluate the proposed redevelopment's impact on existing infrastructure (e.g., transportation, utilities, etc.), identify public and/or private infrastructure gaps and required upgrades, and determine projected costs of public infrastructure creation or upgrades necessary to meet identified public infrastructure gaps; and

(d) **The Community Effects segment**, which must:

(i) discuss any anticipated displacement of residents or businesses, including mitigation strategies for minimizing adverse outcomes; and
(ii) describe the proposed redevelopment's mitigation or reduction of crime in the metropolitan redevelopment area or surrounding area, including any design elements, partnerships, or programming intended to improve public safety.

(2) An analysis detailing projected multiplier effects (direct, indirect, and induced effects) of the proposed redevelopment, as well as projections for job retention, creation, workforce development, and economic mobility within the area. Additionally, the analysis must include the following:

(a) **The Projected Multiplier Effects segment**, which must:

(i) quantify and measure the change in economic activity between current economic conditions and the quantifiable changes as a result of the proposed redevelopment;
(ii) provide a detailed economic output analysis of direct and indirect effects within the metropolitan redevelopment area, with temporary construction activity effects identified separately;

(iii) provide a detailed analysis of the proposed redevelopment's induced economic effects, in particular the estimated increases in household income and spending from newly created jobs;

(iv) discuss the spillover benefits to neighboring communities, including enhanced regional connectivity or other projected improvements to neighboring communities; and

(v) include a "but for" analysis demonstrating that the proposed project would not occur at the same scale, quality, or timeline without public support. The analysis should present a comparison of outcomes with and without applicant receiving a dedication of a portion of the state gross receipts tax increment, using reasonable assumptions.

(b) **The Discussion of Job Creation segment**, which must:

(i) clearly identify the estimated economic base jobs created by the proposed redevelopment, including projections for indirect and induced employment effects in surrounding areas;

(ii) provide a list of jobs classified at the three-digit level of the most recent NAICS, including employment and salary projections by industry (also as classified at the three-digit level of the most recent NAICS) in the proposed Metropolitan Redevelopment Area by calendar year; and

(iii) identify whether the jobs are temporary (i.e., construction) or permanent employment and whether the jobs are full-time or part-time. To the extent that it is reasonably possible, the segment should include information on health benefits for jobs in each category, market impact, anticipated regional and in-state competition.

(c) **The Workforce Development segment**, which must:

(i) identify workforce development initiatives included or recommended for the proposed redevelopment;

(ii) provide detailed plans for collaboration with state and/or local training programs, community colleges, or similar institutions to prepare residents for new job opportunities; and

(iii) recommend anticipated efforts required to prioritize hiring from within the local community, particularly for underserved populations.

(d) **The Economic Mobility segment**, which must:

(i) provide a projected 20-year assessment of how the proposed redevelopment will contribute to sustainable employment growth within the area, such as attracting industries that offer career advancement; and

(ii) explain how the proposed redevelopment will create pathways for upward economic mobility through education, skills training, and entrepreneurship support.

(3) The anticipated net revenue impact on the state and applicable local government general funds, calculated as follows:

(a) The estimated sum of all general fund revenues generated by economic

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activity within the metropolitan redevelopment area by type of revenue (e.g., gross receipts tax from goods and services provided to New Mexico businesses, personal income tax, etc.), less:

- (i) the estimated sum of all general fund costs to the state associated with the provision of services to individuals and businesses (e.g., public schools);
 - (ii) the estimated amount of tax incentives provided to promote economic development within the metropolitan redevelopment area under current law;
 - (iii) the amount of the state gross receipts tax increment requested for the metropolitan redevelopment area; and
 - (iv) the total amount of capital outlay appropriated for use in the metropolitan redevelopment area under current law.
- (b) The net revenue impact on the state general fund must be expressed in constant dollar terms; and

(c) The net present value of general fund revenues less general fund costs over the 20-year or such other applicable maturity period for the bonds. A discount rate equal to five percent shall be used in the calculation.

