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HOUSE BILL 424

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

INTRODUCED BY

R. David Pederson

AN ACT

**RELATING TO TAXATION; AMENDING THE COUNTY CORRECTIONAL
FACILITY GROSS RECEIPTS TAX ACT TO EXPAND THE DEFINITIONS OF
"COUNTY" AND "JUDICIAL-CORRECTIONAL FACILITY".**

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

**Section 1. Section 7-20F-2 NMSA 1978 (being Laws 1993,
Chapter 303, Section 2, as amended) is amended to read:**

**"7-20F-2. DEFINITIONS. --As used in the County
Correctional Facility Gross Receipts Tax Act:**

A. "county" means:

**(1) a class A county, the population of
which does not exceed one hundred fifty thousand people as
determined by the 1990 federal decennial census;**

(2) a class B county with a population of at

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1 least fifty-seven thousand people but less than sixty
2 thousand as determined by the 1990 federal decennial census;
3 [~~or~~]

4 (3) a class B county with a population of at
5 least forty-five thousand people but less than forty-seven
6 thousand as determined by the 1990 federal decennial census;
7 or

8 (4) a class B county with a population of at
9 least sixty thousand people but less than sixty-three
10 thousand as determined by the 1990 federal decennial census;

11 B. "county board" means the board of county
12 commissioners of a county;

13 C. "department" means the taxation and revenue
14 department, the secretary of taxation and revenue or any
15 employee of the department exercising authority lawfully
16 delegated to that employee by the secretary;

17 D. "judicial-correctional facility" means a
18 facility for housing and use by judicial and corrections
19 agencies, including housing for persons confined in county
20 corrections facilities; however, none of the facilities are
21 required to be located on the same or contiguous parcels of
22 land. A "judicial-correctional facility" also includes a
23 courthouse and any other county facility used as a county
24 administrative office;
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1 E. "municipality" means any incorporated city,
2 town or village, whether incorporated under general act,
3 special act or special charter;

4 F. "person" means an individual or any other
5 legal entity;

6 G. "pledged revenues" means the revenue, net
7 income or net revenues authorized to be pledged to the
8 payment of revenue bonds issued pursuant to the provisions of
9 the County Correctional Facility Gross Receipts Tax Act;

10 H. "refunding bond" means a refunding revenue bond
11 issued pursuant to the provisions of the County Correctional
12 Facility Gross Receipts Tax Act to refund revenue bonds
13 issued pursuant to the provisions of that act; and

14 I. "revenue bond" means a county correctional
15 facility gross receipts tax revenue bond. "

16 Section 2. Section 7-20F-3 NMSA 1978 (being Laws 1993,
17 Chapter 303, Section 3, as amended) is amended to read:

18 "7-20F-3. COUNTY CORRECTIONAL FACILITY GROSS RECEIPTS
19 TAX--AUTHORITY TO IMPOSE--RATE--ORDINANCE REQUIREMENTS--
20 REFERENDUM --

21 A. For those counties described in Paragraphs (1)
22 through (3) of Subsection A of Section 7-20F-2 NMSA 1978, the
23 majority of the members elected to [the] a county board may
24 enact an ordinance imposing on a county-wide basis an excise
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1 tax not to exceed a rate of one-eighth of one percent of the
2 gross receipts of any person engaging in business in the
3 county, including all municipalities within the county;
4 provided that the voters of:

5 (1) a class A county described in Paragraph
6 (1) of Subsection A of Section 7-20F-2 NMSA 1978 or a class B
7 county described in Paragraph (2) of Subsection A of Section
8 7-20F-2 NMSA 1978 have approved the issuance of general
9 obligation bonds of the county sufficient to pay at least
10 one-half of the costs of the construction and equipping of
11 the new county judicial-correctional facility for which the
12 county correctional facility gross receipts tax revenue is
13 dedicated; or

14 (2) a class B county described in Paragraph
15 (3) of Subsection A of Section 7-20F-2 NMSA 1978 have
16 approved the issuance of bonds by the New Mexico finance
17 authority sufficient to pay at least one-half of the costs of
18 designing, constructing, equipping, furnishing and otherwise
19 improving the new county correctional facility for which the
20 county correctional facility gross receipts tax revenue is
21 dedicated.

22 B. For those counties described in Paragraph (4)
23 of Subsection A of Section 7-20F-2 NSMA 1978, the majority of
24 the members elected to a county board may enact an ordinance
25

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1 imposing on a county-wide basis an excise tax not to exceed a
2 rate of one-fourth of one percent of the gross receipts of
3 any person engaging in business in the county, including all
4 municipalities within the county.

5 [B.] C. The tax imposed pursuant to Subsection A
6 or B of this section may be referred to as the "county
7 correctional facility gross receipts tax". The county
8 correctional facility gross receipts tax shall be imposed
9 only once for the period necessary for payment of the
10 principal and interest on revenue bonds issued pursuant to
11 the County Correctional Facility Gross Receipts Tax Act, but
12 the period shall not exceed ten years from the effective date
13 of the ordinance imposing the tax.

