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HOUSE BILL 987

46TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2003

INTRODUCED BY

Ray Begaye

AN ACT

RELATING TO PUBLIC ASSISTANCE; RAISING THE GASOLINE TAX TO
PROVIDE FOR MOTOR VEHICLE LIABILITY INSURANCE FOR INDIGENT
FAMILIES; ADJUSTING DISTRIBUTION PERCENTAGES; MAKING AN
APPROPRIATION.

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

Section 1. Section 7-1-6.1 NMSA 1978 (being Laws 1983,
Chapter 211, Section 6, as amended by Laws 1990, Chapter 6,
Section 19 and also by Laws 1990, Chapter 86, Section 3) is
amended to read:

"7-1-6.1. IDENTIFICATION OF MONEY IN TAX ADMINISTRATION
SUSPENSE FUND--DISTRIBUTION.--After the necessary disbursements
have been made from the tax administration suspense fund, the
money remaining, except for remittances received within the
previous sixty days that are unidentified as to source or

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1 disposition, in the suspense fund as of the last day of the
2 month shall be identified by tax source and distributed or
3 transferred in accordance with the provisions of Sections
4 7-1-6.2 through 7-1-6.19, 7-1-6.24 through 7-1-6.26, [and]
5 7-1-6.28 through 7-1-6.40, 7-1-6.42 and 7-1-6.43 NMSA 1978.
6 After the necessary distributions and transfers, any balance
7 shall be distributed to the general fund. "

8 Section 2. Section 7-1-6.7 NMSA 1978 (being Laws 1994,
9 Chapter 5, Section 2, as amended) is amended to read:

10 "7-1-6.7. DISTRIBUTIONS--STATE AVIATION FUND. --

11 A. A distribution pursuant to Section 7-1-6.1 NMSA
12 1978 shall be made to the state aviation fund in an amount
13 equal to three and fifty-nine hundredths percent of the gross
14 receipts attributable to the sale of fuel specially prepared
15 and sold for use in turboprop or jet-type engines as determined
16 by the department.

17 B. A distribution pursuant to Section 7-1-6.1 NMSA
18 1978 shall be made to the state aviation fund in an amount
19 equal to [~~twenty-six~~] twenty-two hundredths [~~of one~~] percent of
20 gasoline taxes, exclusive of penalties and interest, collected
21 pursuant to the Gasoline Tax Act.

22 C. From July 1, 2002 through June 30, 2007, a
23 distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be
24 made to the state aviation fund in an amount equal to forty-six
25 thousandths of one percent of the net receipts attributable to
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1 the gross receipts tax distributable to the general fund. "

2 Section 3. Section 7-1-6.8 NMSA 1978 (being Laws 1983,
3 Chapter 211, Section 13, as amended) is amended to read:

4 "7-1-6.8. DISTRIBUTION--MOTORBOAT FUEL TAX FUND. --A
5 distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be
6 made to the motorboat fuel tax fund in an amount equal to
7 [thirteen] eleven-hundredths [of one] percent of the net
8 receipts attributable to the gasoline tax. "

9 Section 4. Section 7-1-6.9 NMSA 1978 (being Laws 1991,
10 Chapter 9, Section 11, as amended) is amended to read:

11 "7-1-6.9. DISTRIBUTION OF GASOLINE TAXES TO
12 MUNICIPALITIES AND COUNTIES. --

13 A. A distribution pursuant to Section 7-1-6.1 NMSA
14 1978 shall be made in an amount equal to [ten and thirty eight]
15 eight and eighty-two hundredths percent of the net receipts
16 attributable to the taxes, exclusive of penalties and interest,
17 imposed by the Gasoline Tax Act.

18 B. [~~Except as provided in Subsection D of this~~
19 ~~section~~] The amount determined in Subsection A of this section
20 shall be distributed as follows:

21 (1) ninety percent of the amount shall be paid
22 to the treasurers of municipalities and H class counties in the
23 proportion that the taxable motor fuel sales in each of the
24 municipalities and H class counties bears to the aggregate
25 taxable motor fuel sales in all of these municipalities and H

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1 class counties; and

2 (2) ten percent of the amount shall be paid to
3 the treasurers of the counties, including H class counties, in
4 the proportion that the taxable motor fuel sales outside of
5 incorporated municipalities in each of the counties bears to
6 the aggregate taxable motor fuel sales outside of incorporated
7 municipalities in all of the counties.