E. **“Economic base job”** means employment within the metropolitan redevelopment area with an employer engaged primarily in creating goods and services that are exported out of the state.

F. **“Financing plan”** means a plan outlining the sources and uses of funds available from revenue or debt for the proposed redevelopment, detailing how the proposed redevelopment will be financed. A financing plan must include a description of the following:

- (1) the metropolitan redevelopment area’s proposed plan for financing all or part of the public improvements and other actions required to facilitate the economic gains and mitigate any adverse effects identified in the Economic analysis study. The plan must identify whether the metropolitan redevelopment area proposes to use gross receipts tax increment bonds or property tax revenues or both, including information supporting why gross receipts tax increment financing is needed for the proposed redevelopment and/or the economic advantage of using property tax revenue;
- (2) the total estimated annual gross receipts tax increment to be generated by the proposed redevelopment and the portion of that gross receipts tax increment to be allocated during the period necessary to repay any bonds, as defined under these rules, issued pursuant to the redevelopment;
- (3) the total estimated annual property tax increment to be generated by the project and the portion of that property tax increment to be allocated during the time necessary to complete the payment of the project;
- (4) the anticipated structure and terms for gross receipts tax increment bonds, including:
 - (a) Maturity date and estimated interest rates;
 - (b) A pro-forma for all bonds to be issued for the redevelopment; and
 - (c) Projected coverage ratios for all bonds issued for the redevelopment.
- (5) tabular data table showing cash flow projections of revenues from past and present property tax dedication approved and expenditures in the metropolitan redevelopment area;
- (6) any proposed use of gross receipts tax increment revenues or property tax increment revenues other than to secure the payment of bonds;
- (7) the source of funding for services, activities, grants, and payments, other than in connection with the construction or acquisition of public infrastructure and facilities;
- (8) potential and identified additional sources of funding to complete the proposed redevelopment;
- (9) a description of the source of funding for any private improvements and development, including the amount, type, and source of private investment and commitments to the redevelopment, and a corresponding financing plan; and
- (10) a description of the accounting practices, in accordance with generally accepted governmental accounting and auditing standards, to be undertaken to track and monitor revenues deposited into the metropolitan redevelopment fund.

G. **“Governing body”** means the city council or city commission of a city, the board of trustees or council of a town or village or the board of county commissioners of a county.

H. **“Housing supply study”** means a scientific study providing a statistical description of the housing supply in the community prepared by a qualified independent professional or consultant approved by the board, which includes the number of private and public units in existence or under construction, the annual rate of turnover of the various types of housing, the range of rents and sale prices, estimates of the number of persons residing in the

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metropolitan redevelopment area, and the number of families and individuals at risk of being displaced by redevelopment and also includes:

(1) an estimate of the total demand for housing in the metropolitan redevelopment area and surrounding areas, with the estimated capacity of private and public housing available to families and individuals displaced by the proposed redevelopment; and

(2) a detailed description of how redevelopment will impact low-income communities, minority groups, and other marginalized populations in the metropolitan redevelopment area.

I. **“Local government”** has the same meaning herein as provided in the Metropolitan Redevelopment Code, as amended.

J. **“Market absorption study”** means a study that evaluates the market demand for real property and components comprising the metropolitan redevelopment area and the rate at which the market can absorb the new supply, supported by detailed demographic and socioeconomic data for the metropolitan redevelopment area, prepared by a qualified independent professional or consultant approved by the board and including the following information:

(1) any blighted area(s), the severity of the blight, inclusive of a comparison analysis to other adjacent areas or comparable communities, and information on how the proposed redevelopment anticipates rehabilitating currently identified slum or blighted areas and preventing future slum or blight in the metropolitan redevelopment area;

(2) a population analysis, as defined in this Section 7; and

(3) a housing supply study, as defined in this Section 7.

