

CITY OF ALBUQUERQUE

Tim Keller, Mayor



October 17, 2025

State Board of Finance
Ashley Leach, Director
Department of Finance & Administration
181 Bataan Memorial Building
407 Galisteo Street
Santa Fe, NM 87501

State Board of Finance members,

The Metropolitan Redevelopment Agency (MRA) is the department authorized by the Albuquerque City Council to undertake metropolitan redevelopment activities under the State's Metropolitan Redevelopment Code (§§ 3-60A-1 et al NMSA 1978). As such, we are also the agency responsible for establishing and administering the "Tax Increment Law" (§ 3-60A-1 through -24 NMSA 1978) within Metropolitan Redevelopment (MR) Areas. It is in this capacity that we, as an Agency, are submitting comments regarding the "[PROPOSED 2.61.2 NMAC Dedication of a Portion of the State's Gross Receipts Tax Increment for Metropolitan Redevelopment](#)" published by the State Department of Finance and Administration on September 9, 2025 (herein "Rules" or "Rulemaking").

The City of Albuquerque's Metropolitan Redevelopment program has been in place for over 45 years. Throughout that time, we remained steadfast in our determination to meet the state's statutory directive to eliminate slum and blighted areas, and promote the economic and commercial development for community health, safety, welfare, convenience, and prosperity. The City of Albuquerque has 20 designated MR Areas. What makes MR Areas unique is that we are able to go beyond traditional municipal redevelopment techniques based solely on infrastructure deployment and move toward direct investment in private and commercial development. The City of Albuquerque uses our powers in a wide variety of ways, including: to fund boutique grant programs for storefront rehabilitation; provide direct, "closing fund" incentives to private housing developers; and forge public/private partnerships that involve custom-tailored financing arrangements. We deploy these funds competitively across MR Areas to have the broadest reach and the greatest impact to the worthiest projects.

In general terms, the proposed Rules ignore the wide range of redevelopment activities allowed by the Metropolitan Redevelopment Code and the clear intention of the Tax Increment Law to

allow Tax Increment Financing (herein “TIF” or “TIFs”) to be established at a district-level, as opposed to a project-by-project basis. This hypothesis is supported by the replacement of the term “financing” with “funding” and “project” with “metropolitan redevelopment area” throughout the Tax Increment Law. The term “financing” generally refers to the application of financial resources to a particular project, while the term “funding” allows TIF as a financial tool to be used throughout an entire metropolitan redevelopment area (see [Tax Increment Law ANNOTATIONS](#)). The proposed Rules also seem to conflate the “Redevelopment Bonding Law” (§ 3-60A-26 through -46 NMSA 1978), which is a long-established practice for individual redevelopment projects, with the criteria in the Tax Increment Law, which requires that goals of the MR Area be met when using State-allocated TIF. The statute further allows the revenue from TIF to secure any bonds issued for metropolitan redevelopment activities (§3-60A-23 through -23.1 and §3-60A-49). However, the proposed Rules apply a narrow approach in the interpretation of the definitions, creating confusion and misalignment with the Redevelopment Code, referring only to single development projects and not to other redevelopment activities that are allowed to be undertaken by the governing body in the effort to eliminate blight. In summary, the proposed Rules lack a procedure for recognizing TIF programs and accessing funds at the district level, which is clearly allowed by the broader interpretation of the Tax Increment Law.

In the specific circumstance of the definition of “Metropolitan redevelopment project” or “project” in Section 2.61.2.7.M (DEFINITIONS) of the proposed Rulemaking, it is stated that these shall “have the same meaning herein as provided in the Metropolitan Redevelopment Code, as amended,” which would include all “activities and undertakings designed to eliminate slums or blighted areas,” (§ 3-60A-4-G NMSA 1978). However, only the much narrower definition of a “project” provided by the Metropolitan Redevelopment Code’s “Redevelopment Bonding Law” seems to be represented in the proposed rules, ignoring other redevelopment activities allowed by the Metropolitan Redevelopment Code and the Tax Increment Law. The application criteria set forth do not account for the full array of activities considered as “metropolitan redevelopment activity,” and conferred under § 3-60A-10 (Powers of Local Government), including but not limited to loans, grants, investments, and other financial tools to rehabilitate an area designated as blighted that may be used in a district-wide TIF approach. The aforementioned activities are TIF programs that are projects in and of themselves in the Redevelopment Code. Therefore, we suggest that both the definition of “Metropolitan redevelopment project” and the application criteria should be amended to reflect *all* the redevelopment activities allowed by the Metropolitan Redevelopment Code, and contemplated in a Metropolitan Redevelopment Area Plan across an entire “district” or area designated for TIF, which may include rehabilitation programs, as well as specific redevelopment projects.

