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AN ACT

RELATING TO TAXATION; REMOVING THE SIX-YEAR LIMITATION ON
IMPOSITION OF THE WATER AND SANITATION GROSS RECEIPTS TAX.

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

SECTION 1. Section 7-20E-26 NMSA 1978 (being Laws 2007,
Chapter 346, Section 1) is amended to read:

"7-20E-26. WATER AND SANITATION GROSS RECEIPTS TAX--
AUTHORITY TO IMPOSE--RATE--ELECTION--USE OF REVENUE.--

A. An excise tax imposed by a governing body
pursuant to this section may be referred to as the "water and
sanitation gross receipts tax". The water and sanitation
gross receipts tax shall be imposed by a governing body as
set forth in this section, contingent upon a majority of the
voters voting in an election on the question of whether to
impose a water and sanitation gross receipts tax voting in
favor of the imposition.

B. Upon receipt of a resolution adopted and
submitted by the board of directors of a water and sanitation
district that requests the governing body to impose a water
and sanitation gross receipts tax on behalf of the water and
sanitation district, a governing body shall enact an
ordinance imposing a water and sanitation gross receipts tax
in that water and sanitation district. The ordinance shall
impose the tax at a rate of one-fourth percent on a person

1 engaging in business within the area of the county located
2 within the water and sanitation district for the privilege of
3 engaging in business within that water and sanitation
4 district within the county.

5 C. The governing body, at the time of enacting an
6 ordinance imposing a water and sanitation gross receipts tax
7 authorized pursuant to Subsection A of this section, shall
8 dedicate the revenue only for the operation of the water and
9 sanitation district for which the tax is imposed.

10 D. Within sixty days of the date the ordinance is
11 adopted by the governing body, the governing body shall adopt
12 a resolution calling for an election on the question of
13 whether to impose a water and sanitation gross receipts tax.
14 The question shall be submitted to the voters of the water
15 and sanitation district requesting the county to impose the
16 tax. A special election shall be called, conducted and
17 canvassed in substantially the same manner as provided by law
18 for general elections. If a majority of the voters voting on
19 the question approves the ordinance imposing the water and
20 sanitation gross receipts tax, then the ordinance shall
21 become effective in accordance with the provisions of the
22 County Local Option Gross Receipts and Compensating Taxes Act
23 on either January 1 or July 1 following the election
24 approving the imposition of the tax. If the question of
25 imposing the water and sanitation gross receipts tax fails,

1 a resolution from the board of directors of the water and
2 sanitation district initiating the request to the county to
3 impose a water and sanitation gross receipts tax may not
4 again be submitted to the governing body for a period of one
5 year from the date of the election.

6 E. The proceeds from the water and sanitation
7 gross receipts tax shall be administered by the governing
8 body and disbursed by the county treasurer to the appropriate
9 water and sanitation district in amounts and for the purposes
10 authorized in this section and as set out in the resolution
11 submitted by the board of directors to the governing body.
12 An agreement shall be entered into between the water and
13 sanitation district and the governing body that sets out the
14 responsibilities of both parties regarding administration,
15 distribution and use of the revenue from the water and
16 sanitation gross receipts tax."

17 SECTION 2. EFFECTIVE DATE.--The effective date of the
18 provisions of this act is July 1, 2021. _____

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