K. **“Metropolitan redevelopment area”** has the same meaning herein as provided in the Metropolitan Redevelopment Code, as amended.

L. **“Metropolitan redevelopment plan”** has the same meaning herein as provided in the Metropolitan Redevelopment Code, as amended.

M. **“Metropolitan redevelopment project”** and **“project”** have the same meaning herein as provided in the Metropolitan Redevelopment Code, as amended.

N. **“NAICS”** means the North American Industry Classification System.

O. **“Operating plan”** means a detailed plan from the local government identifying a clear operational strategy, including roles and responsibilities of the management team, and the operational procedures to be followed for day-to-day operations of the proposed redevelopment, including management, staffing, and operational procedures. Additionally, the operating plan must identify the following:

(1) whether the governing body or another entity will provide oversight for the metropolitan redevelopment project;

(2) the method and metrics the oversight entity will utilize to determine compliance with and delivery of the redevelopment’s goals;

(3) a detailed depiction of how decisions will be made for activities, metropolitan redevelopment projects, and other day-to-day operational requirements; and

(4) where the local government delegates its powers in whole or in part to a metropolitan redevelopment entity or other agency or party, a description of the delegated powers, and the ordinance, resolution, or other document evidencing such delegation, must be provided.

P. **“Population analysis”** means a breakdown of the current population of the metropolitan redevelopment area by age, income level, employment status, and educational attainment, that identifies market size, labor availability, and potential customer base and also includes the following information for the metropolitan redevelopment area and surrounding areas:

(1) the projected number of residential (single-family and multi-family) units and the square footage of property type to be built by calendar year;

(2) the projected average price per square foot or by unit by type to be built per calendar year; and

(3) the market supply (or availability) and the value of each property type in the metropolitan redevelopment area and surrounding area(s), with reference to other planned development in the surrounding area(s).

Q. **“Slum area”** has the same meaning herein as provided in the Metropolitan Redevelopment Code, as amended.

R. **“State gross receipts tax increment”** means the value of the gross receipts tax imposed pursuant to Section 7-9-4 NMSA 1978 and sourced to the metropolitan redevelopment area in excess of the same gross receipts taxes sourced to the metropolitan redevelopment area in the base year, calculated in compliance with

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Subsection B of Section 3-60A-21 NMSA 1978, as amended.

S. “**Substantial change**” means any material modification to a metropolitan redevelopment plan that would:

- (1) require the local government to hold a public hearing in advance of approving such a change, as required by Section 3-60A-9 NMSA 1978;
- (2) alter the boundary of the metropolitan redevelopment area; and/or
- (3) provide a measurable impact on the projected outcomes for the market absorption study, operating plan, financing plan, economic analysis study, or housing supply study, including in the application.

T. “**Tax increment law**” means Sections 3-60A-19 through 3-60A-24 NMSA 1978, as amended, which is a part of the Metropolitan Redevelopment Code.
[2.61.2.7 NMAC - N, 12/23/2025]

2.61.2.8 APPLICATION ELEMENTS:

A. **Contents of application:** A local government requesting a dedication of a portion of the state gross receipts tax increment shall submit an application to the board that includes:

