

HOUSE BILL 160

57TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2026

## INTRODUCED BY

Elaine Sena Cortez and Javier Martínez and Gail Armstrong  
and Jonathan A. Henry

## AN ACT

RELATING TO TAXATION; CREATING THE ALL CITIES AND COUNTIES FUND  
TO TRANSFER A PORTION OF GROSS RECEIPTS TAX REVENUE TO  
MUNICIPALITIES AND COUNTIES; DISTRIBUTING A PORTION OF GROSS  
RECEIPTS TAX REVENUE TO THE ALL CITIES AND COUNTIES FUND.

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

SECTION 1. [NEW MATERIAL] ALL CITIES AND COUNTIES FUND--  
CREATED.--

A. The "all cities and counties fund" is created in the state treasury.

B. The taxation and revenue department shall calculate an amount to be transferred to each municipality in an amount equal to the result of the following formula, where "municipality" is the municipality receiving the transfer and "county" is the county in which the municipality is located:

•232973•1

underscored material = new  
[bracketed material] = delete

underscored material = new  
[bracketed material] = delete

provided that if a municipality is located in more than one county, a transfer shall be calculated for each county in which the municipality is located:

municipality population \* (0.7 \* (fund balance/state population) + 0.3 \* (((county EGRTR/all county EGRTR) \* fund balance)/county population)).

C. The taxation and revenue department shall calculate an amount to be transferred to each county in an amount equal to the result of the following formula:

county area population \* (0.7 \* (fund balance/state population) + 0.3 \* (((county EGRTR/all county EGRTR) \* fund balance)/county population)).

D. By October 1, 2027 and October 1 of each year thereafter, the taxation and revenue department shall certify to the state treasurer the amounts to be transferred to each municipality and county as calculated pursuant to Subsections B and C of this section.

E. By November 1, 2027 and November 1 of each year thereafter, the state treasurer shall transfer from the all cities and counties fund to each municipality and county the amounts certified by the taxation and revenue department.

F. As used in this section:

(1) "all county EGRTR" means the equalized gross receipts tax revenue of all counties;

(2) "county area population" means the

.232973.1

underscored material = new  
[bracketed material] = delete

1 population in that portion of a county located outside the  
2 boundaries of any municipality according to the most recent  
3 estimate of the resident population for incorporated places as  
4 published by the United States census bureau, except that for H  
5 class counties, "county area population" means the population  
6 of the entire county;

7 (3) "county EGRTR" means the equalized gross  
8 receipts tax revenue of the county receiving a transfer  
9 pursuant to this section or, in the case of a municipality  
10 receiving a transfer pursuant to this section, of the county in  
11 which the municipality is located;

12 (4) "county population" means the population  
13 of a county according to the most recent estimate of the  
14 resident population of incorporated places as published by the  
15 United States census bureau;

16 (5) "equalized gross receipts tax revenue"  
17 means the net receipts received by the taxation and revenue  
18 department in the prior fiscal year, subject to any increase or  
19 decrease made pursuant to Section 7-1-6.15 NMSA 1978,  
20 attributable to a county local option gross receipts tax rate  
21 of one-fourth percent;

22 (6) "fund balance" means the amount of money  
23 in the all cities and counties fund as of the end of the fiscal  
24 year that precedes the date a transfer is required to be made  
25 pursuant to this section;

.232973.1

(7) "municipality population" means the population of a municipality according to the most recent estimate of the resident population for incorporated places as published by the United States census bureau; provided that if a municipality is located in more than one county, "municipality population" means the population of the municipality within each of the counties; and

(8) "state population" means the population of the state of New Mexico according to the most recent estimate of the resident population for incorporated places as published by the United States census bureau.

**SECTION 2.** A new section of the Tax Administration Act is enacted to read:

"NEW MATERIAL] DISTRIBUTION--ALL CITIES AND COUNTIES FUND.--A distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be made to the all cities and counties fund in an amount equal to eight percent of the net receipts attributable to the gross receipts tax distributable to the general fund."

**SECTION 3. EFFECTIVE DATE.--**The effective date of the provisions of this act is July 1, 2026.

- 4 -

.232973.1