

1 SENATE BILL 368

2 **51ST LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2013**

3 INTRODUCED BY

4 William E. Sharer

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10 AN ACT

11 RELATING TO TAXATION; REDUCING THE RATE OF THE GROSS RECEIPTS
12 TAX, THE GOVERNMENTAL GROSS RECEIPTS TAX AND THE COMPENSATING
13 TAX; REPEALING IMPOSITION OF PERSONAL INCOME TAX, CORPORATE
14 INCOME AND FRANCHISE TAXES, ESTATE TAX, RAILROAD CAR COMPANY
15 TAX, MOTOR VEHICLE EXCISE TAX AND LEASED VEHICLE GROSS RECEIPTS
16 TAX; REPEALING CERTAIN EXEMPTIONS, DEDUCTIONS AND CREDITS;
17 REPEALING THE MINOR LEAGUE BASEBALL STADIUM FUNDING ACT, THE
18 MUNICIPAL EVENT CENTER FUNDING ACT AND THE UNIVERSITY ATHLETIC
19 FACILITY FUNDING ACT; AMENDING THE AUTHORITY OF COUNTIES AND
20 MUNICIPALITIES TO IMPOSE CERTAIN LOCAL OPTION GROSS RECEIPTS
21 TAX RATES; PROVIDING FOR CONTINUED REPAYMENT OF DEBT SERVICE
22 OBLIGATIONS; RECONCILING MULTIPLE AMENDMENTS TO THE SAME
23 SECTION OF LAW IN LAWS 2007.

24
25 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

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1 SECTION 1. Section 6-4-5 NMSA 1978 (being Laws 1987,
2 Chapter 347, Section 5) is amended to read:

3 "6-4-5. TAXPAYERS DIVIDEND FUND--CREATED--PURPOSE.--

4 A. There is created [~~hereby~~] in the state treasury
5 the "taxpayers dividend fund".

6 B. The balance of the taxpayers dividend fund shall
7 be those funds directed to it by law and such other funds as
8 the legislature may appropriate from time to time to the fund.

9 C. If the balance in the taxpayers dividend fund at
10 the end of the seventy-sixth or any subsequent fiscal year
11 exceeds one percent of the tax liabilities reported to the
12 taxation and revenue department [~~pursuant to the Income Tax Act~~
13 ~~during that fiscal year~~] from gross receipts attributable to
14 wages paid to an employee by an employer, then the governor
15 shall propose to the next session of the legislature a method
16 for refunding the balance to the taxpayers.

17 D. Balances in the taxpayers dividend fund may be
18 appropriated only for the purpose of refunding those balances
19 to the taxpayers."

20 SECTION 2. Section 7-1-2 NMSA 1978 (being Laws 1965,
21 Chapter 248, Section 2, as amended) is amended to read:

22 "7-1-2. APPLICABILITY.--The Tax Administration Act
23 applies to and governs:

24 A. the administration and enforcement of the
25 following taxes or tax acts as they now exist or may hereafter

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1 be amended:

2 [~~(1)~~] ~~Income Tax Act;~~

3 ~~(2)~~] (1) Withholding Tax Act;

4 [~~(3)~~] ~~Venture Capital Investment Act;~~

5 ~~(4)~~] (2) Gross Receipts and Compensating Tax

6 Act and any state gross receipts tax;

7 [~~(5)~~] (3) Liquor Excise Tax Act;

8 [~~(6)~~] (4) Local Liquor Excise Tax Act;

9 [~~(7)~~] (5) any municipal local option gross
10 receipts tax;

11 [~~(8)~~] (6) any county local option gross
12 receipts tax;

13 [~~(9)~~] (7) Special Fuels Supplier Tax Act;

14 [~~(10)~~] (8) Gasoline Tax Act;

15 [~~(11)~~] (9) petroleum products loading fee,
16 which fee shall be considered a tax for the purpose of the Tax
17 Administration Act;

18 [~~(12)~~] (10) Alternative Fuel Tax Act;

19 [~~(13)~~] (11) Cigarette Tax Act;

20 [~~(14)~~] ~~Estate Tax Act;~~

21 ~~(15)~~ ~~Railroad Car Company Tax Act;~~

22 ~~(16)~~] (12) Investment Credit Act, rural job
23 tax credit, Laboratory Partnership with Small Business Tax
24 Credit Act, Technology Jobs Tax Credit Act, film production tax
25 credit, New Mexico filmmaker tax credit, Affordable Housing Tax

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1 Credit Act, high-wage jobs tax credit and Research and
2 Development Small Business Tax Credit Act;
3 [~~(17)~~ ~~Corporate Income and Franchise Tax Act~~;
4 ~~(18)~~] (13) Uniform Division of Income for Tax
5 Purposes Act;
6 [~~(19)~~] (14) Multistate Tax Compact;
7 [~~(20)~~] (15) Tobacco Products Tax Act; and
8 [~~(21)~~] (16) the telecommunications relay
9 service surcharge imposed by Section 63-9F-11 NMSA 1978, which
10 surcharge shall be considered a tax for the purposes of the Tax
11 Administration Act;
12 B. the administration and enforcement of the
13 following taxes, surtaxes, advanced payments or tax acts as
14 they now exist or may hereafter be amended:
15 (1) Resources Excise Tax Act;
16 (2) Severance Tax Act;
17 (3) any severance surtax;
18 (4) Oil and Gas Severance Tax Act;
19 (5) Oil and Gas Conservation Tax Act;
20 (6) Oil and Gas Emergency School Tax Act;
21 (7) Oil and Gas Ad Valorem Production Tax Act;
22 (8) Natural Gas Processors Tax Act;
23 (9) Oil and Gas Production Equipment Ad
24 Valorem Tax Act;
25 (10) Copper Production Ad Valorem Tax Act;

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1 (11) any advance payment required to be made
2 by any act specified in this subsection, which advance payment
3 shall be considered a tax for the purposes of the Tax
4 Administration Act;

5 (12) Enhanced Oil Recovery Act;

6 (13) Natural Gas and Crude Oil Production
7 Incentive Act; and

8 (14) intergovernmental production tax credit
9 and intergovernmental production equipment tax credit;

10 C. the administration and enforcement of the
11 following taxes, surcharges, fees or acts as they now exist or
12 may hereafter be amended:

13 (1) Weight Distance Tax Act;

14 (2) the workers' compensation fee authorized
15 by Section 52-5-19 NMSA 1978, which fee shall be considered a
16 tax for purposes of the Tax Administration Act;

17 (3) Uniform Unclaimed Property Act (1995);

18 (4) 911 emergency surcharge and the network
19 and database surcharge, which surcharges shall be considered
20 taxes for purposes of the Tax Administration Act;

21 (5) the solid waste assessment fee authorized
22 by the Solid Waste Act, which fee shall be considered a tax for
23 purposes of the Tax Administration Act;

24 (6) the water conservation fee imposed by
25 Section 74-1-13 NMSA 1978, which fee shall be considered a tax

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1 for the purposes of the Tax Administration Act; and

2 (7) the gaming tax imposed pursuant to the
3 Gaming Control Act; and

4 D. the administration and enforcement of all other
5 laws, with respect to which the department is charged with
6 responsibilities pursuant to the Tax Administration Act, but
7 only to the extent that the other laws do not conflict with the
8 Tax Administration Act."

9 SECTION 3. Section 7-1-3 NMSA 1978 (being Laws 1965,
10 Chapter 248, Section 3, as amended) is amended to read:

11 "7-1-3. DEFINITIONS.--Unless the context clearly
12 indicates a different meaning, the definitions of words and
13 phrases as they are stated in this section are to be used, and
14 whenever in the Tax Administration Act these words and phrases
15 appear, the singular includes the plural and the plural
16 includes the singular:

17 A. "automated clearinghouse transaction" means an
18 electronic credit or debit transmitted through an automated
19 clearinghouse payable to the state treasurer and deposited with
20 the fiscal agent of New Mexico;

21 B. "department" means the taxation and revenue
22 department, the secretary or any employee of the department
23 exercising authority lawfully delegated to that employee by the
24 secretary;

25 C. "electronic payment" means a payment made by

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1 automated clearinghouse deposit, any funds wire transfer system
2 or a credit card, debit card or electronic cash transaction
3 through the internet;

4 D. "employee of the department" means any employee
5 of the department, including the secretary, or any person
6 acting as agent or authorized to represent or perform services
7 for the department in any capacity with respect to any law made
8 subject to administration and enforcement under the provisions
9 of the Tax Administration Act;

10 E. "financial institution" means any state or
11 federally chartered, federally insured depository institution;

12 F. "Internal Revenue Code" means the Internal
13 Revenue Code of 1986, as that code may be amended or its
14 sections renumbered;

15 G. "levy" means the lawful power, hereby invested
16 in the secretary, to take into possession or to require the
17 present or future surrender to the secretary or the secretary's
18 delegate of any property or rights to property belonging to a
19 delinquent taxpayer;

20 H. "local option gross receipts tax" means a tax
21 authorized to be imposed by a county or municipality upon the
22 taxpayer's gross receipts, as that term is defined in the Gross
23 Receipts and Compensating Tax Act, and required to be collected
24 by the department at the same time and in the same manner as
25 the gross receipts tax; "local option gross receipts tax"

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1 includes the taxes imposed pursuant to the Municipal Local
2 Option Gross Receipts Taxes Act, Supplemental Municipal Gross
3 Receipts Tax Act, County Local Option Gross Receipts Taxes Act,
4 Local Hospital Gross Receipts Tax Act, County Correctional
5 Facility Gross Receipts Tax Act and such other acts as may be
6 enacted authorizing counties or municipalities to impose taxes
7 on gross receipts, which taxes are to be collected by the
8 department in the same time and in the same manner as it
9 collects the gross receipts tax;

10 I. "managed audit" means a review and analysis
11 conducted by a taxpayer under an agreement with the department
12 to determine the taxpayer's compliance with a tax administered
13 pursuant to the Tax Administration Act and the presentation of
14 the results to the department for assessment of tax found to be
15 due;

16 J. "net receipts" means the total amount of money
17 paid by taxpayers to the department in a month pursuant to a
18 tax or tax act less any refunds disbursed in that month with
19 respect to that tax or tax act;

20 K. "overpayment" means an amount paid, pursuant to
21 any law subject to administration and enforcement under the
22 provisions of the Tax Administration Act, by a person to the
23 department or withheld from the person in excess of tax due
24 from the person to the state at the time of the payment or at
25 the time the amount withheld is credited against tax due;