- (1) a table of contents identifying all documents, studies, plans, images, and information, and, as practicable, following the order set forth in this Section 8;
- (2) an executive summary of the local government’s application;
- (3) a comprehensive summary of the administrative and legislative history of the designation of the metropolitan redevelopment area, local approval of the metropolitan redevelopment plan, and any amendment or modification to either, including, but not limited to a description of any property tax increment dedications identifying the date of dedication, as well as a timeline, detailing all approvals, public hearings, and notices associated with the metropolitan redevelopment area and the metropolitan redevelopment plan;
- (4) a copy of the resolution of the governing body making a finding of necessity to address one or more slum area(s) or blighted area(s) existing in the local government’s jurisdiction;
- (5) a copy of the resolution of the governing body determining that a specific area is a slum area or a blighted area or a combination thereof and designating such area as appropriate for a metropolitan redevelopment project, along with the affidavits of publication for the notices of public hearing related to the issue of the adoption of the resolution and a written hearing record or meeting minutes from the public hearing;
- (6) a copy of the resolution of the governing body electing to use the procedures set forth in the tax increment law, effective January 1, 2025, for funding metropolitan redevelopment projects;
- (7) a copy of the resolution of the governing body making necessary findings and approving the metropolitan redevelopment plan for the metropolitan redevelopment area and a written hearing record or meeting minutes from the hearing held by the governing body or the local government’s planning commission relating to the proposed adoption of the metropolitan redevelopment plan, along with the affidavits of publication for the notice of public hearing and proof of mailing to the owners of real property in the metropolitan redevelopment area;
- (8) a copy of any resolution adopted by the governing body following the approval of a metropolitan redevelopment plan for the metropolitan redevelopment area, which approves a substantial change to the metropolitan redevelopment plan, if applicable;
- (9) a copy of the resolution of the governing body of any local government, within which the metropolitan redevelopment area is located, agreeing to dedicate up to seventy-five percent of a gross receipts tax increment and, if applicable, property tax increment of those entities;
- (10) a copy of the metropolitan redevelopment plan containing a provision that a portion of a gross receipts tax increment may be dedicated for the purpose of funding a metropolitan redevelopment project for a period of up to 20 years in compliance with the tax increment law;
- (11) a map depicting the geographic boundaries of the metropolitan redevelopment area;
- (12) a map identifying the public and private ownership status of the property located within the metropolitan redevelopment area;
- (13) a map identifying the current zoning of the property located within the metropolitan redevelopment area and a general description of the current land uses in the metropolitan redevelopment area;
- (14) a description of the metrics used by the local government in designating the metropolitan redevelopment area as a slum area, a blighted area, or a combination thereof in connection with its preparation of the metropolitan redevelopment plan. If the metropolitan redevelopment area was established earlier than five years prior to the date of the application, the description must identify the current metrics established and measured by the local government for determining that the area remains a slum area, a blighted area, or a combination thereof;

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(15) a description of the activities undertaken by the local government and its accomplishments in addressing slum and/or blight since the designation of the metropolitan redevelopment area;

(16) a description of the project to be undertaken by the local government and supported by gross receipts tax increment financing, in compliance with the metropolitan redevelopment plan. The description of the project shall include:

(a) a general description of the local government's plan to carry out a project for the metropolitan redevelopment area as a whole or plans for specific areas within the metropolitan redevelopment area;

(b) a summary of how the project is designed to eliminate slums or blighted areas in the metropolitan redevelopment area and how the project conforms to the approved metropolitan redevelopment plan;

(c) a description and map identifying the proposed changes in zoning and land use for the metropolitan redevelopment area resulting from the project;

(d) a detailed description of the types of public infrastructure and facilities to be included in the project, including the estimated construction or acquisition costs of the public infrastructure and facilities, projection of working capital needs, including funds necessary for repair and replacement of infrastructure, and the annual operation and maintenance costs of the public infrastructure, as well as any projected sources of funding;

(e) a detailed description of the types of private improvements and development to be included in the project;

(f) a map illustrating both existing and planned public and private infrastructure and development resulting from the project;

(g) a proposed project schedule for commencement and completion of the public infrastructure and the private development, inclusive of major milestones, which must align with the pro-forma included in the financing plan; and

(h) a detailed description of any services, activities, grants, and payments, other than in connection with the construction or acquisition of public infrastructure and facilities, planned to be delivered as part of the project and the anticipated source of funding.

(17) an operating plan, as defined in Section 7;

(18) a financing plan, as defined in Section 7;

(19) a market absorption study, as defined in Section 7;

(20) an economic analysis study, as defined in Section 7; and

(21) a housing supply study, as defined in Section 7.