8 C. Except as provided in Subsection D of this
9 section, this distribution shall be paid into a separate road
10 fund in the municipal treasury or county road fund for
11 expenditure only for construction, reconstruction, resurfacing
12 or other improvement or maintenance of public roads, streets,
13 alleys or bridges, including right-of-way and materials
14 acquisition. Money distributed pursuant to this section may be
15 used by a municipality or county to provide matching funds for
16 projects subject to cooperative agreements entered into with
17 the state highway and transportation department pursuant to
18 Section 67-3-28 NMSA 1978. Any municipality or H class county
19 that has created or that creates a "street improvement fund" to
20 which gasoline tax revenues or distributions are irrevocably
21 pledged under Sections 3-34-1 through 3-34-4 NMSA 1978 or that
22 has pledged all or a portion of gasoline tax revenues or
23 distributions to the payment of bonds shall receive its
24 proportion of the distribution of revenues under this section
25 impressed with and subject to these pledges.

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1 D. This distribution may be paid into a separate
2 road fund or the general fund of the municipality or county if
3 the municipality has a population less than three thousand or
4 the county has a population less than four thousand. "

5 Section 5. Section 7-1-6.10 NMSA 1978 (being Laws 1983,
6 Chapter 211, Section 15, as amended) is amended to read:

7 "7-1-6.10. DISTRIBUTIONS--STATE ROAD FUND. --

8 A. A distribution pursuant to Section 7-1-6.1 NMSA
9 1978 shall be made to the state road fund in an amount equal to
10 the net receipts attributable to the taxes, surcharges,
11 penalties and interest imposed pursuant to the Gasoline Tax Act
12 and to the taxes, surtaxes, fees, penalties and interest
13 imposed pursuant to [~~the Special Fuels Tax Act~~] the Special
14 Fuels Supplier Tax Act and the Alternative Fuel Tax Act less:

15 (1) the amount distributed to the state
16 aviation fund pursuant to Subsection B of Section 7-1-6.7 NMSA
17 1978;

18 (2) the amount distributed to the motorboat
19 fuel tax fund pursuant to Section 7-1-6.8 NMSA 1978;

20 (3) the amount distributed to municipalities
21 and counties pursuant to Subsection A of Section 7-1-6.9 NMSA
22 1978;

23 (4) the amount distributed to the county
24 government road fund pursuant to Section 7-1-6.19 NMSA 1978;

25 (5) the amount distributed to the local

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1 governments road fund pursuant to Section 7-1-6.39 NMSA 1978;

2 (6) the amount distributed to the
3 municipalities pursuant to Section 7-1-6.27 NMSA 1978; ~~and~~

4 (7) the amount distributed to the municipal
5 arterial program of the local governments road fund pursuant to
6 Section 7-1-6.28 NMSA 1978; and

7 (8) the amount distributed to the motor
8 vehicle insurance fund pursuant to Section 7-1-6.43 NMSA 1978.

9 B. A distribution pursuant to Section 7-1-6.1 NMSA
10 1978 shall be made to the state road fund in an amount equal to
11 the net receipts attributable to the taxes, fees, interest and
12 penalties from the Weight Distance Tax Act. "

13 Section 6. Section 7-1-6.19 NMSA 1978 (being Laws 1991,
14 Chapter 9, Section 15, as amended) is amended to read:

15 "7-1-6.19. DISTRIBUTION--COUNTY GOVERNMENT ROAD FUND
16 CREATED. --

17 A. There is created in the state treasury the
18 "county government road fund".

19 B. A distribution pursuant to Section 7-1-6.1 NMSA
20 1978 shall be made to the county government road fund in an
21 amount equal to ~~[five and seventy six hundredths]~~ four and
22 nine-tenths percent of the net receipts attributable to the
23 gasoline tax. "

24 Section 7. Section 7-1-6.27 NMSA 1978 (being Laws 1991,
25 Chapter 9, Section 20, as amended) is amended to read:

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1 "7-1-6.27. DISTRIBUTION-- MUNICIPAL ROADS. --

2 A. A distribution pursuant to Section 7-1-6.1 NMSA
3 1978 shall be made to municipalities for the purposes and
4 amounts specified in this section in an aggregate amount equal
5 to [~~five and seventy-six hundredths~~] four and nine-tenths
6 percent of the net receipts attributable to the gasoline tax.