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- 1 L. "paid" includes the term "paid over";
- 2 M. "pay" includes the term "pay over";
- 3 N. "payment" includes the term "payment over";
- 4 O. "person" means any individual, estate, trust,
- 5 receiver, cooperative association, club, corporation, company,
- 6 firm, partnership, limited liability company, limited liability
- 7 partnership, joint venture, syndicate, other association or
- 8 gas, water or electric utility owned or operated by a county or
- 9 municipality; "person" also means, to the extent permitted by
- 10 law, a federal, state or other governmental unit or
- 11 subdivision, or an agency, department or instrumentality
- 12 thereof; and "person", as used in Sections 7-1-72 through
- 13 7-1-74 NMSA 1978, also includes an officer or employee of a
- 14 corporation, a member or employee of a partnership or any
- 15 individual who, as such, is under a duty to perform any act in
- 16 respect of which a violation occurs;
- 17 P. "property" means property or rights to property;
- 18 Q. "property or rights to property" means any
- 19 tangible property, real or personal, or any intangible property
- 20 of a taxpayer;
- 21 R. "return" means any tax or information return,
- 22 declaration of estimated tax or claim for refund, including any
- 23 amendments or supplements to the return, required or permitted
- 24 pursuant to a law subject to administration and enforcement
- 25 pursuant to the Tax Administration Act and filed with the

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1 secretary or the secretary's delegate by or on behalf of any
2 person;

3 S. "return information" means a taxpayer's name,
4 address, government-issued identification number and other
5 identifying information; any information contained in or
6 derived from a taxpayer's return; any information with respect
7 to any actual or possible administrative or legal action by an
8 employee of the department concerning a taxpayer's return, such
9 as audits, managed audits, denial of credits or refunds,
10 assessments of tax, penalty or interest, protests of
11 assessments or denial of refunds or credits, levies or liens;
12 or any other information with respect to a taxpayer's return or
13 tax liability that was not obtained from public sources or that
14 was created by an employee of the department; but "return
15 information" does not include statistical data or other
16 information that cannot be associated with or directly or
17 indirectly identify a particular taxpayer;

18 T. "secretary" means the secretary of taxation and
19 revenue and, except for purposes of Subsection B of Section
20 7-1-4 NMSA 1978 and Subsection E of Section 7-1-24 NMSA 1978,
21 also includes the deputy secretary or a division director or
22 deputy division director delegated by the secretary;

23 U. "secretary or the secretary's delegate" means
24 the secretary or any employee of the department exercising
25 authority lawfully delegated to that employee by the secretary;

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1 V. "security" means money, property or rights to
2 property or a surety bond;

3 W. "state" means any state of the United States,
4 the District of Columbia, the commonwealth of Puerto Rico and
5 any territory or possession of the United States;

6 X. "tax" means the total amount of each tax imposed
7 and required to be paid, withheld and paid or collected and
8 paid under provision of any law made subject to administration
9 and enforcement according to the provisions of the Tax
10 Administration Act and, unless the context otherwise requires,
11 includes the amount of any interest or civil penalty relating
12 thereto; "tax" also means any amount of any abatement of tax
13 made or any credit, rebate or refund paid or credited by the
14 department under any law subject to administration and
15 enforcement under the provisions of the Tax Administration Act
16 to any person contrary to law and includes, unless the context
17 requires otherwise, the amount of any interest or civil penalty
18 relating thereto;

19 Y. "taxpayer" means a person liable for payment of
20 any tax, a person responsible for withholding and payment or
21 for collection and payment of any tax or a person to whom an
22 assessment has been made, if the assessment remains unabated or
23 the amount thereof has not been paid; and

24 Z. "tax return preparer" means a person who
25 prepares for others for compensation or who employs one or more

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1 persons to prepare for others for compensation any return [~~of~~
2 ~~income tax~~], a substantial portion of any return [~~of income~~
3 ~~tax~~], any claim for refund [~~with respect to income tax~~] or a
4 substantial portion of any claim for refund [~~with respect to~~
5 ~~income tax~~]; provided that a person shall not be a "tax return
6 preparer" merely because such person:

7 (1) furnishes typing, reproducing or other
8 mechanical assistance;

9 (2) is an employee who prepares [~~an income~~
10 ~~tax~~] a return or claim for refund [~~with respect to an income~~
11 ~~tax return~~] of the employer, or of an officer or employee of
12 the employer, by whom the person is regularly and continuously
13 employed; or

14 (3) prepares as a trustee or other fiduciary
15 [~~an income tax~~] a return or claim for refund [~~with respect to~~
16 ~~income tax~~] for any person."

17 SECTION 4. Section 7-1-4.4 NMSA 1978 (being Laws 2005,
18 Chapter 138, Section 1) is amended to read:

19 "7-1-4.4. NOTICE OF POTENTIAL ELIGIBILITY REQUIRED.--The
20 department shall include a notice [~~with an income tax refund or~~
21 ~~other notice~~] sent to a taxpayer whose income for federal
22 purposes is within one hundred thirty percent of federal
23 poverty guidelines as defined by the United States census
24 bureau that the taxpayer may be eligible for food stamps.
25 Included in the notice shall be general information about food

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1 stamps, such as where to apply for food stamps, based on
2 information received by the department from the human services
3 department by January 30 of each calendar year."

4 SECTION 5. Section 7-1-6 NMSA 1978 (being Laws 1978,
5 Chapter 55, Section 1, as amended) is amended to read:

6 "7-1-6. RECEIPTS--DISBURSEMENTS--FUNDS CREATED.--

7 A. All money received by the department with
8 respect to laws administered pursuant to the provisions of the
9 Tax Administration Act shall be deposited with the state
10 treasurer before the close of the next succeeding business day
11 after receipt of the money [~~except that for 1989 and every~~
12 ~~subsequent year, money received with respect to the Income Tax~~
13 ~~Act during the period starting with the fifth day prior to the~~
14 ~~due date for payment of income tax for the year and ending on~~
15 ~~the tenth day following that due date shall be deposited before~~
16 ~~the close of the tenth business day after receipt of the~~
17 ~~money~~].

18 B. Money received or disbursed by the department
19 shall be accounted for by the department as required by law or
20 regulation of the secretary of finance and administration.

21 C. Disbursements for tax credits, tax rebates,
22 refunds, the payment of interest, the payment of fees charged
23 by attorneys or collection agencies for collection of accounts
24 as agent for the department, attorney fees and costs awarded by
25 a court or hearing officer, as the result of oil and gas

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1 litigation, the payment of credit card service charges on
2 payments of taxes by use of credit cards, distributions and
3 transfers shall be made by the department of finance and
4 administration upon request and certification of their
5 appropriateness by the secretary or the secretary's delegate.

6 D. There are hereby created in the state treasury
7 the "tax administration suspense fund", the "extraction taxes
8 suspense fund" and the "workers' compensation collections
9 suspense fund" for the purpose of making the disbursements
10 authorized by the Tax Administration Act.

11 E. All revenues collected or received by the
12 department pursuant to the provisions of the taxes and tax acts
13 set forth in Subsection A of Section 7-1-2 NMSA 1978 and,
14 through June 30, 2009, federal funds from the temporary
15 assistance for needy families program pursuant to an agreement
16 that the department and the human services department may enter
17 into for the payment of tax refunds, tax rebates and tax
18 credits to low-income families with dependent children
19 otherwise authorized by state and federal law shall be credited
20 to the tax administration suspense fund and are appropriated
21 for the purpose of making the disbursements authorized in this
22 section or otherwise authorized or required by law to be made
23 from the tax administration suspense fund.

24 F. All revenues collected or received by the
25 department pursuant to the taxes or tax acts set forth in

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1 Subsection B of Section 7-1-2 NMSA 1978 shall be credited to
2 the extraction taxes suspense fund and are appropriated for the
3 purpose of making the disbursements authorized in this section
4 or otherwise authorized or required by law to be made from the
5 extraction taxes suspense fund.

6 G. All revenues collected or received by the
7 department pursuant to the taxes or tax acts set forth in
8 Subsection C of Section 7-1-2 NMSA 1978 may be credited to the
9 tax administration suspense fund, unless otherwise directed by
10 law to be credited to another fund or agency, and are
11 appropriated for the purpose of making disbursements authorized
12 in this section or otherwise authorized or required by law.

13 H. All revenues collected or received by the
14 department pursuant to the provisions of Section 52-5-19 NMSA
15 1978 shall be credited to the workers' compensation collections
16 suspense fund and are appropriated for the purpose of making
17 the disbursements authorized in this section or otherwise
18 authorized or required by law to be made from the workers'
19 compensation collections suspense fund.

20 I. Disbursements to cover expenditures of the
21 department shall be made only upon approval of the secretary or
22 the secretary's delegate.

23 J. Miscellaneous receipts from charges made by the
24 department to defray expenses pursuant to the provisions of
25 Section 9-11-6.2 NMSA 1978 and similar charges are appropriated

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1 to the department for its use.

2 [K. ~~From the tax administration suspense fund,~~
3 ~~there may be disbursed each month amounts approved by the~~
4 ~~secretary or the secretary's delegate necessary to maintain a~~
5 ~~fund hereby created and to be known as the "income tax suspense~~
6 ~~fund". The income tax suspense fund shall be used for the~~
7 ~~payment of income tax refunds.~~"]

8 SECTION 6. Section 7-1-6.4 NMSA 1978 (being Laws 1983,
9 Chapter 211, Section 9, as amended) is amended to read:

10 "7-1-6.4. DISTRIBUTION--MUNICIPALITY FROM GROSS RECEIPTS
11 TAX.--

12 A. Except as provided in Subsection B of this
13 section, a distribution pursuant to Section 7-1-6.1 NMSA 1978
14 shall be made to each municipality in an amount, subject to any
15 increase or decrease made pursuant to Section 7-1-6.15 NMSA
16 1978, equal to the product of the quotient of [~~one and two~~
17 ~~hundred twenty-five~~] five hundred eight thousandths percent
18 divided by the tax rate imposed by Section 7-9-4 NMSA 1978
19 multiplied by the net receipts for the month attributable to
20 the gross receipts tax from business locations:

- 21 (1) within that municipality;
- 22 (2) on land owned by the state, commonly known
23 as the "state fairgrounds", within the exterior boundaries of
24 that municipality;
- 25 (3) outside the boundaries of any municipality

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1 on land owned by that municipality; and

2 (4) on an Indian reservation or pueblo grant
3 in an area that is contiguous to that municipality and in which
4 the municipality performs services pursuant to a contract
5 between the municipality and the Indian tribe or Indian pueblo
6 if:

7 (a) the contract describes an area in
8 which the municipality is required to perform services and
9 requires the municipality to perform services that are
10 substantially the same as the services the municipality
11 performs for itself; and

12 (b) the governing body of the
13 municipality has submitted a copy of the contract to the
14 secretary.

