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SENATE BILL 289

50TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2012

INTRODUCED BY

George K. Munoz

AN ACT

RELATING TO TAXATION; AUTHORIZING IMPOSITION OF THE FEDERAL
WATER PROJECT GROSS RECEIPTS TAX.

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:

"[NEW MATERIAL] FEDERAL WATER PROJECT GROSS RECEIPTS TAX--
AUTHORIZATION--USE OF REVENUE--REFERENDUM.--

A. A majority of the members of the governing body
of a municipality may enact an ordinance imposing an excise tax
on any person engaging in business in the municipality for the
privilege of engaging in business. The rate of the tax shall
not exceed one-fourth percent of the gross receipts of the
person engaging in business. An ordinance enacting the tax
authorized by this section is subject to a positive referendum.

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1 B. The tax imposed pursuant to this section may be
2 referred to as the "federal water project gross receipts tax".

3 C. The governing body of a municipality, at the
4 time of enacting an ordinance imposing the rate of the tax
5 authorized in this section, may dedicate the revenue for the
6 repayment of loan obligations to the federal government for the
7 construction, expansion, operation and maintenance of a water
8 delivery system and for the expansion, operation and
9 maintenance of that water delivery system after the loan
10 obligation to the federal government is retired or repaid. The
11 revenue from the federal water project gross receipts tax shall
12 not be dedicated to repay revenue bonds or any other form of
13 bonds.

14 D. An ordinance imposing the federal water project
15 gross receipts tax shall not go into effect until an election
16 is held and a majority of the voters of the municipality voting
17 in the election votes in favor of imposing the tax. The
18 governing body shall adopt a resolution calling for an election
19 within seventy-five days of the date the ordinance is adopted
20 on the question of imposing the tax. The question shall be
21 submitted to the voters of the municipality as a separate
22 question at a regular municipal election or at a special
23 election called for that purpose by the governing body. A
24 special municipal election shall be called, conducted and
25 canvassed as provided in the Municipal Election Code. If a

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1 majority of the voters voting on the question approves the
2 ordinance imposing the federal water project gross receipts
3 tax, then the ordinance shall become effective on January 1 or
4 July 1 in accordance with the provisions of the Municipal Local
5 Option Gross Receipts Taxes Act. If the question of imposing
6 the federal water project gross receipts tax fails, the
7 governing body shall not again propose the imposition of the
8 tax for a period of one year from the date of the election.

9 E. A municipality that imposed a federal water
10 project gross receipts tax pursuant to this section shall not
11 also impose a municipal capital outlay gross receipts tax."

12 SECTION 2. EFFECTIVE DATE.--The effective date of the
13 provisions of this act is July 1, 2012.