7 B. The distribution authorized in this section
8 shall be used for the following purposes:

9 (1) reconstructing, resurfacing, maintaining,
10 repairing or otherwise improving existing alleys, streets,
11 roads or bridges, or any combination of the foregoing; or
12 laying off, opening, constructing or otherwise acquiring new
13 alleys, streets, roads or bridges, or any combination of the
14 foregoing; provided that any of the foregoing improvements may
15 include, but are not limited to, the acquisition of rights of
16 way;

17 (2) to provide matching funds for projects
18 subject to cooperative agreements with the state highway and
19 transportation department pursuant to Section 67-3-28 NMSA
20 1978; and

21 (3) for expenses of purchasing, maintaining
22 and operating transit operations and facilities, for the
23 operation of a transit authority established by the Municipal
24 Transit Law and for the operation of a vehicle emission
25 inspection program. A municipality may engage in the business

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1 of the transportation of passengers and property within the
2 political subdivision by whatever means the municipality may
3 decide and may acquire cars, trucks, motor buses and other
4 equipment necessary for operating the business. A municipality
5 may acquire land, erect buildings and equip the buildings with
6 all the necessary machinery and facilities for the operation,
7 maintenance, modification, repair and storage of the cars,
8 trucks, motor buses and other equipment needed. A municipality
9 may do all things necessary for the acquisition and the conduct
10 of the business of public transportation.

11 C. For the purposes of this section:

12 (1) "computed distribution amount" means the
13 distribution amount calculated for a municipality for a month
14 pursuant to Paragraph (2) of Subsection D of this section prior
15 to any adjustments to the amount due to the provisions of
16 Subsections E and F of this section;

17 (2) "floor amount" means four hundred
18 seventeen dollars (\$417);

19 (3) "floor municipality" means a municipality
20 whose computed distribution amount is less than the floor
21 amount; and

22 (4) "full distribution municipality" means a
23 municipality whose population at the last federal decennial
24 census was at least two hundred thousand.

25 D. Subject to the provisions of Subsections E and F

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1 of this section, each municipality shall be distributed a
2 portion of the aggregate amount distributable under this
3 section in an amount equal to the greater of:

4 (1) the floor amount; or

5 (2) eighty-five percent of the aggregate
6 amount distributable under this section times a fraction, the
7 numerator of which is the municipality's reported taxable
8 gallons of gasoline for the immediately preceding state fiscal
9 year and the denominator of which is the reported total taxable
10 gallons for all municipalities for the same period.

11 E. Fifteen percent of the aggregate amount
12 distributable under this section shall be referred to as the
13 "redistribution amount". Beginning in August 1990, and each
14 month thereafter, from the redistribution amount there shall be
15 taken an amount sufficient to increase the computed
16 distribution amount of every floor municipality to the floor
17 amount. In the event that the redistribution amount is
18 insufficient for this purpose, the computed distribution amount
19 for each floor municipality shall be increased by an amount
20 equal to the redistribution amount times a fraction, the
21 numerator of which is the difference between the floor amount
22 and the municipality's computed distribution amount and the
23 denominator of which is the difference between the product of
24 the floor amount multiplied by the number of floor
25 municipalities and the total of the computed distribution

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1 amounts for all floor municipalities.

2 F. If a balance remains after the redistribution
3 amount has been reduced pursuant to Subsection E of this
4 section, there shall be added to the computed distribution
5 amount of each municipality that is neither a full distribution
6 municipality nor a floor municipality an amount that equals the
7 balance of the redistribution amount times a fraction, the
8 numerator of which is the computed distribution amount of the
9 municipality and the denominator of which is the sum of the
10 computed distribution amounts of all municipalities that are
11 neither full distribution municipalities nor floor
12 municipalities. "

13 Section 8. Section 7-1-6.28 NMSA 1978 (being Laws 1991,
14 Chapter 9, Section 22, as amended) is amended to read:

15 "7-1-6.28. DISTRIBUTION--MUNICIPAL ARTERIAL PROGRAM OF
16 LOCAL GOVERNMENTS ROAD FUND.--A distribution pursuant to
17 Section 7-1-6.1 NMSA 1978 shall be made to the municipal
18 arterial program of the local governments road fund created in
19 Section 67-3-28.2 NMSA 1978 in an amount equal to one and
20 [~~forty-four~~] twenty-two hundredths percent of the net receipts
21 attributable to the gasoline tax. "