As currently written, the Rules proposed require a twenty-one-part Application to the State Board of Finance. The application materials include two (2) plans with a total of fifteen (15) sections, and three (3) additional studies with a total of eight (8) sections and at least eighteen (18) individual parts. These plans and studies are required in addition to the Metropolitan Redevelopment Area Boundary/Blight Study and the Metropolitan Redevelopment Area Plan already required by the Metropolitan Redevelopment Code, and are also to be included in the

application materials to the State Board of Finance. Not only are the application materials excessively onerous and costly, but they are also most likely not applicable to many of the projects and programs that will be proposed by jurisdictions hoping to implement TIF across the state. Furthermore, many of the studies required have duplicative sections. For example, the required “Market absorption study” includes a “Housing supply study,” which is also a stand-alone document required in the application. Additionally, both of the aforementioned studies must contain all or part of the “Population analysis,” another standalone requirement. The application materials are convoluted and go beyond even the most comprehensive requirements of other similar districts, including Tax Increment Development Districts (TIDDs) (see: NMAC #2.61.3). Finally, the Rules only allow applications to be submitted once a year on July 1, which not only creates a barrier to accessing the state portion of GRT, but also does not align with the Department of Taxation and Revenue procedures for establishing the baseline. When Albuquerque led the charge for the passage of the TIF law, supporters insisted that the TIF program be accessible to communities of all sizes across the state and not be so onerous that they would effectively be ineligible to participate due to lack of resources and undue bureaucratic burden.

We suggest that the structure of the application and supplemental materials required should accurately and adequately reflect the existing requirements under the Metropolitan Redevelopment Code for the establishment of MR Areas and provide flexibility for considering the use of TIF for the various types of redevelopment activities that may be undertaken by a local jurisdiction with redevelopment powers. These redevelopment activities may include individual projects, but also include financing tools and economic development programs, such as small business loans and grants or reimbursement programs, that encourage private-sector activities that meet the goals of the redevelopment plan in any given area. Because MR Areas are typically located within the heart of cities and towns, the scope and scale of projects are generally constrained by the size of infill lots, forcing smaller projects, which is much different than the typical TIDD.

Furthermore, redevelopment activities and programs funded through agencies such as Albuquerque’s MRA generate a more equitable distribution of funds. Allowing redevelopment programs to be potentialized through TIF will amplify the benefits of the use of gross receipts tax (GRT) increment financing for the broader community through greater local business impact and the ability to fund more programs that will minimize potential displacement effects of redevelopment activities.

MRA respectfully submits this public comment letter, followed by an alternative proposal to the proposed rules and the Redline of the original proposed Rules, guided by expert opinions from third-party consultants (also attached), and requests that the State Board of Finance reconsider its approach to the Rules guiding TIF in MR Areas. The final Rules adopted by the State should reflect the needs of all communities across New Mexico, hoping to access this financial tool to revitalize their communities, and align themselves to the purpose of the Metropolitan Redevelopment Code.

Sincerely,

A handwritten signature in blue ink, appearing to read "Terry Brunner".

Terry Brunner

Interim Director, Metropolitan Redevelopment Agency
City of Albuquerque

Attachments:

SB Friedman Memo on State GRT Dedication Proposal

ABQ MRA's alternative proposal for 2.62.2-State Dedication of GRT

ABQ MRA's Redline of 2.62.2-State Dedication of GRT

MEMO

To: Terry Brunner, Albuquerque Metropolitan Redevelopment Agency
(505) 768-3000, terrybrunner@cabq.gov

From: Ranadip Bose, SB Friedman Development Advisors
(312) 384-2407, rbose@sbfriedman.com

Date: September 29, 2025

RE: **Proposed Rule 2.61.2 NMAC – Response**

Introduction and Purpose

Recent amendments to the New Mexico Metropolitan Redevelopment Act strengthened the State's tax increment financing (TIF) mechanism, allowing designated Metropolitan Redevelopment Areas to capture a portion of incremental property tax and gross receipts tax (GRT) revenues over a 20-year period. The New Mexico State Board of Finance (SBOF) recently proposed the adoption of Proposed Rule 2.61.2 NMAC, Dedication of a Portion of the State's Gross Receipts Tax Increment for Metropolitan Redevelopment (Proposed Rule). The purpose of the Proposed Rule is to establish requirements, procedures, and criteria for:

- Implementing the dedication of state GRT increment for purpose of funding a metropolitan redevelopment plan; and
- Determining the amount of the state GRT increment to be dedicated to a metropolitan redevelopment plan.

The Proposed Rule details the process by which municipalities would request the use of the state GRT increment to help support a metropolitan redevelopment plan. It describes 21 distinct application requirements to be submitted to SBOF, establishes the timeline, and outlines the methodology for SBOF's review of such a request. It also sets ongoing reporting requirements for any municipality or county for which SBOF has approved a state GRT increment dedication.