15 B. If the reduction made by Laws 1991, Chapter 9,
16 Section 9 to the distribution under this section impairs the
17 ability of a municipality to meet its principal or interest
18 payment obligations for revenue bonds outstanding prior to July
19 1, 1991 that are secured by the pledge of all or part of the
20 municipality's revenue from the distribution made under this
21 section, then the amount distributed pursuant to this section
22 to that municipality shall be increased by an amount sufficient
23 to meet any required payment, provided that the distribution
24 amount does not exceed the amount that would have been due that
25 municipality under this section as it was in effect on June 30,

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1 1992.

2 C. A distribution pursuant to this section may be
3 adjusted for a distribution made to a tax increment development
4 district with respect to a portion of a gross receipts tax
5 increment dedicated by a municipality pursuant to the Tax
6 Increment for Development Act."

7 SECTION 7. Section 7-1-6.16 NMSA 1978 (being Laws 1983,
8 Chapter 213, Section 27, as amended) is amended to read:

9 "7-1-6.16. COUNTY EQUALIZATION DISTRIBUTION.--

10 A. Beginning on September 15, 1989 and on September
11 15 of each year thereafter, the department shall distribute to
12 any county that has imposed or continued in effect during the
13 state's preceding fiscal year a county gross receipts tax
14 pursuant to Section 7-20E-9 NMSA 1978 an amount equal to:

15 (1) the product of a fraction, the numerator
16 of which is the county's population and the denominator of
17 which is the state's population, multiplied by the annual sum
18 for the county; less

19 (2) the net receipts received by the
20 department during the report year, including any increase or
21 decrease made pursuant to Section 7-1-6.15 NMSA 1978,
22 attributable to the county gross receipts tax at a rate of
23 [~~one-eighth~~] one hundred twenty-five thousandths percent;
24 provided that for any month in the report year, if no county
25 gross receipts tax was in effect in the county in the previous

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1 month, the net receipts, for the purposes of this section, for
2 that county for that month shall be zero.

3 B. If the amount determined by the calculation in
4 Subsection A of this section is zero or a negative number for a
5 county, no distribution shall be made to that county.

6 C. As used in this section:

7 (1) "annual sum" means for each county the sum
8 of the monthly amounts for those months in the report year that
9 follow a month in which the county had in effect a county gross
10 receipts tax;

11 [~~(2)~~] ~~"monthly amount" means an amount equal to~~
12 ~~the product of:~~

13 ~~(a) the net receipts received by the~~
14 ~~department in the month attributable to the state gross~~
15 ~~receipts tax plus five percent of the total amount of~~
16 ~~deductions claimed pursuant to Section 7-9-92 NMSA 1978 for the~~
17 ~~month plus five percent of the total amount of deductions~~
18 ~~claimed pursuant to Section 7-9-93 NMSA 1978 for the month; and~~

19 ~~(b) a fraction, the numerator of which~~
20 ~~is one-eighth percent and the denominator of which is the tax~~
21 ~~rate imposed by Section 7-9-4 NMSA 1978 in effect on the last~~
22 ~~day of the previous month;~~

23 ~~(3)]~~ (2) "population" means the most recent
24 official census or estimate determined by the United States
25 census bureau for the unit or, if neither is available, the

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1 most current estimated population for the unit provided in
2 writing by the bureau of business and economic research at the
3 university of New Mexico; and

4 [~~(4)~~] (3) "report year" means the twelve-month
5 period ending on the July 31 immediately preceding the date
6 upon which a distribution pursuant to this section is required
7 to be made."

8 SECTION 8. Section 7-1-6.55 NMSA 1978 (being Laws 2007,
9 Chapter 331, Section 4) is amended to read:

10 "7-1-6.55. DISTRIBUTION TO MUNICIPALITY EQUIVALENT TO A
11 PORTION OF COMPENSATING TAX.--

12 A. A distribution pursuant to Section 7-1-6.1 NMSA
13 1978 shall be made to each municipality in an amount calculated
14 pursuant to Subsection B of this section, subject to any
15 increase or decrease made pursuant to Section 7-1-6.15 NMSA
16 1978; provided that the distribution [~~shall be phased in~~
17 ~~according to the following schedule:~~

18 ~~(1) from July 1, 2008 until June 30, 2009, the~~
19 ~~distribution shall be equal to ten percent of the amount~~
20 ~~calculated according to Subsection B of this section; and~~

21 ~~(2) on or after July 1, 2009, the~~
22 ~~distribution]~~ shall be equal to thirty percent of the amount
23 calculated according to Subsection B of this section.

24 B. The amount of the distribution provided for in
25 this section shall be calculated for each month in the six-

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1 month period beginning on each July 1 and January 1 and shall
2 be equal to the reported taxable gross receipts for all
3 business locations in the municipality for the month multiplied
4 by:

5 (1) the ratio of net compensating tax receipts
6 for the entire six-month period beginning the previous November
7 1 or May 1, respectively, to the reported taxable gross
8 receipts for all business locations for the entire six-month
9 period beginning the previous November 1 or May 1,
10 respectively; and further multiplied by:

11 (2) the ratio of [~~one and two hundred twenty-~~
12 ~~five thousandths~~] five hundred eight thousandths percent to the
13 average tax rate imposed by Section 7-9-7 NMSA 1978 in effect
14 for the six-month period beginning on January 1 or July 1,
15 respectively."

16 SECTION 9. Section 7-1-8 NMSA 1978 (being Laws 1965,
17 Chapter 248, Section 13, as amended by Laws 2009, Chapter 241,
18 Section 1 and by Laws 2009, Chapter 242, Section 2 and also by
19 Laws 2009, Chapter 243, Section 2) is amended to read:

20 "7-1-8. CONFIDENTIALITY OF RETURNS AND OTHER
21 INFORMATION.--

22 A. It is unlawful for any person other than the
23 taxpayer to reveal to any other person the taxpayer's return or
24 return information, except as provided in Sections 7-1-8.1
25 through 7-1-8.10 NMSA 1978.

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1 B. A return or return information revealed under
2 Sections 7-1-8.1 through 7-1-8.10 NMSA 1978:

3 (1) may only be revealed to a person
4 specifically authorized to receive the return or return
5 information and the employees, directors, officers and agents
6 of such person whose official duties or duties in the course of
7 their employment require the return or return information and
8 to an employee of the department;

9 (2) may only be revealed for the authorized
10 purpose and only to the extent necessary to perform that
11 authorized purpose;

12 (3) shall at all times be protected from being
13 revealed to an unauthorized person by physical, electronic or
14 any other safeguards specified by directive by the secretary;
15 and

16 (4) shall be returned to the secretary or the
17 secretary's delegate or destroyed as soon as it is no longer
18 required for the authorized purpose.

19 C. If any provision of Sections 7-1-8.1 through
20 7-1-8.10 NMSA 1978 requires that a return or return information
21 will only be revealed pursuant to a written agreement between a
22 person and the department, the written agreement shall:

23 (1) list the name and position of any official
24 or employee of the person to whom a return or return
25 information is authorized to be revealed under the provision;

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1 (2) describe the specific purpose for which
2 the return or return information is to be used;

3 (3) describe the procedures and safeguards the
4 person has in place to ensure that the requirements of
5 Subsection B of this section are met; and

6 (4) provide for reimbursement to the
7 department for all costs incurred by the department in
8 supplying the returns or return information to, and
9 administering the agreement with, the person.

10 D. A return or return information that is lawfully
11 made public by an employee of the department or any other
12 person, or that is made public by the taxpayer, is not subject
13 to the provisions of this section once it is made public.

14 E. Nothing in this section shall be construed to
15 require the release of information that would violate an
16 agreement between the state and the federal internal revenue
17 service for sharing information or any provision or rule of the
18 Internal Revenue Code to which a state is subject."

19 SECTION 10. Section 7-1-8.8 NMSA 1978 (being Laws 2009,
20 Chapter 243, Section 10) is amended to read:

21 "7-1-8.8. INFORMATION THAT MAY BE REVEALED TO OTHER STATE
22 AGENCIES.--An employee of the department may reveal to:

23 A. a committee of the legislature for a valid
24 legislative purpose, return information concerning any tax or
25 fee imposed pursuant to the Cigarette Tax Act;

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1 B. the attorney general, return information
2 acquired pursuant to the Cigarette Tax Act for purposes of
3 Section 6-4-13 NMSA 1978 and the master settlement agreement
4 defined in Section 6-4-12 NMSA 1978;

5 C. the commissioner of public lands, return
6 information for use in auditing that pertains to rentals,
7 royalties, fees and other payments due the state under land
8 sale, land lease or other land use contracts;

9 D. the secretary of human services or the
10 secretary's delegate, under a written agreement with the
11 department, the last known address with date of all names
12 certified to the department as being absent parents of children
13 receiving public financial assistance, but only for the purpose
14 of enforcing the support liability of the absent parents by the
15 child support enforcement division or any successor
16 organizational unit;

17 E. the department of information technology, by
18 electronic media, a database updated quarterly that contains
19 the names, addresses, county of address and taxpayer
20 identification numbers of New Mexico [~~personal income tax~~
21 ~~filers~~] gross receipts taxpayers, but only for the purpose of
22 producing the random jury list for the selection of petit or
23 grand jurors for the state courts pursuant to Section 38-5-3
24 NMSA 1978;

25 F. the state courts, the random jury lists produced

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1 by the department of information technology under Subsection E
2 of this section;

3 G. the director of the New Mexico department of
4 agriculture or the director's authorized representative, upon
5 request of the director or representative, the names and
6 addresses of all gasoline or special fuel distributors,
7 wholesalers and retailers;

8 H. the public regulation commission, return
9 information with respect to the Corporate Income and Franchise
10 Tax Act required to enable the commission to carry out its
11 duties;

12 I. the state racing commission, return information
13 with respect to the state, municipal and county gross receipts
14 taxes paid by racetracks;

15 J. the gaming control board, tax returns of license
16 applicants and their affiliates as provided in Subsection E of
17 Section 60-2E-14 NMSA 1978;

18 K. the director of the workers' compensation
19 administration or to the director's representatives authorized
20 for this purpose, return information to facilitate the
21 identification of taxpayers that are delinquent or noncompliant
22 in payment of fees required by Section 52-1-9.1 or 52-5-19 NMSA
23 1978; and

24 L. the secretary of workforce solutions or the
25 secretary's delegate, return information for use in enforcement

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1 of unemployment insurance collections pursuant to the terms of
2 a written reciprocal agreement entered into by the department
3 with the secretary of workforce solutions for exchange of
4 information."