22 Section 9. A new section of the Tax Administration Act,
23 Section 7-1-6.43 NMSA 1978, is enacted to read:

24 "7-1-6.43. [NEW MATERIAL] DISTRIBUTION--MOTOR VEHICLE
25 INSURANCE FUND--GASOLINE TAX.--A distribution pursuant to

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1 Section 7-1-6.1 NMSA 1978 shall be made to the motor vehicle
2 insurance fund in an amount equal to fifteen percent of the net
3 receipts attributable to the gasoline tax. "

4 Section 10. Section 7-13-3 NMSA 1978 (being Laws 1971,
5 Chapter 207, Section 3, as amended) is amended to read:

6 "7-13-3. IMPOSITION AND RATE OF TAX--DENOMINATION AS
7 "GASOLINE TAX".--

8 A. For the privilege of receiving gasoline in this
9 state, there is imposed an excise tax at a rate provided in
10 Subsection B of this section on each gallon of gasoline
11 received in New Mexico.

12 B. The tax imposed by Subsection A of this section
13 shall be [~~seventeen cents (\$.17)~~] twenty cents (\$.20) per
14 gallon received in New Mexico.

15 C. The tax imposed by this section may be called
16 the "gasoline tax". "

17 Section 11. A new section of the Public Assistance Act is
18 enacted to read:

19 "[NEW MATERIAL] MOTOR VEHICLE INSURANCE FUND CREATED--
20 PURPOSE-- ADMINISTRATION. --

21 A. The "motor vehicle insurance fund" is created in
22 the state treasury to be administered by the department.
23 Interest earned on money in the fund shall be credited to the
24 fund. Balances in the fund shall not revert at the end of any
25 fiscal year.

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1 B. All balances in the motor vehicle insurance fund
2 are appropriated to the department for the purpose of providing
3 motor vehicle liability insurance for qualifying adults.

4 C. A distribution from the gasoline tax shall be
5 deposited in the motor vehicle insurance fund as provided in
6 the Tax Administration Act.

7 D. Payments from the motor vehicle insurance fund
8 shall be made pursuant to vouchers issued and signed by the
9 secretary or the secretary's designee upon warrants drawn by
10 the secretary of finance and administration. "

11 Section 12. A new section of the Public Assistance Act is
12 enacted to read:

13 "[NEW MATERIAL] MOTOR VEHICLE INSURANCE PROGRAM -
14 ELIGIBILITY. --

15 A. The department shall establish a program that
16 shall provide motor vehicle liability insurance for indigent
17 families that meets the minimum requirements of the Mandatory
18 Financial Responsibility Act, as set forth in Section 66-5-208
19 NMSA 1978.

20 B. To be eligible to participate in the motor
21 vehicle insurance program, a person must:

- 22 (1) be at least eighteen years of age;
- 23 (2) reside in New Mexico;
- 24 (3) have a family income less than or equal to
25 one hundred fifty percent of the federal poverty guidelines;

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1 (4) have a New Mexico driver's license for at
2 least one year;

3 (5) not have been convicted of driving under
4 the influence of intoxicating liquor or drugs as described in
5 Section 66-8-102 NMSA 1978;

6 (6) not have been convicted of reckless
7 driving as described in Section 66-8-113 NMSA 1978;

8 (7) not have been convicted of a felony; and

9 (8) not have had a driver's license suspended
10 or revoked within the last five years.

11 C. As used in this section, "federal poverty
12 guidelines" means the level of income defining poverty by
13 family size as developed annually by the United States
14 department of health and human services and published in the
15 federal register.

16 D. Only one vehicle per household is eligible for
17 the motor vehicle insurance program.

18 E. The department shall not allow a person to
19 participate in the motor vehicle insurance program for more
20 than three years."

21 Section 13. EFFECTIVE DATE. --The effective date of the
22 provisions of Sections 10 through 12 of this act is July 1,
23 2003. The effective date of the provisions of Sections 1
24 through 9 of this act is August 1, 2003.