SB Friedman Development Advisors, LLC (SB Friedman) was engaged by the City of Albuquerque Metropolitan Redevelopment Agency to review the Proposed Rule and evaluate potential challenges facing New Mexico municipalities related to the application requirements. The memo also outlines suggested modifications to the proposed application requirements that would help address the challenges and enable municipalities to submit appropriate application materials for state review and consideration.

Challenges of the Proposed Rule

SB Friedman recognizes the need for SBOF to develop procedures by which it can review requests for the use of state GRT increment and determine if granting those requests is reasonable and in the best interest of the state. When municipalities establish TIF districts, they should demonstrate the plan for revitalizing the district, the proposed use of TIF funds to implement the plans, and the need for state participation in funding. While the Proposed Rule aims to obtain application materials from municipalities, the application requirements listed in the Proposed Rule create some challenges:

- 1) The Proposed Rule is overly tailored towards specific development projects;
- 2) The application requirements are not tailored to how TIF is likely to be used in many metropolitan redevelopment areas; and
- 3) The application requirements are highly onerous to municipalities, and are likely to reduce the uptake of TIF, which could otherwise be a powerful tool in addressing slum and blight conditions in metropolitan redevelopment areas.

Each of these challenges are discussed in greater detail below.

1) The Proposed Rule language is overly tailored towards specific development projects

The State Metropolitan Redevelopment Code defines “project” broadly as:

“an activity, undertaking or series of activities or undertakings designed to eliminate slums or blighted areas in areas designated as metropolitan redevelopment areas and ... conforms to an approved plan for the area for slum clearance and redevelopment, rehabilitation and conservation” (NM Stat § 3-60A-4 (2024)).

While this definition is broad, much of the language in the Proposed Rule seems to imply larger, master-planned projects, similar to those catalyzed by Tax Increment Development Districts (TIDDs). Many TIDDs in New Mexico have been on greenfield sites lacking infrastructure, and where development has been carried out by a single master developer. The Proposed Rule application requirements align with a similar conception of a TIF “project”.

However, this implied conception of a “project” doesn’t capture how and where TIF would more frequently be used. Unlike TIDDs, most metropolitan redevelopment areas throughout New Mexico are within urban districts, such as downtowns or commercial corridors. These areas are more likely to have a large and diverse set of property owners, who likewise have different plans and goals. Some may want to improve their property, others may want to sell theirs to a developer, while others may not have any interest in changes to their property.

The Proposed Rule language outlines eight different application elements under item 16 of Application Elements (2.61.2.8) that are very specific to an individual project and as such not suitable for larger areas that may see several development projects over a 20-year span. In a district-level TIF, both the development program and timeline of individual projects are highly uncertain. This is due not only to the diversity of ownership, but also due to challenging market conditions. TIFs must be located within existing metropolitan redevelopment areas, which must exhibit various “slum” or “blight” conditions. Due to the presence of these factors that qualify the area as a metropolitan redevelopment area, there is generally slower growth and fewer projects delivered by the market in these areas.

Therefore, the application materials requested for district level TIFs should be broader and focus on outlining district level activities and the need for state GRT to fund those activities.

2) The application requirements are not tailored to how TIF is likely to be used in a district

Because the Proposed Rule does not address the core issues in district-level TIFs (as outlined under 1), the requirements of an application to SBOF appear not to align with how TIF is likely to be used in larger area districts. The application requirements in the Proposed Rule ask for, among other things, a proposed development schedule with major milestones, analyses related to the projected multiplier effects, and a description of the funding sources for private improvements. These requirements might make sense for a typical TIDD master planned project, where the infrastructure improvements and private development are understood from the outset. In a district-level TIF, both are much more uncertain.

As municipalities seek to revitalize areas in district-level TIFs, there are likely to be three primary categories of TIF expenditure:

- **Public Infrastructure:** Strategic public infrastructure improvements are often needed to modernize service levels or catalyze private investment within districts. Public investments in urban districts could vary widely ranging from modest investments such as sidewalk improvements and streetscaping, to replacing antiquated water/sewer lines, to larger investments in new trails, signature parks and plazas. Municipalities tend to identify new investments based on planning studies that solicit input from the community and local stakeholders. While it is possible to estimate costs and rough phasing of such investments, they are likely to be preliminary and planning level estimates. Efforts to quantify their economic impact upfront or assessing operation and maintenance costs of investments that may be planned over a twenty-year period are unlikely to be feasible or accurate.
- **Policy-driven Programs:** Municipalities across the country employ TIF-funded grant or loan programs to spur economic development within TIF districts. These programs (i.e., small business development, façade improvement, home repair, etc.) generally disburse funds in the form of grants or loans. TIF-funded programs set objective eligibility requirements and cap grant assistance based on the features of the proposed project. Typically, these programs receive municipal approval for an initial budget allocation. Then, a municipal department facilitates the program by reviewing applications, approving proposed projects, and managing the disbursement of funds. But until a program is established and funded, it is difficult to predict the number, type or location of applicants, let alone awards.
- **Gap Financing for Private Development:** Finally, TIF can be used as a form of gap financing for private development projects that would not be feasible “but for” the assistance. It is critical that projects requesting public assistance demonstrate their need for assistance, so that public resources are used fairly and judiciously. However, these “but for” analyses and financial reviews are better handled at the municipal level. Most urban districts will seek to have multiple private development projects over a 20-year span. Therefore, it would be more feasible to outline sites susceptible to change and assign an allocation of funds to support gap financing than for SBOF to evaluate each hypothetical project up front.