5 SECTION 11. Section 7-1-13 NMSA 1978 (being Laws 1965,
6 Chapter 248, Section 18, as amended) is amended to read:

7 "7-1-13. TAXPAYER RETURNS--PAYMENT OF TAXES--EXTENSION OF
8 TIME.--

9 A. Taxpayers are liable for tax at the time of and
10 after the transaction or incident giving rise to tax until
11 payment is made. Taxes are due on and after the date on which
12 their payment is required until payment is made.

13 B. Every taxpayer shall, on or before the date on
14 which payment of any tax is due, complete and file a tax return
15 in a form prescribed and according to the regulations issued by
16 the secretary. Except as provided in Section 7-1-13.1 NMSA
17 1978 or by regulation, ruling, order or instruction of the
18 secretary, the payment of any tax or the filing of any return
19 may be accomplished by mail. When the filing of a tax return
20 or payment of a tax is accomplished by mail, the date of the
21 postmark shall be considered the date of submission of the
22 return or payment.

23 C. If any adjustment is made in the basis for
24 computation of any federal tax as a result of an audit by the
25 internal revenue service or the filing of an amended federal

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1 return changing a prior election or making any other change for
2 which federal approval is required by the Internal Revenue
3 Code, the taxpayer affected shall, within ninety days of the
4 internal revenue service audit adjustment or payment of the
5 federal refund, file an amended return with the department.

6 Payment of any additional tax due shall accompany the return.

7 D. Payment of the total amount of all taxes that
8 are due from the taxpayer shall precede or accompany the
9 return. Delivery to the department of a check that is not paid
10 upon presentment does not constitute payment.

11 E. The secretary or the secretary's delegate may,
12 for good cause, extend in favor of a taxpayer or a class of
13 taxpayers, for no more than a total of twelve months, the date
14 on which payment of any tax is required or on which any return
15 required by provision of the Tax Administration Act shall be
16 filed, but no extension shall prevent the accrual of interest
17 as otherwise provided by law. [~~When an extension of time for~~
18 ~~income tax has been granted a taxpayer under the Internal~~
19 ~~Revenue Code, the extension shall serve to extend the time for~~
20 ~~filing New Mexico income tax provided that a copy of the~~
21 ~~approved federal extension of time is attached to the~~
22 ~~taxpayer's New Mexico income tax return. The secretary by~~
23 ~~regulation may also provide for the automatic extension for no~~
24 ~~more than six months of the date upon which payment of any New~~
25 ~~Mexico income tax or the filing of any New Mexico income tax~~

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1 ~~return is required.]~~ If the secretary or the secretary's
2 delegate believes it necessary to ensure the collection of the
3 tax, the secretary or the secretary's delegate may require, as
4 a condition of granting any extension, that the taxpayer
5 furnish security in accordance with the provisions of Section
6 7-1-54 NMSA 1978."

7 SECTION 12. Section 7-1-13.1 NMSA 1978 (being Laws 1988,
8 Chapter 99, Section 3, as amended) is amended to read:

9 "7-1-13.1. METHOD OF PAYMENT OF CERTAIN TAXES DUE.--

10 A. Payment of the taxes, including any applicable
11 penalties and interest, described in Paragraph (1), (2), (3) or
12 (4) of this subsection shall be made on or before the date due
13 in accordance with Subsection B of this section if the
14 taxpayer's average tax payment for the group of taxes during
15 the preceding calendar year equaled or exceeded twenty-five
16 thousand dollars (\$25,000):

17 (1) Group 1: all taxes due under the
18 Withholding Tax Act, the Gross Receipts and Compensating Tax
19 Act, local option gross receipts tax acts and the Interstate
20 Telecommunications Gross Receipts Tax Act [~~and the Leased~~
21 ~~Vehicle Gross Receipts Tax Act~~];

22 (2) Group 2: all taxes due under the Oil and
23 Gas Severance Tax Act, the Oil and Gas Conservation Tax Act,
24 the Oil and Gas Emergency School Tax Act and the Oil and Gas Ad
25 Valorem Production Tax Act;

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1 (3) Group 3: the tax due under the Natural
2 Gas Processors Tax Act; or

3 (4) Group 4: all taxes and fees due under the
4 Gasoline Tax Act, the Special Fuels Supplier Tax Act and the
5 Petroleum Products Loading Fee Act.

6 For taxpayers who have more than one identification number
7 issued by the department, the average tax payment shall be
8 computed by combining the amounts paid under the several
9 identification numbers.

10 B. Taxpayers who are required to make payment in
11 accordance with the provisions of this section shall make
12 payment by one or more of the following means on or before the
13 due date so that funds are immediately available to the state
14 on or before the due date:

15 (1) electronic payment; provided that a result
16 of the payment is that funds are immediately available to the
17 state of New Mexico on or before the due date;

18 (2) currency of the United States;

19 (3) check drawn on and payable at any New
20 Mexico financial institution provided that the check is
21 received by the department at the place and time required by
22 the department at least one banking day prior to the due date;
23 or

24 (4) check drawn on and payable at any domestic
25 non-New Mexico financial institution provided that the check is

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1 received by the department at the time and place required by
2 the department at least two banking days prior to the due date.

3 C. If the taxes required to be paid under this
4 section are not paid in accordance with Subsection B of this
5 section, the payment is not timely and is subject to the
6 provisions of Sections 7-1-67 and 7-1-69 NMSA 1978.

7 D. For the purposes of this section, "average tax
8 payment" means the total amount of taxes paid with respect to a
9 group of taxes listed under Subsection A of this section during
10 a calendar year divided by the number of months in that
11 calendar year containing a due date on which the taxpayer was
12 required to pay one or more taxes in the group."

13 SECTION 13. Section 7-1-14 NMSA 1978 (being Laws 1969,
14 Chapter 145, Section 1, as amended) is amended to read:

15 "7-1-14. SECRETARY MAY DETERMINE WHERE CERTAIN GROSS
16 RECEIPTS ARE TO BE REPORTED--PLACE OF BUSINESS FOR
17 [~~CONSTRUCTION PROJECTS AND CERTAIN REAL PROPERTY SALES~~] CERTAIN
18 RECEIPTS.--

19 A. By regulation, the secretary may require any
20 person maintaining one or more places of business to report the
21 person's taxable gross receipts and deductions for each
22 municipality or county or area within an Indian reservation or
23 pueblo grant in which the person maintains a place of business.

24 B. For persons engaged in the construction
25 business, the place where the construction project is performed

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1 is a "place of business", and all receipts from that project
2 are to be reported from that place of business.

3 C. The secretary may, by regulation, also require
4 any person maintaining a business outside the boundaries of a
5 municipality on land owned by that municipality to report the
6 person's taxable gross receipts for that municipality.

7 D. For a person engaged in the business of selling
8 real estate, the location of the real property sold or leased
9 or manufactured home leased is the "place of business", and all
10 receipts from that sale or lease are to be reported from that
11 place of business.

12 E. For persons engaged in the business of earning a
13 wage, the "place of business" is that person's employer's New
14 Mexico place of business where the person primarily performs
15 the work, and all receipts from wages are to be reported from
16 that place of business.

17 F. For persons engaged in the business of
18 investing, the "place of business" for dividends or interest
19 earned is the person's primary place of residence, and all
20 receipts from dividends or interest earned are to be reported
21 from that place of business.

22 G. For persons engaged in the business of selling
23 or leasing oil, gas or mineral interests, the "place of
24 business" is the location of the oil, gas or mineral interests
25 sold or leased, and all receipts from the sale or lease of oil,

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1 gas or mineral interests are to be reported from that place of
2 business."

3 SECTION 14. Section 7-1-26 NMSA 1978 (being Laws 1965,
4 Chapter 248, Section 28, as amended) is amended to read:

5 "7-1-26. CLAIM FOR REFUND.--

6 A. Any person who believes that an amount of tax
7 has been paid by or withheld from that person in excess of that
8 for which the person was liable, who has been denied any credit
9 or rebate claimed or who claims a prior right to property in
10 the possession of the department pursuant to a levy made under
11 authority of Sections 7-1-31 through 7-1-34 NMSA 1978 may claim
12 a refund by directing to the secretary, within the time limited
13 by the provisions of Subsections D, E and F of this section, a
14 written claim for refund. Except as provided in Subsection J
15 of this section, a refund claim shall include the taxpayer's
16 name, address and identification number, the type of tax for
17 which a refund is being claimed, the sum of money being
18 claimed, the period for which overpayment was made and the
19 basis for the refund. As used in this subsection, "basis for
20 the refund" means a brief statement of the facts and the law on
21 which the claim is based.

22 B. The secretary or the secretary's delegate may
23 allow the claim in whole or in part or may deny the claim.

24 (1) If the claim is denied in whole or in part
25 in writing, no claim may be refiled with respect to that which

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1 was denied but the person, within ninety days after either the
2 mailing or delivery of the denial of all or any part of the
3 claim, may elect to pursue one, but not more than one, of the
4 remedies in Subsection C of this section.

5 (2) If the department has neither granted nor
6 denied any portion of a claim for refund within one hundred
7 twenty days of the date the claim was mailed or delivered to
8 the department, the person may refile it within the time limits
9 set forth in Subsection D of this section or may within ninety
10 days elect to pursue one, but only one, of the remedies in
11 Subsection C of this section. After the expiration of the two
12 hundred ten days from the date the claim was mailed or
13 delivered to the department, the department may not approve or
14 disapprove the claim unless the person has pursued one of the
15 remedies under Subsection C of this section.

16 C. A person may elect to pursue one, but only one,
17 of the remedies in Paragraphs (1) and (2) of this subsection.
18 In any case, if a person does timely pursue more than one
19 remedy, the person shall be deemed to have elected the first
20 remedy invoked. The remedies are as follows:

21 (1) the person may direct to the secretary a
22 written protest against the denial of, or failure to either
23 allow or deny the claim or portion thereof, which shall be set
24 for hearing by a hearing officer designated by the secretary
25 promptly after the receipt of the protest in accordance with

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1 the provisions of Section 7-1-24 NMSA 1978, and pursue the
2 remedies of appeal from decisions adverse to the protestant as
3 provided in Section 7-1-25 NMSA 1978; or

4 (2) the person may commence a civil action in
5 the district court for Santa Fe county by filing a complaint
6 setting forth the circumstance of the claimed overpayment,
7 alleging that on account thereof the state is indebted to the
8 plaintiff in the amount stated, together with any interest
9 allowable, demanding the refund to the plaintiff of that amount
10 and reciting the facts of the claim for refund. The plaintiff
11 or the secretary may appeal from any final decision or order of
12 the district court to the court of appeals.

