

1 SENATE BILL 348

2 **57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025**

3 INTRODUCED BY

4 James G. Townsend and Gabriel Ramos and Jay C. Block

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10 AN ACT

11 RELATING TO PUBLIC FUNDS; REQUIRING THE STATE TO MAKE PAYMENTS
12 IN LIEU OF TAXES TO POLITICAL SUBDIVISIONS WHEN ACQUIRING REAL
13 PROPERTY; PROVIDING AN EXEMPTION FOR THE DEPARTMENT OF
14 TRANSPORTATION; CREATING THE PAYMENTS IN LIEU OF TAXES FUND;
15 MAKING AN APPROPRIATION.

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

18 SECTION 1. [NEW MATERIAL] PAYMENTS IN LIEU OF TAXES FOR
19 STATE-ACQUIRED REAL PROPERTY--ADJUSTMENTS IN PAYMENTS.--

20 A. Whenever the state acquires fee simple ownership
21 of real property by purchase or eminent domain, the state shall
22 annually make payments in lieu of taxes to any political
23 subdivision of the state that imposed and received the revenues
24 of a property tax on the acquired real property prior to
25 acquisition by the state. The payments in lieu of taxes shall

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1 commence with the calendar year following state acquisition and
2 shall continue so long as the state retains ownership.

3 B. A state agency that intends to acquire fee
4 simple ownership of real property shall inquire with the clerk
5 of the county in which the property is situated as to the
6 annual property tax liability of the property for the prior
7 year. Annually, that state agency shall remit to the state
8 treasurer for deposit in the payments in lieu of taxes fund an
9 amount equal to the annual property tax liability for the
10 property being acquired.

11 C. All payments in lieu of taxes are contingent
12 upon sufficient appropriations and authorization being made by
13 the New Mexico legislature for the performance of the
14 provisions of this section. If sufficient appropriations and
15 authorization are not made by the legislature in any year, the
16 provisions of this section are suspended for that year.

17 D. The property tax division of the taxation and
18 revenue department shall promulgate rules to specify how
19 payments in lieu of taxes shall be paid pursuant to Subsection
20 A of this section and shall be adjusted from year to year,
21 taking into consideration factors that include changes in
22 property values and tax rates.

23 E. The provisions of this section shall not apply
24 to property purchased by or on behalf of the department of
25 transportation for the purposes of a public roadway or highway.

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1 SECTION 2. ~~[NEW MATERIAL]~~ PAYMENTS IN LIEU OF TAXES FUND
2 CREATED--AUTHORIZED PAYMENTS IN LIEU OF TAXES.--The "payments
3 in lieu of taxes fund" is created as a nonreverting fund within
4 the state treasury. The fund consists of appropriations,
5 gifts, grants, donations, income from investment of the fund
6 and any other money distributed or otherwise allocated to the
7 fund. The taxation and revenue department shall administer the
8 fund, and money in the fund is appropriated to the taxation and
9 revenue department to make payments to political subdivisions
10 of the state in lieu of taxes for state-acquired real property
11 pursuant to Section 1 of this 2025 act. Disbursements from the
12 fund shall be made by warrant of the secretary of finance and
13 administration pursuant to vouchers signed by the secretary of
14 taxation and revenue or the secretary's authorized
15 representative.

16 SECTION 3. EFFECTIVE DATE.--The effective date of the
17 provisions of this act is July 1, 2025.