

## Tougher Rules for TIDDs Proposed

**By Andrew Webb**

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SANTA FE — The state Board of Finance is considering tougher standards and increased oversight for a new form of development financing that a couple of critics say could leave the state in the lurch.

The board decided during a meeting Tuesday to vote in September on a proposed set of new rules for so-called tax increment financing, which allows developers to use taxes generated within their developments to pay off bonds for infrastructure, such as roads and sidewalks.

The proposed new rules call for more exhaustive applications to include audited financial statements and detailed timelines; an evaluation of whether the development would happen with or without the tax increment financing; an evaluation of the districts' potential impact on the General Fund; and assessments of the districts' impact on surrounding and nonparticipating government entities.

SunCal and Forest City Covington, the developers of two major commercial and residential projects at Albuquerque's southern and western outskirts, have already received permission from the state to keep a portion of future gross receipts taxes generated in those developments.

County and city officials have also either granted or are considering similar disbursements of their tax shares to those developers as well.

Developers say creating tax increment development districts will allow more thoughtful development and better infrastructure.

But some organizations, such as anti-sprawl group 1,000 Friends of New Mexico and New Mexico Voices for Children, say New Mexico has far exceeded the original intent of tax increment financing — to improve infrastructure and encourage development in existing, downtrodden areas of a city where developers would normally not take risks. Opponents also say by dedicating so much toward just these two projects — an estimated \$1.1 billion over the two existing districts' 25-year lifespans — the state's General Fund, which is fed in part by gross receipts taxes, will not grow enough to keep up with education, health care and other demands.