13 D. Except as otherwise provided in Subsections E
14 and F of this section, no credit or refund of any amount may be
15 allowed or made to any person unless as the result of a claim
16 made by that person as provided in this section:

17 (1) within three years of the end of the
18 calendar year in which:

19 (a) the payment was originally due or
20 the overpayment resulted from an assessment by the department
21 pursuant to Section 7-1-17 NMSA 1978, whichever is later;

22 (b) the final determination of value
23 occurs with respect to any overpayment that resulted from a
24 disapproval by any agency of the United States or the state of
25 New Mexico or any court of increase in value of a product

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1 subject to taxation under the Oil and Gas Severance Tax Act,
2 the Oil and Gas Conservation Tax Act, the Oil and Gas Emergency
3 School Tax Act, the Oil and Gas Ad Valorem Production Tax Act
4 or the Natural Gas Processors Tax Act; or

5 (c) property was levied upon pursuant to
6 the provisions of the Tax Administration Act;

7 [~~(2)~~] ~~when an amount of a claim for credit~~
8 ~~under the provisions of the Investment Credit Act, Laboratory~~
9 ~~Partnership with Small Business Tax Credit Act or Technology~~
10 ~~Jobs Tax Credit Act or for the rural job tax credit pursuant to~~
11 ~~Sections 7-2E-1 and 7-2E-2 NMSA 1978 or similar credit has been~~
12 ~~denied, the taxpayer may claim a refund of the credit no later~~
13 ~~than one year after the date of the denial;~~

14 ~~(3)]~~ (2) when a taxpayer under audit by the
15 department has signed a waiver of the limitation on assessments
16 on or after July 1, 1993 pursuant to Subsection F of Section
17 7-1-18 NMSA 1978, the taxpayer may file a claim for refund of
18 the same tax paid for the same period for which the waiver was
19 given, until a date one year after the later of the date of the
20 mailing of an assessment issued pursuant to the audit, the date
21 of the mailing of final audit findings to the taxpayer or the
22 date a proceeding is begun in court by the department with
23 respect to the same tax and the same period;

24 [~~(4)~~] (3) if the payment of an amount of tax
25 was not made within three years of the end of the calendar year

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1 in which the original due date of the tax or date of the
2 assessment of the department occurred, a claim for refund of
3 that amount of tax can be made within one year of the date on
4 which the tax was paid; or

5 [~~(5)~~] (4) when a taxpayer has been assessed a
6 tax on or after July 1, 1993 under Subsection B, C or D of
7 Section 7-1-18 NMSA 1978 and when the assessment applies to a
8 period ending at least three years prior to the beginning of
9 the year in which the assessment was made, the taxpayer may
10 claim a refund for the same tax for the period of the
11 assessment or for any period following that period within one
12 year of the date of the assessment unless a longer period for
13 claiming a refund is provided in this section.

14 E. No credit or refund shall be allowed or made to
15 any person claiming a refund of gasoline tax under Section
16 7-13-11 NMSA 1978 unless notice of the destruction of the
17 gasoline was given the department within thirty days of the
18 actual destruction and the claim for refund is made within six
19 months of the date of destruction. No credit or refund shall
20 be allowed or made to any person claiming a refund of gasoline
21 tax under Section 7-13-17 NMSA 1978 unless the refund is
22 claimed within six months of the date of purchase of the
23 gasoline and the gasoline has been used at the time the claim
24 for refund is made.

25 F. If, as a result of an audit by the internal

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1 revenue service or the filing of an amended federal return
2 changing a prior election or making any other change for which
3 federal approval is required by the Internal Revenue Code, any
4 adjustment of federal tax is made with the result that there
5 would have been an overpayment of tax if the adjustment to
6 federal tax had been applied to the taxable period to which it
7 relates, claim for credit or refund of only that amount based
8 on the adjustment may be made as provided in this section
9 within one year of the date of the internal revenue service
10 audit adjustment or payment of the federal refund or within the
11 period limited by Subsection D of this section, whichever
12 expires later. Interest computed at the rate specified in
13 Subsection B of Section 7-1-68 NMSA 1978 shall be allowed on
14 any such claim for refund from the date one hundred twenty days
15 after the claim is made until the date the final decision to
16 grant the credit or refund is made.

17 G. If as a result of an audit by the department or
18 a managed audit covering multiple periods an overpayment of tax
19 is found in any period under the audit, that overpayment may be
20 credited against an underpayment of the same tax found in
21 another period under audit pursuant to Section 7-1-29 NMSA
22 1978, provided that the taxpayer files a claim for refund for
23 the overpayments identified in the audit.

24 H. Any refund of tax paid under any tax or tax act
25 administered under Subsection B of Section 7-1-2 NMSA 1978 may

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1 be made, at the discretion of the department, in the form of
2 credit against future tax payments if future tax liabilities in
3 an amount at least equal to the credit amount reasonably may be
4 expected to become due.

5 I. For the purposes of this section, the term "oil
6 and gas tax return" means a return reporting tax due with
7 respect to oil, natural gas, liquid hydrocarbons, carbon
8 dioxide, helium or nonhydrocarbon gas pursuant to the Oil and
9 Gas Severance Tax Act, the Oil and Gas Conservation Tax Act,
10 the Oil and Gas Emergency School Tax Act, the Oil and Gas Ad
11 Valorem Production Tax Act, the Natural Gas Processors Tax Act
12 or the Oil and Gas Production Equipment Ad Valorem Tax Act.

13 J. The filing of a fully completed original [~~income~~
14 ~~tax return, corporate income tax return, corporate income and~~
15 ~~franchise tax return, estate tax~~] return or special fuel excise
16 tax return that shows a balance due the taxpayer or a fully
17 completed amended [~~income tax return, an amended corporate~~
18 ~~income tax return, an amended corporate income and franchise~~
19 ~~tax return, an amended estate tax~~] return, an amended special
20 fuel excise tax return or an amended oil and gas tax return
21 that shows a lesser tax liability than the original return
22 constitutes the filing of a claim for refund for the difference
23 in tax due shown on the original and amended returns."

24 SECTION 15. Section 7-1-28 NMSA 1978 (being Laws 1965,
25 Chapter 248, Section 30, as amended) is amended to read:

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1 "7-1-28. AUTHORITY FOR ABATEMENTS OF ASSESSMENTS OF
2 TAX.--

3 A. In response to a written protest against an
4 assessment, submitted in accordance with the provisions of
5 Section 7-1-24 NMSA 1978, but before any court acquires
6 jurisdiction of the matter, or when a "notice of assessment of
7 taxes" is incorrect, the secretary or the secretary's delegate,
8 with prior written approval of the attorney general, may abate
9 any part of an assessment determined by the secretary or the
10 secretary's delegate to have been incorrectly, erroneously or
11 illegally made, except that the secretary or the secretary's
12 delegate may make abatements:

13 (1) with respect to the Oil and Gas Severance
14 Tax Act, the Oil and Gas Conservation Tax Act, the Oil and Gas
15 Emergency School Tax Act, the Oil and Gas Ad Valorem Production
16 Tax Act, the Natural Gas Processors Tax Act or the Oil and Gas
17 Production Equipment Ad Valorem Tax Act, abatements of gasoline
18 tax made under Section 7-13-17 NMSA 1978 and abatements of
19 cigarette tax made under the Cigarette Tax Act without the
20 prior approval of the attorney general regardless of the
21 amount; and

22 ~~(2) [with respect to the Corporate Income and~~
23 ~~Franchise Tax Act amounting to less than twenty thousand~~
24 ~~dollars (\$20,000) without prior approval of the attorney~~
25 ~~general; and~~

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1 ~~(3)~~] amounting to less than ten thousand
2 dollars (\$10,000) without the prior written approval of the
3 attorney general.

4 B. Pursuant to the final order of the district
5 court for Santa Fe county, the court of appeals, the supreme
6 court of New Mexico or any federal court, from which order,
7 appeal or review is not successfully taken by the department,
8 adjudging that any person is not required to pay any portion of
9 tax assessed to that person, the secretary or the secretary's
10 delegate shall cause that amount of the assessment to be
11 abated.

12 C. Pursuant to a compromise of taxes agreed to by
13 the secretary and according to the terms of the closing
14 agreement formalizing the compromise, the secretary or the
15 secretary's delegate shall cause the abatement of the
16 appropriate amount of any assessment of tax.

17 D. The secretary or the secretary's delegate shall
18 cause the abatement of the amount of an assessment of tax that
19 is equal to the amount of fee paid to or retained by an out-of-
20 state attorney or collection agency from a judgment or the
21 amount collected by the attorney or collection agency pursuant
22 to Section 7-1-58 NMSA 1978.

23 E. Records of abatements made in excess of ten
24 thousand dollars (\$10,000) shall be available for inspection by
25 the public. The department shall keep such records for a

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1 minimum of three years from the date of the abatement."

2 SECTION 16. Section 7-1-29 NMSA 1978 (being Laws 1965,
3 Chapter 248, Section 31, as amended) is amended to read:

4 "7-1-29. AUTHORITY TO MAKE REFUNDS OR CREDITS.--

5 A. In response to a claim for refund made as
6 provided in Section 7-1-26 NMSA 1978, but before a court
7 acquires jurisdiction of the matter, the secretary or the
8 secretary's delegate may authorize the refund to a person of
9 the amount of an overpayment of tax determined by the secretary
10 or the secretary's delegate to have been erroneously made by
11 the person, together with allowable interest. A refund of tax
12 and interest erroneously paid and amounting to more than ten
13 thousand dollars (\$10,000) may be made to a person only with
14 the prior approval of the attorney general, except that the
15 secretary or the secretary's delegate may make refunds with
16 respect to:

17 (1) the Oil and Gas Severance Tax Act, the Oil
18 and Gas Conservation Tax Act, the Oil and Gas Emergency School
19 Tax Act, the Oil and Gas Ad Valorem Production Tax Act, the
20 Natural Gas Processors Tax Act or the Oil and Gas Production
21 Equipment Ad Valorem Tax Act, Section 7-13-17 NMSA 1978 and the
22 Cigarette Tax Act without the prior approval of the attorney
23 general regardless of the amount; and

24 (2) the Corporate Income and Franchise Tax Act
25 amounting to less than twenty thousand dollars (\$20,000)

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1 without the prior approval of the attorney general.

2 B. Pursuant to the final order of the district
3 court, the court of appeals, the supreme court of New Mexico or
4 a federal court, from which order, appeal or review is not
5 successfully taken, adjudging that a person has made an
6 overpayment of tax, the secretary shall authorize the refund to
7 the person of the amount thereof.