14 [E.] D. Any ordinance imposing a county
15 correctional facility gross receipts tax pursuant to this
16 section shall:

17 (1) impose the tax in any number of
18 increments of one-sixteenth of one percent not to exceed:

19 (a) an aggregate amount of one-eighth
20 of one percent if imposed pursuant to Subsection A of this
21 section; or

22 (b) an aggregate amount of one-fourth
23 of one percent if imposed pursuant to Subsection B of this
24 section;

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(2) specify that the imposition of the tax will begin on either July 1 or January 1, whichever occurs first after the expiration of at least three months from the date that the department is notified personally or by mail by the county that imposition of the county correctional facility gross receipts tax has been approved by a majority of the registered voters in the county voting on the question; and

(3) dedicate the revenue from the county correctional facility gross receipts tax for the purpose of constructing, purchasing, furnishing, equipping, rehabilitating, expanding or improving a judicial-correctional or a county correctional facility or the grounds of a judicial-correctional or county correctional facility, including ~~[but not limited to]~~ acquiring and improving parking lots, landscaping or any combination of the foregoing or to payment of principal and interest on revenue bonds or refunding bonds issued pursuant to the provisions of the County Correctional Facility Gross Receipts Tax Act.

~~[D.]~~ E. An ordinance imposing a county correctional facility gross receipts tax pursuant to this section shall not become effective until after an election is held and a simple majority of the qualified electors of the county voting in the election votes in favor of imposing the

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1 tax.

2 [E.] F. The ~~[governing body]~~ county board shall
3 adopt a resolution calling for an election within
4 seventy-five days of the date the ordinance is adopted on the
5 question of imposing the tax, and:

6 (1) in a class A county described in
7 Paragraph (1) of Subsection A of Section 7-20F-2 NMSA 1978 or
8 a class B county described in Paragraph (2) of Subsection A
9 of Section 7-20F-2 NMSA 1978, if a property tax at a rate
10 necessary to comply with the provisions of Subsection A of
11 this section has not been approved by the voters of the
12 county, the question submitted to the voters shall be the
13 question of imposing a county correctional facility gross
14 receipts tax and a property tax at a rate necessary for the
15 issuance of general obligation bonds of the county sufficient
16 to comply with the provisions of the County Correctional
17 Facility Gross Receipts Tax Act; ~~[or]~~

18 (2) in a class B county described in
19 Paragraph (3) of Subsection A of Section 7-20F-2 NMSA 1978,
20 the question to be submitted to the voters is "Shall a county
21 correctional facility gross receipts tax be imposed to repay
22 bonds that will be issued by the New Mexico finance authority
23 in an amount sufficient to pay at least one-half of the costs
24 of designing, constructing, equipping, furnishing and
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1 otherwise improving the new county correctional facility?";
2 or

3 (3) in a class B county described in
4 Paragraph (4) of Subsection A of Section 7-20F-2 NMSA 1978.
5 the question submitted to the voters shall be determined by
6 the county board and included in the resolution calling for
7 the election.

8 [F.] G. The question shall be submitted to the
9 voters at any general election or special election called for
10 that purpose by the board.

11 [G.] H. The election upon the question shall be
12 called, held, conducted and canvassed in substantially the
13 same manner as may be provided by law for general elections.

14 [H.] I. If the question of imposing the county
15 correctional facility gross receipts tax and a property tax,
16 if the question includes a property tax, fails, the board
17 shall not again propose imposition of a county correctional
18 facility gross receipts tax for a period of one year after
19 the election.

20 [I.] J. Revenue produced by the imposition of a
21 county correctional facility gross receipts tax that is in
22 excess of the annual principal and interest due on bonds
23 secured by a pledge of the county correctional facility gross
24 receipts tax may be accumulated in a debt service reserve
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1 account until an amount equal to the maximum amount permitted
2 pursuant to the provisions of the United States treasury
3 regulations is accumulated in the debt service reserve
4 account. After the debt service reserve account requirements
5 have been met, the excess revenue shall be accumulated in an
6 extraordinary mandatory redemption fund and annually used to
7 redeem the bonds prior to their stated maturity date.

8 [J.] K. When all outstanding bonds have been paid,
9 whether from the debt service reserve, the redemption fund or
10 maturity, the ordinance shall be repealed if the county
11 correctional facility gross receipts tax revenue is no longer
12 required for the purposes for which it may be used pursuant
13 to the provisions of the County Correctional Facility Gross
14 Receipts Tax Act.

15 [K.] L. The repeal of an ordinance imposing a
16 county correctional facility gross receipts tax shall state
17 that the repeal shall be effective on January 1 or July 1,
18 whichever occurs first following the date the department is
19 notified personally or by mail by the county of the repeal."