

AN ACT

RELATING TO TAXATION; AUTHORIZING IMPOSITION OF MUNICIPAL AND COUNTY GROSS RECEIPTS TAXES FOR REGIONAL TRANSIT SYSTEM PURPOSES OF A REGIONAL TRANSIT DISTRICT; ENACTING SECTIONS OF THE NMSA 1978.

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

Section 1. A new section of the Municipal Local Option Gross Receipts Taxes Act is enacted to read:

"MUNICIPAL REGIONAL TRANSIT GROSS RECEIPTS TAX--AUTHORITY TO IMPOSE--RATE--ELECTION REQUIRED.--

A. Upon a request by resolution of the board of directors of a regional transit district, a majority of the members of the governing body of a municipality that is a member of the district pursuant to the Regional Transit District Act shall impose by ordinance an excise tax at a rate not to exceed one-half percent of the gross receipts of any person engaging in business in the municipality for the privilege of engaging in business. A tax imposed pursuant to this section may be imposed by one or more ordinances, each imposing any number of tax rate increments, but an increment shall not be less than one-sixteenth percent of the gross receipts of any person engaging in business in the district and the aggregate of all rates shall not exceed one-half percent of the gross receipts of any person engaging in business in the municipality. The tax may be referred to as the "municipal regional transit gross receipts tax".

B. The governing body, at the time of enacting an ordinance

imposing a tax authorized in Subsection A of this section, shall dedicate the revenue
for the management, construction or operation of a public transit system or for
specific public transit projects or services of the district pursuant to the Regional
Transit District Act.

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C. An ordinance imposing a municipal regional transit gross receipts
tax shall not go into effect until after an election is held and a majority of the voters
of the municipality voting in the election votes in favor of imposing the tax. The
governing body shall adopt a resolution calling for an election within seventy-five
days of the date the ordinance is adopted on the question of imposing the tax. The
question shall be submitted to the voters of the municipality as a separate question
at a regular municipal election or at a special election called for that purpose by the
governing body. A special municipal election shall be called, conducted and
canvassed as provided in the Municipal Election Code. If a majority of the voters
voting on the question approves the ordinance imposing the municipal regional
transit gross receipts tax, the ordinance shall become effective in accordance with
the provisions of the Municipal Local Option Gross Receipts Taxes Act. If the
question of imposing the municipal regional transit gross receipts tax fails, the
governing body shall not again propose the imposition of any increment of the tax
for a period of one year from the date of the election.

D. The governing body of a municipality imposing the municipal
regional transit gross receipts tax shall transfer all proceeds from the tax to the
regional transit district of which it is a member for the purposes specified in the
ordinance and in accordance with the provisions of the Regional Transit District
Act."

Section 2. A new section of the County Local Option Gross Receipts Taxes Act is enacted to read:

"COUNTY REGIONAL TRANSIT GROSS RECEIPTS TAX--AUTHORITY TO IMPOSE--RATE--ELECTION REQUIRED.--

A. Upon a request by resolution of the board of directors of a regional transit district, a majority of the members of the governing body of a county that is a member of the district pursuant to the Regional Transit District Act shall impose by ordinance an excise tax at a rate not to exceed one-half percent of the gross receipts of any person engaging in business in the district area of the county for the privilege of engaging in business. A tax imposed pursuant to this section may be imposed by one or more ordinances, each imposing any number of tax rate increments, but an increment shall not be less than one-sixteenth percent of the gross receipts of any person engaging in business in the district and the aggregate of all rates shall not exceed one-half percent of the gross receipts of any person engaging in business in the district area of the county. The tax may be referred to as the "county regional transit gross receipts tax".

B. The governing body, at the time of enacting an ordinance imposing the tax authorized in Subsection A of this section, shall dedicate the revenue for the management, construction or operation of a public transit system or for specific public transit projects or services of the district pursuant to the Regional Transit District Act.

C. An ordinance imposing a county regional transit gross receipts tax shall not go into effect until after an election is held and a majority of the voters of the district area of the county voting in the election votes in favor of imposing the

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tax. The governing body shall adopt an ordinance calling for an election within seventy-five days of the date the resolution is adopted on the question of imposing the tax. The question shall be submitted to the voters of the district area of the county as a separate question at a general election or at a special election called for that purpose by the governing body. A special election shall be called, conducted and canvassed substantially in the same manner as provided by law for general elections. If a majority of the voters voting on the question approves the ordinance imposing the county regional transit gross receipts tax, the ordinance shall become effective in accordance with the provisions of the County Local Option Gross Receipts Taxes Act. If the question of imposing the county regional transit gross receipts tax fails, the governing body shall not again propose the imposition of any increment of the tax for a period of one year from the date of the election.

D. The governing body of a county imposing a county regional transit gross receipts tax shall transfer all proceeds from the tax to the regional transit district of which it is a member for the purposes specified in the ordinance and in accordance with the provisions of the Regional Transit District Act.

E. As used in this section, "district area of the county" means that portion of a county that is outside the boundaries of any municipality and that is within the boundaries of a regional transit district of which the county is a member."

Section 3. EFFECTIVE DATE.--The effective date of the provisions of this act is July 23, 2005.