8 C. In the discretion of the secretary, any amount
9 of tax to be refunded may be offset against any amount of tax
10 for which the person due to receive the refund is liable. The
11 secretary or the secretary's delegate shall give notice to the
12 taxpayer that the refund will be made in this manner, and the
13 taxpayer shall be entitled to interest pursuant to Section
14 7-1-68 NMSA 1978 until the tax liability is credited with the
15 refund amount.

16 D. In an audit by the department or a managed audit
17 covering multiple reporting periods in which both underpayments
18 and overpayments of a tax have been made in different reporting
19 periods, the department shall credit the tax overpayments
20 against the underpayments, provided that the taxpayer files a
21 claim for refund of the overpayments. An overpayment shall be
22 applied as a credit first to the earliest underpayment and then
23 to succeeding underpayments. An underpayment of tax to which
24 an overpayment is credited pursuant to this section shall be
25 deemed paid in the period in which the overpayment was made or

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1 the period to which the overpayment was credited against an
2 underpayment, whichever is later. If the overpayments credited
3 pursuant to this section exceed the underpayments of a tax, the
4 amount of the net overpayment for the periods covered in the
5 audit shall be refunded to the taxpayer.

6 E. When a taxpayer makes a payment identified to a
7 particular return or assessment, and the department determines
8 that the payment exceeds the amount due pursuant to that return
9 or assessment, the secretary may apply the excess to the
10 taxpayer's other liabilities pursuant to the tax acts to which
11 the return or assessment applies, without requiring the
12 taxpayer to file a claim for a refund. The liability to which
13 an overpayment is applied pursuant to this section shall be
14 deemed paid in the period in which the overpayment was made or
15 the period to which the overpayment was applied, whichever is
16 later.

17 F. If the department determines, upon review of an
18 original or amended [~~income tax return, corporate income and~~
19 ~~franchise tax return, estate tax~~] return, special fuels excise
20 tax return or oil and gas tax return, that there has been an
21 overpayment of tax for the taxable period to which the return
22 or amended return relates in excess of the amount due to be
23 refunded to the taxpayer pursuant to the provisions of
24 Subsection J of Section 7-1-26 NMSA 1978, the department may
25 refund that excess amount to the taxpayer without requiring the

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1 taxpayer to file a refund claim.

2 G. Records of refunds and credits made in excess of
3 ten thousand dollars (\$10,000) shall be available for
4 inspection by the public. The department shall keep such
5 records for a minimum of three years from the date of the
6 refund or credit."

7 SECTION 17. Section 7-1-61 NMSA 1978 (being Laws 1965,
8 Chapter 248, Section 62, as amended) is amended to read:

9 "7-1-61. DUTY OF SUCCESSOR IN BUSINESS.--

10 A. As used in Sections 7-1-61 through [~~7-1-64~~]
11 7-1-63 NMSA 1978, "tax" means the amount of tax due imposed by
12 provisions of the taxes or tax acts set forth in Subsections A
13 and B of Section 7-1-2 NMSA 1978 [~~except the Income Tax Act~~].

14 B. The tangible and intangible property used in any
15 business remains subject to liability for payment of the tax
16 due on account of that business to the extent stated herein,
17 even though the business changes hands.

18 C. If any person liable for any amount of tax from
19 operating a business transfers that business to a successor,
20 the successor shall place in a trust account sufficient money
21 from the purchase price or other source to cover such amount of
22 tax until the secretary or secretary's delegate issues a
23 certificate stating that no amount is due, or the successor
24 shall pay over the amount due to the department upon proper
25 demand for, or assessment of, that amount due by the

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1 secretary."

2 SECTION 18. Section 7-1-67 NMSA 1978 (being Laws 1965,
3 Chapter 248, Section 68, as amended by Laws 2007, Chapter 45,
4 Section 2 and by Laws 2007, Chapter 262, Section 4) is amended
5 to read:

6 "7-1-67. INTEREST ON DEFICIENCIES.--

7 A. If a tax imposed is not paid on or before the
8 day on which it becomes due, interest shall be paid to the
9 state on that amount from the first day following the day on
10 which the tax becomes due, without regard to any extension of
11 time or installment agreement, until it is paid, except that:

12 (1) for [~~income~~] any tax imposed on a member
13 of the armed services of the United States serving in a combat
14 zone under orders of the president of the United States,
15 interest shall accrue only for the period beginning the day
16 after any applicable extended due date if the tax is not paid;

17 (2) if the amount of interest due at the time
18 payment is made is less than one dollar (\$1.00), then no
19 interest shall be due;

20 (3) if demand is made for payment of a tax,
21 including accrued interest, and if the tax is paid within ten
22 days after the date of the demand, no interest on the amount
23 paid shall be imposed for the period after the date of the
24 demand;

25 (4) if a managed audit is completed by the

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1 taxpayer on or before the date required, as provided in the
2 agreement for the managed audit, and payment of any tax found
3 to be due is made in full within one hundred eighty days of the
4 date the secretary has mailed or delivered an assessment for
5 the tax to the taxpayer, no interest shall be due on the
6 assessed tax;

7 (5) when, as the result of an audit or a
8 managed audit, an overpayment of a tax is credited against an
9 underpayment of tax pursuant to Section 7-1-29 NMSA 1978,
10 interest shall accrue from the date the tax was due until the
11 tax is deemed paid;

12 (6) if the department does not issue an
13 assessment for the tax program and period within the time
14 provided in Subsection D of Section 7-1-11.2 NMSA 1978,
15 interest shall be paid from the first day following the day on
16 which the tax becomes due until the tax is paid, excluding the
17 period between either:

18 (a) the one hundred eightieth day after
19 giving a notice of outstanding records or books of account and
20 the date of the assessment of the tax; or

21 (b) the ninetieth day after the
22 expiration of the additional time requested by the taxpayer to
23 comply, if such request was granted, and the date of the
24 assessment of the tax; and

25 (7) if the taxpayer was not provided with

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1 proper notices as required in Section 7-1-11.2 NMSA 1978,
2 interest shall be paid from the first day following the day on
3 which the tax becomes due until the tax is paid, excluding the
4 period between one hundred eighty days prior to the date of
5 assessment and the date of assessment.

6 B. Interest due to the state under Subsection A or
7 D of this section shall be at the rate established for
8 individuals pursuant to Section 6621 of the Internal Revenue
9 Code computed on a daily basis; provided that if a different
10 rate is specified by a compact or other interstate agreement to
11 which New Mexico is a party, that rate shall be applied to
12 amounts due under the compact or other agreement.

13 C. Nothing in this section shall be construed to
14 impose interest on interest or interest on the amount of any
15 penalty.

16 D. If any tax required to be paid in accordance
17 with Section 7-1-13.1 NMSA 1978 is not paid in the manner
18 required by that section, interest shall be paid to the state
19 on the amount required to be paid in accordance with Section
20 7-1-13.1 NMSA 1978. If interest is due under this subsection
21 and is also due under Subsection A of this section, interest
22 shall be due and collected only pursuant to Subsection A of
23 this section."

24 SECTION 19. Section 7-1-68 NMSA 1978 (being Laws 1965,
25 Chapter 248, Section 69, as amended) is amended to read:

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1 "7-1-68. INTEREST ON OVERPAYMENTS.--

2 A. As provided in this section, interest shall be
3 allowed and paid on the amount of tax overpaid by a person that
4 is subsequently refunded or credited to that person.

5 B. Interest on overpayments of tax shall accrue and
6 be paid at the rate established for individuals pursuant to
7 Section 6621 of the Internal Revenue Code, computed on a daily
8 basis; provided that if a different rate is specified by a
9 compact or other interstate agreement to which New Mexico is a
10 party, that rate shall apply to amounts due under the compact
11 or other agreement.

12 C. Unless otherwise provided by this section,
13 interest on an overpayment not arising from an assessment by
14 the department shall be paid from the date of the claim for
15 refund until a date preceding by not more than thirty days the
16 date of the credit or refund to any person; interest on an
17 overpayment arising from an assessment by the department shall
18 be paid from the date of overpayment until a date preceding by
19 not more than thirty days the date of the credit or refund to
20 any person.

21 D. No interest shall be allowed or paid with
22 respect to an amount credited or refunded if:

23 (1) the amount of interest due is less than
24 one dollar (\$1.00);

25 (2) the credit or refund is made within:

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1 ~~[(a) fifty-five days of the date of the~~
2 ~~claim for refund of income tax, pursuant to either the Income~~
3 ~~Tax Act or the Corporate Income and Franchise Tax Act for the~~
4 ~~tax year immediately preceding the tax year in which the claim~~
5 ~~is made;~~

6 ~~(b)]~~ (a) seventy-five days of the date
7 of the claim for refund of gasoline tax to users of gasoline
8 off the highways; or

9 ~~[(c)]~~ (b) one hundred twenty days of the
10 date of the claim for refund of tax imposed pursuant to the
11 Resources Excise Tax Act, the Severance Tax Act, the Oil and
12 Gas Severance Tax Act, the Oil and Gas Conservation Tax Act,
13 the Oil and Gas Emergency School Tax Act, the Oil and Gas Ad
14 Valorem Production Tax Act, the Natural Gas Processors Tax Act
15 or the Oil and Gas Production Equipment Ad Valorem Tax Act;

16 ~~[(3) the credit or refund is made within one~~
17 ~~hundred twenty days of the date of the claim for refund of~~
18 ~~income tax, pursuant to the Income Tax Act or the Corporate~~
19 ~~Income and Franchise Tax Act, for any tax year more than one~~
20 ~~year prior to the year in which the claim is made;~~

21 ~~(4) Sections 6611(f) and 6611(g) of the~~
22 ~~Internal Revenue Code, as those sections may be amended or~~
23 ~~renumbered, prohibit payment of interest for federal income tax~~
24 ~~purposes;~~

25 ~~(5) the credit or refund is made within sixty~~

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1 ~~days of the date of the claim for refund of any tax other than~~
2 ~~income tax;~~

3 ~~(6)~~ (3) the credit results from overpayments
4 found in an audit of multiple reporting periods and applied to
5 underpayments found in that audit or refunded as a net
6 overpayment to the taxpayer pursuant to Section 7-1-29 NMSA
7 1978;

8 [~~(7)~~] (4) the department applies the credit or
9 refund to an intercept program, to the taxpayer's estimated
10 payment prior to the due date for the estimated payment or to
11 offset prior liabilities of the taxpayer pursuant to Subsection
12 E of Section 7-1-29 NMSA 1978;

13 [~~(8)~~] (5) the credit or refund results from
14 overpayments the department finds pursuant to Subsection F of
15 Section 7-1-29 NMSA 1978 that exceed the refund claimed by the
16 taxpayer on the return; or

17 [~~(9)~~] (6) the refund results from a film
18 production tax credit pursuant to Section 7-2F-1 NMSA 1978.