The application materials that SBOF requests and reviews should be more tailored to how the municipality intends to use TIF funds, recognizing that it is difficult to predict specific project details such as economic impact, or sources and uses upfront.

3) The application requirements in the Proposed Rule are highly onerous to municipalities

The application requirements, while well intentioned, are so extensive as to be onerous to municipalities. The Proposed Rule lays out 21 distinct application requirements to be submitted to SBOF. Many of the application requirements are duplicative with existing planning work, such as blight findings for a metropolitan redevelopment area and the adopted plan for the area. It would be less onerous if municipalities could leverage existing documents such as the blight study, metropolitan redevelopment area plan, and an implementation plan. The purpose of these documents should be to: demonstrate existing slum and blight conditions within the area; describe the redevelopment vision for the district; and, outline the projected TIF revenues and proposed uses of those revenues.

Meanwhile, some of the other requirements seem to depart from the stated purpose of metropolitan redevelopment. The intent of the Metropolitan Redevelopment Code is:

“to authorize local governments to ... promote industry and develop trade or other economic activity ... to mitigate the serious threat of extensive unemployment in a metropolitan redevelopment area and to secure and maintain a balanced and stable economy in an area declared to be a slum or blighted area” (NM Stat § 3-60A-3 (2024)).

Application requirements like the housing supply study, population analysis, and portions of the economic analysis do not seem to relate to this purpose, though some may be warranted in specific situations (see the “Additional considerations” section below).

SB Friedman is a consulting firm that specializes in economic, fiscal and planning analyses. We frequently prepare studies and plans similar to those outlined in the Proposed Rule for municipal clients. Based on our experience, the cost to a municipality of engaging a qualified independent professional or consultant to prepare the financing plan, market absorption study, economic analysis study, housing supply study, and population analysis together would cost hundreds of thousands of dollars. In addition to cost, preparing a complete application to SBOF would likely require significant public sector staff time. Therefore, preparing an application would represent a significant challenge for all municipalities in New Mexico, but particularly smaller communities with less funding and staff capacity.

Suggested Modification to the Proposed Rule

There is a legitimate question on how SBOF should determine whether to participate in TIF and the extent of its participation. As mentioned, we agree with the need for procedures by which SBOF can review requests for the use of state GRT increment and determine if granting requests is reasonable and in the best interest of the state. Municipalities should be required to demonstrate the purpose and public benefit of their request for state GRT increment, including why economic development would not occur but for the contribution of state GRT increment. However, the application materials should be tailored to align with the district context, municipal goals, and level of state participation requested. We suggest streamlining and modifying application requirements based on the type of district and the specific metropolitan redevelopment goals.

TIF districts encompassing larger areas such as a downtown or neighborhood

When the proposed TIF district encompasses an existing urban district, like a downtown or commercial corridor, we suggest that SBOF request materials more tailored to the way TIF is likely to be used. Materials might include:

- **Existing planning documents.** Existing planning analyses, including the documentation of slum or blight conditions, and an approved metropolitan redevelopment area plan should be included.

- **TIF action plan.** A TIF action plan should include a 20-year projection of TIF revenues including local participation rates and the requested state participation. It should clearly describe how TIF revenues will be used to address the slum or blight conditions present in the area. Some municipalities may choose to prepare a TIF action plan as part of a local approval process and before submitting an application for state participation.
- **TIF budget.** A TIF budget would show the anticipated uses of projected TIF revenues. It should identify specific projects where possible. Otherwise, it can show anticipated funding amounts associated with different categories of TIF spending (infrastructure, grant programs, and gap financing)
- **“But for” justification.** Linking to the TIF action plan, the application should explain why the types of projects outlined in the TIF action plan and budget would not occur “but for” the inclusion of state GRT increment. It should explain why State participation in the TIF is necessary to achieve the goals for the metropolitan redevelopment area.