[2.61.2.8 NMAC - N, 12/23/2025]

2.61.2.9 APPLICATION TIMELINE AND SUBMITTAL:

A. Pre-application conferences: Prior to initiating the preparation of an application, a local government is encouraged to schedule a "pre-application conference" to discuss the metropolitan redevelopment plan and proposed project to be undertaken with state gross receipts tax increment financing with board staff and the economic analysis unit of the Department of Finance and Administration, as well as consultants and/or professionals proposed to be utilized by the local government.

B. Requirements:

(1) any application for the dedication of a portion of the state gross receipts tax increment shall be considered by the board at its regular meeting in December of each year;

(2) complete applications must be submitted no later than the preceding July 1 for consideration at the board's December meeting;

(3) all required materials must be submitted electronically, and tables must be submitted as Microsoft Excel files with access to all data, including assumptions and formulae;

(4) if a governing body has not adopted a resolution pledging a portion of its gross receipts tax increment or its property tax increment, or both, by the deadline for submission of the application, that resolution shall be provided immediately upon its adoption and, if the adoption does not occur prior to the meeting at which the board is to consider the application, the board may take any action it deems appropriate, such as imposing a condition requiring such dedication or deferring action until a dedication is made;

(5) in addition to the requirements of paragraphs (1) through (4) above, the board may require informational presentations at a meeting prior to the meeting at which the application is to be considered. The board may also require the submission of supplemental information during its review process; and

(6) all information submitted to the board pursuant to this Section 9 will be available for

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public inspection, unless otherwise provided by law.

C. **Concurrent submittal:** In addition to submitting the application to the board, additional copies of an application must be submitted to the Department of Finance and Administration, Economic Analysis Unit; the New Mexico Finance Authority; the Taxation and Revenue Department, Office of the Secretary; and the Legislative Finance Committee's staff at their respective offices.
[2.61.2.9 NMAC – N, 12/23/2025]

2.61.2.10 APPLICATION REVIEW:

A. **Basis of evaluation and use of consultants:** The board will evaluate each application proposing a dedication of state gross receipts tax increment within a metropolitan redevelopment area as a whole and evaluate each metropolitan redevelopment area on a stand-alone basis. The board will utilize the services of the Department of Finance and Administration's Economic Analysis Unit and may seek the assistance of an economic consultant to evaluate each application. The local government must fully comply with any request to submit any additional data that may be helpful for use in its review of the application.

B. **Evaluation methodology:** The Department of Finance and Administration's Economic Analysis Unit or any of the board's economic consultants will use the following methodology in evaluating each application:

- (1) validation of any economic impact models using standard economic impact tools;
- (2) determination of the viability of the metropolitan redevelopment plan under the following scenarios;
 - (a) the dedication of the requested state gross receipts tax increment is approved;
 - (b) the dedication of the requested state gross receipts tax increment is not approved;
 - (c) the dedication of some portion of the requested state gross receipts tax increment is approved; and
 - (d) under staff-requested assumptions about economic factors.
- (3) evaluation of the submitted application, recognizing other economic development efforts by other economic development entities, including other metropolitan redevelopment areas;
- (4) assessment of impact on surrounding communities and non-participating governments;
- (5) determination of the ratio of public to private capital contributions and the ratio of state contributions compared to local contributions; and
- (6) validation of the finance plan, economic analysis study, market absorption study, operating plan, and/or housing supply study; the board may seek input from New Mexico Finance Authority staff regarding interest rates, coverage ratios, and other bond financing features to ensure that they are reasonable and appropriate.

[2.61.2.10 NMAC - N, 12/23/2025]

2.42.2.11 BOARD APPROVAL: EFFECTIVE DATE, CONDITIONS, AND DURATION:

A. **Effective date:** The board's approval of any dedication of the state gross receipts tax increment for metropolitan redevelopment shall be effective as provided in Sections 3-60A-23 and 3-60A-49 NMSA 1978, as amended.