19 E. Nothing in this section shall be construed to
20 require the payment of interest upon interest."

21 SECTION 20. Section 7-1-69 NMSA 1978 (being Laws 1965,
22 Chapter 248, Section 70, as amended) is amended to read:

23 "7-1-69. CIVIL PENALTY FOR FAILURE TO PAY TAX OR FILE A
24 RETURN.--

25 A. Except as provided in Subsection C of this

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1 section, in the case of failure due to negligence or disregard
2 of department rules and regulations, but without intent to
3 evade or defeat a tax, to pay when due the amount of tax
4 required to be paid, to pay in accordance with the provisions
5 of Section 7-1-13.1 NMSA 1978 when required to do so or to file
6 by the date required a return regardless of whether a tax is
7 due, there shall be added to the amount assessed a penalty in
8 an amount equal to the greater of:

9 (1) two percent per month or any fraction of a
10 month from the date the tax was due multiplied by the amount of
11 tax due but not paid, not to exceed twenty percent of the tax
12 due but not paid;

13 (2) two percent per month or any fraction of a
14 month from the date the return was required to be filed
15 multiplied by the tax liability established in the late return,
16 not to exceed twenty percent of the tax liability established
17 in the late return; or

18 (3) a minimum of five dollars (\$5.00), but the
19 five-dollar (\$5.00) minimum penalty shall not apply to [~~taxes~~
20 ~~levied under the Income Tax Act or~~] taxes administered by the
21 department pursuant to Subsection B of Section 7-1-2 NMSA 1978.

22 B. No penalty shall be assessed against a taxpayer
23 if the failure to pay an amount of tax when due results from a
24 mistake of law made in good faith and on reasonable grounds.

25 C. If a different penalty is specified in a compact

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1 or other interstate agreement to which New Mexico is a party,
2 the penalty provided in the compact or other interstate
3 agreement shall be applied to amounts due under the compact or
4 other interstate agreement at the rate and in the manner
5 prescribed by the compact or other interstate agreement.

6 D. In the case of failure, with willful intent to
7 evade or defeat a tax, to pay when due the amount of tax
8 required to be paid, there shall be added to the amount fifty
9 percent of the tax or a minimum of twenty-five dollars
10 (\$25.00), whichever is greater, as penalty.

11 E. If demand is made for payment of a tax,
12 including penalty imposed pursuant to this section, and if the
13 tax is paid within ten days after the date of such demand, no
14 penalty shall be imposed for the period after the date of the
15 demand with respect to the amount paid.

16 F. If a taxpayer makes electronic payment of a tax
17 but the payment does not include all of the information
18 required by the department pursuant to the provisions of
19 Section 7-1-13.1 NMSA 1978 and if the department does not
20 receive the required information within five business days from
21 the later of the date a request by the department for that
22 information is received by the taxpayer or the due date, the
23 taxpayer shall be subject to a penalty of two percent per month
24 or any fraction of a month from the fifth day following the
25 date the request is received. If a penalty is imposed under

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1 Subsection A of this section with respect to the same
2 transaction for the same period, no penalty shall be imposed
3 under this subsection.

4 G. No penalty shall be imposed on:

5 (1) tax due in excess of tax paid in
6 accordance with an approved estimated basis pursuant to Section
7 7-1-10 NMSA 1978;

8 (2) tax due as the result of a managed audit;
9 or

10 (3) tax that is deemed paid by crediting
11 overpayments found in an audit or managed audit of multiple
12 periods pursuant to Section 7-1-29 NMSA 1978."

13 SECTION 21. Section 7-1-71.1 NMSA 1978 (being Laws 1985,
14 Chapter 65, Section 19, as amended) is amended to read:

15 "7-1-71.1. TAX RETURN PREPARERS--REQUIREMENTS--
16 PENALTIES.--

17 A. The secretary may require by regulation any tax
18 return preparer with respect to any return [~~of income tax~~] or
19 claim for refund [~~with respect to income tax~~] to sign such
20 return or claim for refund.

21 B. The secretary may require by regulation any tax
22 return preparer with respect to any return [~~of income tax~~] or
23 claim for refund [~~with respect to income tax~~] to furnish the
24 tax return preparer's identification number on such return or
25 claim for refund.

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1 C. Any tax return preparer with respect to any
2 return ~~[of income tax]~~ or claim for refund ~~[with respect to~~
3 ~~income tax]~~ who is required by regulations promulgated by the
4 secretary to sign a return or claim for refund or to furnish an
5 identification number on such return or claim for refund and
6 who fails to sign such return or claim for refund or to furnish
7 an identification number on such return or claim for refund
8 shall pay a penalty of twenty-five dollars (\$25.00) for such
9 failure unless it is shown that such failure is due to
10 reasonable cause and not due to willful neglect.

11 D. Any tax return preparer who endorses or
12 otherwise negotiates, either directly or through an agent, any
13 warrant ~~[in respect of the Income Tax Act]~~ issued to a
14 taxpayer, other than the tax return preparer, shall pay a
15 penalty of five hundred dollars (\$500) with respect to each
16 such warrant; provided that the provisions of this subsection
17 shall not apply with respect to the deposit by a bank, savings
18 and loan association, credit union or other financial
19 corporation of the full amount of the warrant in the taxpayer's
20 account for the benefit of the taxpayer.

21 E. For the purposes of this section, any penalty
22 determined to be due shall be considered to be tax due."

23 SECTION 22. Section 7-1-71.4 NMSA 1978 (being Laws 2007,
24 Chapter 127, Section 2) is amended to read:

25 "7-1-71.4. TAX RETURN PREPARER--ELECTRONIC FILING

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1 REQUIREMENT--PENALTY.--

2 A. In taxable years beginning on or after January
3 1, 2008, a tax return preparer who prepares over twenty-five
4 [~~personal income~~] tax returns for a taxable year shall ensure
5 that each return is submitted to the department by [a]
6 department-approved electronic media, unless a person for whom
7 the preparer files a return requests, in a form prescribed by
8 the department, that the return be filed by other means in
9 accordance with department rule.

10 B. A tax return preparer shall pay to the
11 department a penalty not to exceed five dollars (\$5.00) for
12 each tax return filed in violation of this section."

13 SECTION 23. Section 7-3-3 NMSA 1978 (being Laws 1961,
14 Chapter 243, Section 3, as amended) is amended to read:

15 "7-3-3. TAX WITHHELD AT SOURCE.--

16 A. Every employer who deducts and withholds a
17 portion of an employee's wages for payment of income tax under
18 the provisions of the Internal Revenue Code shall deduct and
19 withhold an amount for each payroll period computed from a
20 state withholding tax table furnished by the department;
21 provided:

22 (1) if the employee instructs the employer to
23 withhold a greater amount, the employer shall deduct and
24 withhold the greater amount;

25 (2) if the employee is not a resident of New

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1 Mexico and is to perform services in New Mexico for fifteen or
2 fewer days cumulatively during the calendar year, the employer
3 is not required to deduct and withhold an amount from that
4 employee's wages; and

5 (3) if the aggregate monthly amount withheld
6 under this section would be less than one dollar (\$1.00) for an
7 employee, the employer shall not be required to deduct and
8 withhold wages in regard to that employee.

9 B. The department shall devise and furnish a state
10 withholding tax table based on statutes made and provided to
11 employers required to withhold amounts under this section.
12 This table shall be devised to provide for a yearly aggregate
13 withholding that will approximate the [~~state income~~] gross
14 receipts tax liability of [~~average~~] taxpayers [~~in each~~
15 ~~exemption category~~] from wages received.

16 C. If an individual requests in writing that the
17 payor deduct and withhold an amount from the amount of the
18 pension or annuity due the individual, the payor making payment
19 of a pension or annuity to an individual domiciled in New
20 Mexico shall deduct and withhold the amount requested to be
21 deducted and withheld, provided that the payor is not required
22 to deduct and withhold any amount less than ten dollars
23 (\$10.00) per payment. The written request shall include the
24 payee's name, current address, taxpayer identification number
25 and, if applicable, the contract, policy or account number to

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1 which the request applies.

2 D. Every person in New Mexico who is required by
3 the provisions of the Internal Revenue Code to deduct and
4 withhold federal tax from payment of winnings that are subject
5 to withholding shall deduct and withhold from such payment [~~a~~
6 ~~tax in~~] an amount equal to [~~six percent of~~] the tax rate
7 imposed by Section 7-9-4 NMSA 1978 from the winnings, except
8 that an Indian nation, tribe or pueblo or an agency,
9 department, subdivision or instrumentality thereof is not
10 required to deduct or withhold from payments made to members or
11 spouses of members of that Indian nation, tribe or pueblo."

12 SECTION 24. Section 7-3-9 NMSA 1978 (being Laws 1961,
13 Chapter 243, Section 11, as amended) is amended to read:

14 "7-3-9. WITHHELD AMOUNTS CREDITED AGAINST TAX.--~~[The~~
15 ~~entire amount of income upon which tax was deducted and~~
16 ~~withheld shall be included in the gross income of the~~
17 ~~withholdee for state income tax purposes.]~~ The amount of tax
18 deducted and withheld under the provisions of the Withholding
19 Tax Act during the taxable year shall be credited against any
20 [~~state income~~] gross receipts tax liability for that taxable
21 year."

22 SECTION 25. Section 7-3-13 NMSA 1978 (being Laws 2010,
23 Chapter 53, Section 7) is amended to read:

24 "7-3-13. WITHHOLDING INFORMATION RETURN REQUIRED--
25 PENALTY.--

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1 A. An employer that has more than fifty employees
2 and is not required to file an unemployment insurance tax form
3 with the workforce solutions department or a payor shall file
4 quarterly a withholding information return with the department
5 on or before the last day of the month following the close of
6 the calendar quarter.

7 B. The quarterly withholding information return
8 required by this section shall contain all information required
9 by the department, including:

10 (1) each employee's or payee's social security
11 number;

12 (2) each employee's or payee's name;

13 (3) each employee's or payee's gross wages,
14 pensions or annuity payments;

15 (4) each employee's or payee's [~~state income~~]
16 gross receipts tax withheld; and

17 (5) the workers' compensation fees due on
18 behalf of each employee or payee.

19 C. Each quarterly withholding information return
20 shall be filed with the department using a department-approved
21 electronic medium.

22 D. Any employer or payor required to file the
23 quarterly withholding information return who fails to do so by
24 the due date or to file the return in accordance with
25 Subsection C of this section is subject to a penalty in the

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1 amount of fifty dollars (\$50.00)."