TIF districts focused on a specific real estate development project

For TIF districts proposed to support a specific real estate development project, a different set of application materials may be more suitable. We recommend that SBOF evaluate the following:

- **Existing planning documents.** Existing planning analyses, including the documentation of slum or blight conditions, and an approved metropolitan redevelopment area plan should be included.
- **Project description.** When the real estate development program is already known, this should be included. SBOF can choose to calibrate its participation based on the size of the project, location and the requested state participation.
- **Financial gap analysis.** This analysis would demonstrate that the project would not occur “but for” public assistance, and show SBOF the need for state resources.
- **Incremental revenue projections.** Projections should show projected tax revenues going to the State and local agency in the scenario that the State participates in the TIF, as well as if the State does not participate. The projections should show revenues over the life of the TIF, and in the five years after the expiration of the district in both scenarios.
- **Fiscal and economic impact analysis.** Related to the incremental revenue projections, the application should estimate the potential fiscal impact to State and the multiplier impact in terms of construction period and permanent jobs and economic activity.
- **Anticipated financing structure.** The application should note whether projects costs (e.g., infrastructure costs, gap financing, etc.) are to be paid or reimbursed through a Pay-Go structure or through bonds.

Additional considerations

In addition to the baseline information outlined above, extra documentation may be warranted. We recommend that SBOF only request documents that directly relate to the goals of the project or district. For example, if a municipality aims to use TIF to help redevelop existing housing with affordable rents, an evaluation of potential displacement would be important to include. However, a municipality that intends to use TIF to improve existing infrastructure should not be subject to the same application requirements. Any documentation submitted as part of a request for state participation in a TIF district should directly support that specific request.

SBOF could also consider modifying application requirements based on the scale of the district or project. Large districts and high-value projects that are expected to capture significant state GRT increment should have higher scrutiny. SBOF could request more materials, or greater detail, if the projected state participation exceeds a certain dollar threshold.

Other states, such as Michigan, require that projects meet a minimum level of private investment, which is scaled based on the size of the municipality in which the project is located. Conversely, smaller districts or projects that expect to capture a smaller amount of state GRT increment should not be required to provide the same documentation.

Conclusions

Based on our review of the application requirements outlined in the Proposed Rule, we've identified several potential challenges facing municipalities:

- 1) The Proposed Rule is overly tailored towards specific development projects;
- 2) The application requirements are not tailored to how TIF is likely to be used in many metropolitan redevelopment areas; and
- 3) The application requirements are highly onerous to municipalities, and are likely to reduce the uptake of TIF, which could otherwise be a powerful tool in addressing slum and blight conditions in metropolitan redevelopment areas.

We recognize the need for SBOF to develop procedures by which it can review requests for the use of state GRT increment. However, given the challenges described above, we suggest streamlining and modifying application requirements based on the type of district and the specific metropolitan redevelopment goals.

Appendix | SB Friedman's TIF Experience

Our firm has core expertise in the use of TIF to facilitate high-quality development, redevelopment and infrastructure projects. Since the conception of our firm, we have advised both public and private sector clients on TIF issues, ranging from conducting eligibility studies to providing support in the TIF application and negotiation process.

ELIGIBILITY STUDIES, PLANS AND AMENDMENTS

Our firm has led the establishment of over 75 TIF districts in multiple states under multiple statutes, and has also assisted communities in making "major" and "minor" amendments to existing TIF districts. Depending on the specific state TIF statutory requirements and local community policies, these services have included conducting detailed assessments of physical conditions on a parcel-by-parcel, building-by-building basis to establish eligibility and preparing redevelopment plans. These designation processes have also generally included economic evaluations of the proposed TIF area based on trends in property valuation, vacancy rates, building obsolescence and others. In addition, we have managed the public consensus-building process for TIF districts prior to their adoption. Finally, we routinely perform up-front TIF capacity analyses to help clients determine how much investment a proposed TIF may be able to support.

REVENUE PROJECTIONS

Our firm has prepared TIF cash flow projections for hundreds of districts and projects covering residential, retail, office, research, industrial, hotel, parking, sports facility and other land uses. These projections are based on the incremental values to be added by specific development projects as well as general changes in property value in the district as a whole. Our firm takes a rigorous approach to projecting future TIF revenues based on comparable property research, detailed understanding of local assessment methodology, and studies of trends in tax rates, property appreciation and other relevant indices. Our projections are routinely used in the sizing of revenue and TIF-backed general obligation bonds, as well as privately placed TIF revenue notes.

TIF APPLICATION SERVICES

SB Friedman has assisted many developers through the TIF application and negotiation process. This includes review/presentation of project financials (including project costs, revenues and profit levels), estimate of project-specific and TIF-wide incremental taxes, and preparation of the formal application for TIF assistance. Our presentations clearly articulate the need and rationale for TIF assistance, as well as the appropriate structure for the assistance. We also provide ongoing support for our clients after submittal of the TIF application, as needed, to assist in bringing the deal to full agreement and closing.

NEGOTIATION SUPPORT/TERM SHEET

The main goal in TIF negotiation is to strike a business agreement that is clear, fair and complete. Often, this agreement is best captured in a term sheet that serves as the backbone of the final legal TIF agreement between the municipality and applicant. SB Friedman has assisted clients in crafting term sheets for TIF grants and loans, as well as negotiating an appropriate TIF financing package. We provide analytical support to help clients articulate their case, as well as rigorous term sheet drafting to ensure that the business terms are clear, concise and complete.

