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HOUSE BILL 63

**44TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION,  
2000**

INTRODUCED BY  
Judy Vanderstar Russell

FOR THE REVENUE STABILIZATION AND TAX POLICY COMMITTEE

AN ACT

RELATING TO PROPERTY TAXATION; AMENDING A SECTION OF THE NMSA  
1978 TO EXCLUDE FROM GENERAL OPERATING RATES THE PROPERTY TAX  
LEVIES FOR PAYMENT OF COUNTY OR MUNICIPAL GENERAL OBLIGATION  
BONDS.

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 [~~provided~~].  
Nothing [~~herein contained~~] in this section shall be so

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underscored material = new  
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1 construed as to prevent the municipal corporation from  
2 applying any other funds that may be in the treasury or  
3 investment income actually received from sinking fund  
4 investments and available for that purpose to the payment of  
5 the interest on or the principal of or any prior redemption  
6 premium in connection with ~~[such]~~ the bonds as ~~[the same]~~  
7 they become due, and upon such payments, the levy ~~[or levies~~  
8 ~~herein]~~ provided in this section may ~~[thereupon]~~ to that  
9 extent be diminished; provided that the municipal corporation  
10 shall not attempt to diminish the levy for debt service on  
11 such bonds by proposing to pay the debt service out of any  
12 levy authorized pursuant to Subsection B of Section 7-37-7  
13 NMSA 1978."

14 Section 2. Section 7-37-7 NMSA 1978 (being Laws 1973,  
15 Chapter 258, Section 40, as amended) is amended to read:

16 "7-37-7. TAX RATES AUTHORIZED--LIMITATIONS.--

17 A. The tax rates specified in Subsection B of this  
18 section are the maximum rates that may be set by the  
19 department of finance and administration for the use of the  
20 stated governmental units for the purposes stated in that  
21 subsection. The tax rates set for residential property for  
22 county, school district or municipal general purposes or for  
23 the purposes authorized in Paragraph (2) of Subsection C of  
24 this section shall be the same as the tax rates set for  
25 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

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1 department of finance and administration may set a rate at  
2 less than the maximum in any tax year. In addition to the  
3 rates authorized in Subsection B of this section, the  
4 department of finance and administration shall also determine  
5 and set the necessary rates authorized and required in  
6 Subsection C of this section. The tax rates authorized in  
7 Paragraphs (1) and (3) of Subsection C of this section shall  
8 be set at the same rate for both residential and  
9 nonresidential property. Rates shall be set after the  
10 governmental units' budget-making and approval process is  
11 completed and shall be set in accordance with Section 7-38-33  
12 NMSA 1978. Orders imposing the rates set for all units of  
13 government shall be made by the boards of county  
14 commissioners after rates are set and certified to the boards  
15 by the department of finance and administration. The  
16 department of finance and administration shall also certify  
17 the rates set for nonresidential property in governmental  
18 units to the department for use in collecting taxes imposed  
19 under the Oil and Gas Ad Valorem Production Tax Act, the Oil  
20 and Gas Production Equipment Ad Valorem Tax Act and the  
21 Copper Production Ad Valorem Tax Act.

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

24 (1) for the use of each county for general  
25 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

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1 residential and nonresidential property allocated to the  
2 county;

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

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

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

17 (1) those rates or impositions authorized  
18 under provisions of law outside of the Property Tax Code that  
19 are for the use of the governmental units indicated in those  
20 provisions and are for the stated purpose of paying principal  
21 and interest on a public general obligation debt incurred  
22 under those provisions of law; provided, for any municipality  
23 that has outstanding indebtedness issued pursuant to Chapter  
24 3, Article 30 NMSA 1978 a rate shall be set for the tax  
25 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, and for any county that has outstanding

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1 indebtedness issued pursuant to Chapter 4, Article 49 NMSA  
2 1978 a rate shall be set for the tax imposed pursuant to  
3 Section 4-49-17 NMSA 1978, which is separate and apart from  
4 any rate set pursuant to Paragraph (1) of Subsection B of  
5 this section;

6 (2) those rates or impositions authorized  
7 under provisions of law outside of the Property Tax Code that  
8 are for the use of the governmental units indicated in those  
9 provisions, are for the stated purposes authorized by those  
10 provisions and have been approved by the voters of the  
11 governmental unit in the manner required by law; and

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

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