B. **Conditional approval:** Dedications of up to seventy-five percent of the state gross receipts tax increment made by the board for metropolitan redevelopment shall be conditioned upon the requirements set forth at Subsection C of Section 3-60A-23 NMSA 1978, and be otherwise consistent therewith.

C. **Subsequent changes:** Any proposed substantial change to the metropolitan redevelopment plan after the board has made a dedication must be reported to the board pursuant to Subsection E of 2.61.2.12 NMAC and will require advanced board approval of such substantial change for proceeds from the sale of any bonds or notes to be applied to the purposes set forth in such modified metropolitan redevelopment plan.

D. **Expiration of dedication:** A dedication of a portion of the state gross receipts tax increment for metropolitan redevelopment shall expire in accordance with Subsection C of Section 3-60A-21 NMSA 1978, as amended, once all bonds secured in whole or in part by the state gross receipts tax increment are fully paid-off, or as otherwise stated in these rules.

[2.61.2.11 NMAC - N, 12/23/2025]

2.61.2.12 REPORTING REQUIREMENTS:

A. **Bond issuance:** Within 14 business days after a local government issues any bonds, the local government shall advise the board by letter of the date of issuance, the interest rate, and the total aggregate amount

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of each issue.

B. Annual reporting: On or before September 1 of each year following the issuance of any bonds, and until the bonds are fully paid-off, a local government that has received a dedication of a portion of the state gross receipts tax increment for metropolitan redevelopment shall provide to the board employment reports, as available, setting forth in reasonable detail the numbers and types of jobs created within the metropolitan redevelopment area on a full-time equivalent basis during the preceding 12-month period and the availability of workforce housing.

C. Supplemental reporting: Within thirty days of submitting any report or data required by the governing body, the New Mexico Finance Authority, the legislature, or any legislative committee, the metropolitan redevelopment area shall transmit copies of these reports or data to the board and the Economic Analysis Unit of the Department of Finance and Administration.

D. Substantial change and progress reporting: By September 1 of each year, a local government that has an unexpired dedication of a portion of the state gross receipts tax increment for metropolitan redevelopment will submit a report describing any substantial change to the metropolitan redevelopment area or the metropolitan redevelopment plan, as well as any project described therein, that may have occurred since board approval of such dedication. In addition, the local government shall provide information concerning the infrastructure build-out, jobs created, employers, revenues and expenses, total bonds outstanding, new bond issuances, bond incurrences, or material contracts for construction or other services in support of the metropolitan redevelopment plan, and a status report of the metropolitan redevelopment area's achievements with respect to public facilities and community benefits, such as the provision of schools and workforce housing in the metropolitan redevelopment area, and any other information the applicant believes may be helpful to the board occurring over the prior 12 months.

E. Periodic reporting: In addition to all requirements set forth above, a local government must report from time to time any substantial change to the metropolitan redevelopment plan, as well as any project described therein, that is proposed to occur following the board's approval of a resolution dedicating a portion of the state gross receipts tax increment to the board.

F. Application and duration of reporting requirements: Sections A through E of 2.61.2.12 NMAC apply to any local government that has received a dedication of the state gross receipts tax increment for metropolitan redevelopment until the applicable metropolitan redevelopment area is no longer designated as appropriate for a metropolitan redevelopment project or the board's approval of the increment has expired. [2.61.2.12 NMAC - N, 12/23/2025]

2.61.2.13 WAIVER: The board, in its sole and absolute discretion, may waive any requirements set forth in these rules unless such waiver would be contrary to the Metropolitan Redevelopment Code, or waiver would impair the board's ability to satisfy its obligations under Subsection C of Section 3-60A-23 NMSA 1978. [2.61.2.13 NMAC - N, 12/23/2025]

2.61.2.14 EFFECT OF PUBLICATION: All sections shall be effective upon publication in the *New Mexico Register*. [2.61.2.14 NMAC - N, 12/23/2025]

HISTORY OF 2.61.2 NMAC: [RESERVED]

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