TIF ADMINISTRATION AND COMPLIANCE

We have experience in assisting communities with such "nuts and bolts" TIF issues as: Annual Joint Review Board and state reporting support, tracking district revenues over time, reviewing delinquency/collection rates, reviewing parcel lists to ensure accurate revenue capture, reviewing and certifying TIF-eligible costs, estimating the impact of pending appeals, and tracking/projecting assessment ratios, equalizers and tax rates.

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]

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]

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]

2.61.2.7 DEFINITIONS: As used in these rules:

- A. "Base gross receipts taxes"** means (1) the total amount of gross receipts taxes collected within a tax increment development district, as estimated by the governing body that adopted a resolution to form that district, in consultation with the taxation and revenue department, in the calendar year preceding the formation of the tax increment financing district or, when an area is added to an existing district, the amount of gross receipts taxes collected in the calendar year preceding the effective date of the modification of the tax increment development plan and designated by the governing body to be available as part of the gross receipts tax increment; and (2) any amount of gross receipts taxes that would have been collected in such year if any applicable additional gross receipts taxes imposed after that year had been imposed in that year;
- B. "Blighted area"** has the same meaning herein as provided in the Metropolitan Redevelopment Code, as amended.
- C. "Blight study"** means an analysis and 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 designation of the metropolitan redevelopment area and the preparation of the metropolitan redevelopment plan.
- D. "Board"** means the State Board of Finance.
- E. "Bonds"** has the same meaning herein as provided in the Metropolitan Redevelopment Code, as amended.
- F. "Developer"** means the person, individual, corporation, association, partnership, limited liability corporation or other legal entity who has entered into a development agreement with the governing body that formed the TIF.

- G. “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.
- H. “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 developer’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 TIF plan. The plan must identify whether the developer 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.
- I. “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.
- J. “Local government”** has the same meaning herein as provided in the Metropolitan Redevelopment Code, as amended.
- 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, including any activity, undertaking, or series of activities or undertakings allowed in the code.
- 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 for the designated TIF area or areas, responsible local government entity including management, staffing, and administrative and operational procedures, with organizational and flow charts. Additionally, the operating plan must identify the following:
- (1) Whether the governing body or another entity will provide oversight for the metropolitan redevelopment area TIF;

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

(3) 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. “Slum area” has the same meaning herein as provided in the Metropolitan Redevelopment Code, as amended.

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

R. “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.

S. “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.

T. “TIF plan” means a document that describes the conditions of the area designated for use of TIF and the redevelopment activities or projects that the local government plans to undertake to alleviate the conditions causing it to be designated at “slum” or “blighted” in accordance with the metropolitan redevelopment code. The TIF plan may be presented as a chapter or chapters in a metropolitan redevelopment plan or other relevant planning study undertaking in the defined metropolitan redevelopment area or as stand-alone document accompanying the metropolitan redevelopment plan, with supporting materials and analysis in appendices, as necessary. The TIF plan may be prepared by a qualified professional employed or contracted by the local governing body or consultant approved by the board. All TIF plans, shall include the following analysis or studies, at a minimum:

- (1) “Existing Conditions Analysis” means a description of the conditions of blight, the severity of the blight, including an explanation and analysis of the metrics used to make the determination that the remediation of slum or blighted areas with local government intervention necessary, and including:
 - (a) A description and map identifying the existing zoning and land uses in the metropolitan redevelopment area and proposed zoning and land uses, if changes are proposed. A description and map illustrating both existing and planned public infrastructure and development in the area.
 - (b) “Population analysis” meaning a breakdown of the current population of the metropolitan redevelopment area by age, income level, employment status, and educational attainment, that identifies, in general terms, market size, labor availability.
 - (c) “Market Study” shall describe in general terms the existing conditions and potential residential, commercial, and employment demand in the area. The residential market study shall include units in existence or known to be under construction, including average rents, as well as price per square foot and a demand analysis and projections divided by rent and ownership, as well as federally recognized income brackets for the area, i.e. both existing “affordable” and “market rate” The commercial market study shall include existing conditions analysis of commercial space available by use, vacancy rates and price per square foot and demand segment shall include, projections of future commercial activity and real estate need by sectors. Employment demand, shall include analysis and projections of job demand by sector.
- (2) “TIF Activities” section meaning general description of the redevelopment activities or undertakings proposed by the local government and supported by gross receipts tax increment financing, in compliance with the metropolitan redevelopment plan, which shall include:

