

AN ACT

RELATING TO PROPERTY TAXATION; PROVIDING FOR A CREDIT AGAINST PROPERTY TAX DUE IN CERTAIN CIRCUMSTANCES; PROVIDING FOR SETTING RATES FOR PROPERTY TAX LEVIES FOR PAYMENT OF COUNTY OR MUNICIPAL GENERAL OBLIGATION BONDS; AMENDING AND ENACTING SECTIONS OF THE NMSA 1978; DECLARING AN EMERGENCY.

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

Section 1. Section 6-15-4 NMSA 1978 (being Laws 1929, Chapter 201, Section 2, as amended) is amended to read:

"6-15-4. TAX LEVY FOR PAYMENT OF BONDS.--The officials now or hereafter charged by law with the duty of levying general ad valorem taxes for the payment of bonds and interest shall, in the manner provided by law, make an annual levy sufficient to meet the annual or semiannual payments of principal and interest on the bonds maturing or the mandatory sinking fund payments as provided in this article. Nothing in this section shall be so construed as to prevent the municipal corporation from applying any other funds that may be in the treasury or investment income actually received from sinking fund investments and available for that purpose to the payment of the interest on or the principal of or any prior redemption premium in connection with the bonds as they become due, and upon such payments, the levy provided in this section may to that

extent be diminished; provided that the municipal corporation shall diminish the levy for debt service out of a levy authorized pursuant to Subsection B of Section 7-37-7 NMSA 1978 only upon approval of and subject to any conditions of the department of finance and administration."

Section 2. A new section of the Property Tax Code is enacted to read:

"CREDIT AGAINST PROPERTY TAX DUE UNDER CERTAIN CIRCUMSTANCES--CERTIFICATION.--

A. In calendar year 2000 in a qualifying county, a credit shall be applied against the property tax due on every qualifying property in the county. The credit shall be equal to the amount determined by applying the certified rate to the net taxable value of the qualifying property. The credit shall be applied first to the second installment of property tax due on the qualifying property for tax year 1999 on April 10, 2000. If a taxpayer has no property tax due on the qualifying property on that date or if the credit exceeds the tax due, the amount of tax not credited shall be applied to the taxpayer's property tax due for tax year 2000 on November 10, 2000. The credit shall be applied only to property tax due on qualifying property and shall not be refunded to a taxpayer. The cost of the credit shall be paid by the county from any available county funds, and the amount of the credit shall not be included in any amounts

used for property tax rate-setting purposes for residential property the 2000 tax year.

B. For purposes of this section:

(1) "certified rate" means the difference, expressed as a rate, between the county debt service rate in a qualifying county in the 1998 tax year and the rate, certified by the department of finance and administration, that would have otherwise been set by the department as a debt service rate in the 1999 tax year if the county had set a debt service rate rather than increasing the county operating rate;

(2) "qualifying county" means a county with outstanding general obligation debt for which a debt service rate was not set for a tax year, but which debt service was paid with revenues from an increase in the county operating rate; and

(3) "qualifying property" means a residential property for which the value of the property for property taxation purposes for the 1999 tax year increased at least twenty-five percent from its value for the 1998 tax year."

Section 3. Section 7-37-7 NMSA 1978 (being Laws 1973, Chapter 258, Section 40, as amended) is amended to read:

"7-37-7. TAX RATES AUTHORIZED--LIMITATIONS.--

A. The tax rates specified in Subsection B of

this section are the maximum rates that may be set by the department of finance and administration for the use of the stated governmental units for the purposes stated in that subsection. The tax rates set for residential property for county, school district or municipal general purposes or for the purposes authorized in Paragraph (2) of Subsection C of this section shall be the same as the tax rates set for nonresidential property for those governmental units for those purposes unless different rates are required because of limitations imposed by Section 7-37-7.1 NMSA 1978. The department of finance and administration may set a rate at less than the maximum in any tax year. In addition to the rates authorized in Subsection B of this section, the department of finance and administration shall also determine and set the necessary rates authorized and required in Subsection C of this section. The tax rates authorized in Paragraphs (1) and (3) of Subsection C of this section shall be set at the same rate for both residential and nonresidential property. Rates shall be set after the governmental units' budget-making and approval process is completed and shall be set in accordance with Section 7-38-33 NMSA 1978. Orders imposing the rates set for all units of government shall be made by the boards of county commissioners after rates are set and certified to the boards by the department of finance and administration. The

department of finance and administration shall also certify the rates set for nonresidential property in governmental units to the department for use in collecting taxes imposed under the Oil and Gas Ad Valorem Production Tax Act, the Oil and Gas Production Equipment Ad Valorem Tax Act and the Copper Production Ad Valorem Tax Act.

B. The following tax rates for the indicated purposes are authorized:

(1) for the use of each county for general purposes for the 1987 and subsequent property tax years, a rate of eleven dollars eighty-five cents (\$11.85) for each one thousand dollars (\$1,000) of net taxable value of both residential and nonresidential property allocated to the county;

(2) for the use of each school district for general operating purposes, a rate of fifty cents (\$.50) for each one thousand dollars (\$1,000) of net taxable value of both residential and nonresidential property allocated to the school district; and

(3) for the use of each municipality for general purposes for the 1987 and subsequent property tax years, a rate of seven dollars sixty-five cents (\$7.65) for each one thousand dollars (\$1,000) of net taxable value of both residential and nonresidential property allocated to the municipality.

C. In addition to the rates authorized in Subsection B of this section, there are also authorized and, where applicable, required:

(1) those rates or impositions authorized under provisions of law outside of the Property Tax Code that are for the use of the governmental units indicated in those provisions and are for the stated purpose of paying principal and interest on a public general obligation debt incurred under those provisions of law; provided, for any municipality that has outstanding indebtedness issued pursuant to Chapter 3, Article 30 NMSA 1978 a rate shall be set for the tax imposed pursuant to Section 3-30-9 NMSA 1978 that is separate and apart from any rate set pursuant to Paragraph (3) of Subsection B of this section, and for any county that has outstanding indebtedness issued pursuant to Chapter 4, Article 49 NMSA 1978 a rate shall be set for the tax imposed pursuant to Section 4-49-17 NMSA 1978, which is separate and apart from any rate set pursuant to Paragraph (1) of Subsection B of this section, unless the department of finance and administration issues approval for a payment of indebtedness from another source;

(2) those rates or impositions authorized under provisions of law outside of the Property Tax Code that are for the use of the governmental units indicated in those provisions, are for the stated purposes authorized by

those provisions and have been approved by the voters of the governmental unit in the manner required by law; and

(3) those rates or impositions necessary for the use of a governmental unit to pay a tort or workers' compensation judgment for which a county, municipality or school district is liable, subject to the limitations in Subsection B of Section 41-4-25 NMSA 1978, but no rate or imposition shall be authorized to pay any judgment other than one arising from a tort or workers' compensation claim.

D. The rates and impositions authorized under Subsection C of this section shall be on the net taxable value of both residential and nonresidential property allocated to the unit of government specified in the provisions of the other laws."

Section 4. EMERGENCY.--It is necessary for the public peace, health and safety that this act take effect immediately.