- (a) A general description of the activities or undertakings proposed by the local government's plan to carry out for the metropolitan redevelopment area as a whole or plans for specific areas within the metropolitan redevelopment area. Examples of activities include grant programs for small businesses, workforce development programs; revolving loan funds; financing programs for commercial or residential projects.
 - (b) A detailed description of the types of public infrastructure and facilities to be included in the TIF activities independently by the local government, if available, including the estimated construction or acquisition costs of the public infrastructure and facilities, 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;
 - (c) A summary of how the project is designed to eliminate slum or blighted areas in the metropolitan redevelopment area and how the project conforms to the approved metropolitan redevelopment plan;
 - (d) A detailed description of how redevelopment activities will impact low-income communities, minority groups, and other underserved populations in the metropolitan redevelopment area, with a specific discussion of how displacement will be mitigated, if a direct result of the proposed development.
- (3) A "TIF Implementation and Tracking" section means a description of the method and metrics the oversight entity will utilize to determine compliance with and delivery of the redevelopment goals, providing a description of the metrics to be tracked and the frequency, including:
- (a) A description and justification of the request for use of a portion of the state gross receipts tax increment.
 - (b) The baseline gross receipts taxes analysis and projections, as defined herein.
 - (c) A description of the defined measures used to evaluate the effectiveness and progress of the TIF activities undertaken, which shall measure advancement of the adopted goals of the TIF plan and the metropolitan redevelopment plan.
 - (d) A reporting plan, including the type and frequency of all reporting to the local governing body and the state to track progress toward established performance metrics as described in the TIF activities section of the TIF plan and metropolitan redevelopment plan goals.

[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 blight study undertaken by the governing body to justify the designation of the area as suitable for metropolitan redevelopment activities.
 - (11) 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;
 - (12) A map depicting the geographic boundaries of the metropolitan redevelopment area and TIF area, should the boundaries be different;
 - (13) A copy of the operating plan, as defined in Section 7;
 - (14) A copy of the TIF plan, as defined in Section 7;
 - (15) A copy of the financing plan, as defined in Section 7, when the TIF project under consideration by the board is proposed by a developer.
- [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 60 days preceding any regularly-scheduled meeting of the board;
 - (3) All required materials must be submitted electronically, and Microsoft Excel files, when submitted, must allow 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 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 TIF plan and finance plan, when required; 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 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 the following reports from the preceding 12-month period, if available: employment reports, including numbers and types of jobs created within the metropolitan redevelopment area on a full-time equivalent basis, the number of new housing units created, the total square footage of commercial space activated or constructed, and the total amount of private investment leveraged by TIF fund disbursements. .
- 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 a status report of the metropolitan redevelopment area's achievements 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]

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]

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]

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]

2.61.2.7 DEFINITIONS: As used in these rules:

- A.** "Base gross receipts taxes" means (1) the total amount of gross receipts taxes collected within a tax increment development district, as estimated by the governing body that adopted a resolution to form that district, in consultation with the taxation and revenue department, in the calendar year preceding the formation of the tax increment financing district or, when an area is added to an existing district, the amount of gross receipts taxes collected in the calendar year preceding the effective date of the modification of the tax increment development plan and designated by the governing body to be available as part of the gross receipts tax increment; and (2) any amount of gross receipts taxes that would have been collected in such year if any applicable additional gross receipts taxes imposed after that year had been imposed in that year;
- B.** "Blighted area" has the same meaning herein as provided in the Metropolitan Redevelopment Code, as amended.
- A.C.** "Blight study" means an analysis and 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 designation of the metropolitan redevelopment area and the preparation of the metropolitan redevelopment plan.
- B.D.** "Board" means the State Board of Finance.
- E.** "Bonds" has the same meaning herein as provided in the Metropolitan Redevelopment Code, as amended.
- C.F.** "Developer" means the person, individual, corporation, association, partnership, limited liability corporation or other legal entity who has entered into a development agreement with the governing body that formed the TIF.

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:

(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 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.

- (e) ~~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 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.G. ~~“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.H. ~~“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 ~~developer’s 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~~ **TIF plan**. The plan must identify whether the ~~metropolitan redevelopment area~~ **developer** 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)~~
 - (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.I. **“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 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.J. **“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, including any activity, undertaking, or series of activities or undertakings allowed in the code.

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 for the designated TIF area or areas, responsible local government entity including management, staffing, and administrative and operational procedures, with organizational and flow charts, 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~~area TIF;

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

~~(3)(2) — A detailed depiction of how decisions will be made for activities, metropolitan redevelopment projects, and other day-to-day operational requirements; and~~

~~(4)(3) — 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.P. — “Slum area” has the same meaning herein as provided in the Metropolitan Redevelopment Code, as amended.**~~

~~**R.Q. — “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 Subsection B of Section 3-60A-21 NMSA 1978, as amended.**~~

~~**S.R. — “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.~~

~~**S. — “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.**~~

~~**T. — “TIF plan” means a document that describes the conditions of the area designated for use of TIF and the redevelopment activities or projects that the local government plans to undertake to alleviate the conditions causing it to be designated at “slum” or “blighted” in accordance with the metropolitan redevelopment code. The TIF plan may be presented as a chapter or chapters in a metropolitan redevelopment plan or other relevant planning study undertaking in the defined metropolitan redevelopment area or as stand-alone document accompanying the metropolitan redevelopment plan, with supporting materials and analysis in appendices, as necessary. The TIF plan may be prepared by a qualified professional employed or contracted by the local governing body or consultant approved by the board. All TIF plans, shall include the following analysis or studies, at a minimum:**~~

~~(1) — “Existing Conditions Analysis” means a description of the conditions of blight, the severity of the blight, including an explanation and analysis of the metrics used to make the determination that the remediation of slum or blighted areas with local government intervention necessary, and including:~~

~~(a) — A description and map identifying the existing zoning and land uses in the metropolitan redevelopment area and proposed zoning and land uses, if changes are proposed. A description and map illustrating both existing and planned public infrastructure and development in the area.~~

- (b) “Population analysis” meaning a breakdown of the current population of the metropolitan redevelopment area by age, income level, employment status, and educational attainment, that identifies, in general terms, market size, labor availability.
- (c) “Market Study” shall describe in general terms the existing conditions and potential residential, commercial, and employment demand in the area. The residential market study shall include units in existence or known to be under construction, including average rents, as well as price per square foot and a demand analysis and projections divided by rent and ownership, as well as federally recognized income brackets for the area, i.e. both existing “affordable” and “market rate” The commercial market study shall include existing conditions analysis of commercial space available by use, vacancy rates and price per square foot and demand segment shall include, projections of future commercial activity and real estate need by sectors. Employment demand, shall include analysis and projections of job demand by sector.
- (2) “TIF Activities” section meaning general description of the redevelopment activities or undertakings proposed by the local government and supported by gross receipts tax increment financing, in compliance with the metropolitan redevelopment plan, which shall include:
 - (a) A general description of the activities or undertakings proposed by the local government’s plan to carry out for the metropolitan redevelopment area as a whole or plans for specific areas within the metropolitan redevelopment area. Examples of activities include grant programs for small businesses, workforce development programs; revolving loan funds; financing programs for commercial or residential projects.
 - (b) A detailed description of the types of public infrastructure and facilities to be included in the TIF activities independently by the local government, if available, including the estimated construction or acquisition costs of the public infrastructure and facilities, 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;
 - (c) A summary of how the project is designed to eliminate slum or blighted areas in the metropolitan redevelopment area and how the project conforms to the approved metropolitan redevelopment plan;
 - (d) A detailed description of how redevelopment activities will impact low-income communities, minority groups, and other underserved populations in the metropolitan redevelopment area, with a specific discussion of how displacement will be mitigated, if a direct result of the proposed development.
- (3) A “TIF Implementation and Tracking” section means a description of the method and metrics the oversight entity will utilize to determine compliance with and delivery of the redevelopment goals, providing a description of the metrics to be tracked and the frequency, including:
 - (a) A description and justification of the request for use of a portion of the state gross receipts tax increment.
 - (b) The baseline gross receipts taxes analysis and projections, as defined herein.
 - (c) A description of the defined measures used to evaluate the effectiveness and progress of the TIF activities undertaken, which shall measure advancement of the adopted goals of the TIF plan and the metropolitan redevelopment plan.
 - (d) A reporting plan, including the type and frequency of all reporting to the local governing body and the state to track progress toward established performance metrics as described in the TIF activities section of the TIF plan and metropolitan redevelopment plan goals.

[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 blight study undertaken by the governing body to justify the designation of the area as suitable for metropolitan redevelopment activities.
- ~~(10)(11)~~ 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)(12)~~ A map depicting the geographic boundaries of the metropolitan redevelopment area and TIF area, should the boundaries be different;
- ~~(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;~~
- ~~(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.~~

~~(13) A copy of the An~~ operating plan, as defined in Section 7;

~~(17)(14) A copy of the TIF plan, as defined in Section 7;~~

~~(18)(15) A copy of the A~~ financing plan, as defined in Section 7, when the TIF project under consideration by the board is proposed by a developer;

~~(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 60 days~~ preceding any regularly-scheduled meeting of the board’s December meeting;

(3) All required materials must be submitted electronically, and ~~tables must be submitted as~~ Microsoft Excel files, when submitted, must allow 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 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 ~~TIF plan and finance plan, when required 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 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- the following reports from the preceding 12-month period, if available: employment reports, ~~as available, setting forth in reasonable detail the~~ including numbers and types of jobs created within the metropolitan redevelopment area on a full-time equivalent basis, the number of new housing units created, the total square footage of commercial space activated or constructed, and the total amount of private investment leveraged by TIF fund disbursements. ~~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- a status report of the metropolitan redevelopment area's achievements ~~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]