2 SECTION 26. Section 7-9-3.5 NMSA 1978 (being Laws 2003,
3 Chapter 272, Section 3, as amended) is amended to read:

4 "7-9-3.5. DEFINITION--GROSS RECEIPTS.--

5 A. As used in the Gross Receipts and Compensating
6 Tax Act:

7 (1) "gross receipts" means the total amount of
8 money or the value of other consideration received from selling
9 property in New Mexico, from leasing or licensing property
10 employed in New Mexico, from granting a right to use a
11 franchise employed in New Mexico, from selling services
12 performed outside New Mexico, the product of which is initially
13 used in New Mexico, or from performing services, including
14 services performed as an employee for an employer, in New
15 Mexico. In an exchange in which the money or other
16 consideration received does not represent the value of the
17 property or service exchanged, "gross receipts" means the
18 reasonable value of the property or service exchanged;

19 (2) "gross receipts" includes:

20 (a) any receipts from sales of tangible
21 personal property handled on consignment;

22 (b) the total commissions or fees
23 derived from the business of buying, selling or promoting the
24 purchase, sale or lease, as an agent or broker on a commission
25 or fee basis, of any property, service, stock, bond or

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1 security;

2 (c) amounts paid by members of any
3 cooperative association or similar organization for sales or
4 leases of personal property or performance of services by such
5 organization;

6 (d) amounts received from transmitting
7 messages or conversations by persons providing telephone or
8 telegraph services;

9 (e) amounts received by a New Mexico
10 florist from the sale of flowers, plants or other products that
11 are customarily sold by florists where the sale is made
12 pursuant to orders placed with the New Mexico florist that are
13 filled and delivered outside New Mexico by an out-of-state
14 florist; [~~and~~]

15 (f) dividends and interest received; and

16 [~~(f)~~] (g) the receipts of a home service
17 provider from providing mobile telecommunications services to
18 customers whose place of primary use is in New Mexico if: 1)
19 the mobile telecommunications services originate and terminate
20 in the same state, regardless of where the services originate,
21 terminate or pass through; and 2) the charges for mobile
22 telecommunications services are billed by or for a customer's
23 home service provider and are deemed provided by the home
24 service provider. For the purposes of this section, "home
25 service provider", "mobile telecommunications services",

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1 "customer" and "place of primary use" have the meanings given
2 in the federal Mobile Telecommunications Sourcing Act; and

3 (3) "gross receipts" excludes:

4 (a) cash discounts allowed and taken;

5 (b) New Mexico gross receipts tax and
6 governmental gross receipts tax [~~and leased vehicle gross~~
7 ~~receipts tax payable on transactions for the reporting period~~];

8 (c) taxes imposed pursuant to the
9 provisions of any local option gross receipts tax that is
10 payable on transactions for the reporting period;

11 (d) any gross receipts or sales taxes
12 imposed by an Indian nation, tribe or pueblo; provided that the
13 tax is approved, if approval is required by federal law or
14 regulation, by the secretary of the interior of the United
15 States; and provided further that the gross receipts or sales
16 tax imposed by the Indian nation, tribe or pueblo provides a
17 reciprocal exclusion for gross receipts, sales or gross
18 receipts-based excise taxes imposed by the state or its
19 political subdivisions;

20 (e) any type of time-price differential;

21 (f) amounts received solely on behalf of
22 another in a disclosed agency capacity; and

23 [~~(g) amounts received by a New Mexico~~
24 ~~florist from the sale of flowers, plants or other products that~~
25 ~~are customarily sold by florists where the sale is made~~

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1 ~~pursuant to orders placed with an out-of-state florist for~~
2 ~~filling and delivery in New Mexico by a New Mexico florist]~~

3 (g) gifts and donations.

4 B. When the sale of property or service is made
5 under any type of charge, conditional or time-sales contract or
6 the leasing of property is made under a leasing contract, the
7 seller or lessor may elect to treat all receipts, excluding any
8 type of time-price differential, under such contracts as gross
9 receipts as and when the payments are actually received. If
10 the seller or lessor transfers the seller's or lessor's
11 interest in any such contract to a third person, the seller or
12 lessor shall pay the gross receipts tax upon the full sale or
13 leasing contract amount, excluding any type of time-price
14 differential."

15 SECTION 27. Section 7-9-4 NMSA 1978 (being Laws 1966,
16 Chapter 47, Section 4, as amended) is amended to read:

17 "7-9-4. IMPOSITION AND RATE OF TAX--DENOMINATION AS
18 "GROSS RECEIPTS TAX".--

19 A. For the privilege of engaging in business, an
20 excise tax equal to [~~five and one-eighth~~] two and one hundred
21 twenty-five thousandths percent of gross receipts is imposed on
22 any person engaging in business in New Mexico.

23 B. The tax imposed by this section shall be
24 referred to as the "gross receipts tax"."

25 SECTION 28. Section 7-9-4.3 NMSA 1978 (being Laws 1991,
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1 Chapter 8, Section 2, as amended by Laws 1993, Chapter 332,
2 Section 1 and also by Laws 1993, Chapter 352, Section 1) is
3 amended to read:

4 "7-9-4.3. IMPOSITION AND RATE OF TAX--DENOMINATION AS
5 "GOVERNMENTAL GROSS RECEIPTS TAX".--For the privilege of
6 engaging in certain activities by governments, there is imposed
7 on every agency, institution, instrumentality or political
8 subdivision of the state, except any school district [~~and any~~
9 ~~entity licensed by the department of health that is principally~~
10 ~~engaged in providing health care services~~], an excise tax of
11 [~~five~~] two and one hundred twenty-five thousandths percent of
12 governmental gross receipts. The tax imposed by this section
13 shall be referred to as the "governmental gross receipts tax"."

14 SECTION 29. Section 7-9-7 NMSA 1978 (being Laws 1966,
15 Chapter 47, Section 7, as amended) is amended to read:

16 "7-9-7. IMPOSITION AND RATE OF TAX--DENOMINATION AS
17 "COMPENSATING TAX".--

18 A. For the privilege of using tangible property in
19 New Mexico, there is imposed on the person using the property
20 an excise tax equal to [~~five and one eighth~~] two and one
21 hundred twenty-five thousandths percent of the value of
22 tangible property that was:

23 (1) manufactured by the person using the
24 property in the state;

25 (2) acquired inside or outside of this state

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1 as the result of a transaction with a person located outside
2 this state that would have been subject to the gross receipts
3 tax had the tangible personal property been acquired from a
4 person with nexus with New Mexico; or

5 (3) acquired as the result of a transaction
6 that was not initially subject to the compensating tax imposed
7 by Paragraph (2) of this subsection or the gross receipts tax
8 but which transaction, because of the buyer's subsequent use of
9 the property, should have been subject to the compensating tax
10 imposed by Paragraph (2) of this subsection or the gross
11 receipts tax.

12 B. For the purpose of Subsection A of this section,
13 value of tangible property shall be the adjusted basis of the
14 property for federal income tax purposes determined as of the
15 time of acquisition or introduction into this state or of
16 conversion to use, whichever is later. If no adjusted basis
17 for federal income tax purposes is established for the
18 property, a reasonable value of the property shall be used.

19 C. For the privilege of using services rendered in
20 New Mexico, there is imposed on the person using services an
21 excise tax equal to [~~five~~] two and one hundred twenty-five
22 thousandths percent of the value of the services at the time
23 they were rendered. The services, to be taxable under this
24 subsection, must have been rendered as the result of a
25 transaction that was not initially subject to the gross

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1 receipts tax but which transaction, because of the buyer's
2 subsequent use of the services, should have been subject to the
3 gross receipts tax.

4 D. The tax imposed by this section shall be
5 referred to as the "compensating tax".

6 SECTION 30. Section 7-9-12 NMSA 1978 (being Laws 1969,
7 Chapter 144, Section 5, as amended) is amended to read:

8 "7-9-12. EXEMPTIONS.--~~[Exempted from the gross receipts~~
9 ~~or compensating tax are those receipts or uses exempted in~~
10 ~~Sections 7-9-13 through 7-9-42 NMSA 1978]~~ Exemptions from
11 ~~[either]~~ the governmental gross receipts tax, the gross
12 receipts tax or the compensating tax are not exemptions from
13 ~~[both]~~ the other taxes unless explicitly stated otherwise by
14 law."

15 SECTION 31. Section 7-9-13.2 NMSA 1978 (being Laws 1992,
16 Chapter 100, Section 3, as amended) is amended to read:

17 "7-9-13.2. EXEMPTION--GOVERNMENTAL GROSS RECEIPTS TAX--
18 RECEIPTS SUBJECT TO CERTAIN OTHER TAXES.--Exempted from the
19 governmental gross receipts tax are receipts from transactions
20 involving tangible personal property or services on which
21 receipts or transactions the gross receipts tax, compensating
22 tax, ~~[motor vehicle excise tax]~~ gasoline tax, special fuel tax,
23 special fuel excise tax, oil and gas emergency school tax,
24 resources tax, processors tax or service tax ~~[or the excise tax~~
25 ~~imposed under Section 66-12-6.1 NMSA 1978]~~ is imposed."

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1 SECTION 32. Section 7-9-43 NMSA 1978 (being Laws 1966,
2 Chapter 47, Section 13, as amended) is amended to read:

3 "7-9-43. NONTAXABLE TRANSACTION CERTIFICATES AND OTHER
4 EVIDENCE REQUIRED TO ENTITLE PERSONS TO DEDUCTIONS.--

5 A. All nontaxable transaction certificates of the
6 appropriate series executed by buyers or lessees should be in
7 the possession of the seller or lessor for nontaxable
8 transactions at the time the return is due for receipts from
9 the transactions. If the seller or lessor is not in possession
10 of the required nontaxable transaction certificates within
11 sixty days from the date that the notice requiring possession
12 of these nontaxable transaction certificates is given the
13 seller or lessor by the department, deductions claimed by the
14 seller or lessor that require delivery of these nontaxable
15 transaction certificates shall be disallowed except as provided
16 in Subsection E of this section. The nontaxable transaction
17 certificates shall contain the information and be in a form
18 prescribed by the department. The department by regulation may
19 deem to be nontaxable transaction certificates documents issued
20 by other states or the multistate tax commission to taxpayers
21 not required to be registered in New Mexico. Only buyers or
22 lessees who have a registration number or have applied for a
23 registration number and have not been refused one under
24 Subsection C of Section 7-1-12 NMSA 1978 shall execute
25 nontaxable transaction certificates issued by the department.

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1 If the seller or lessor has been given an identification number
2 for tax purposes by the department, the seller or lessor shall
3 disclose that identification number to the buyer or lessee
4 prior to or upon acceptance of a nontaxable transaction
5 certificate. When the seller or lessor accepts a nontaxable
6 transaction certificate within the required time and in good
7 faith that the buyer or lessee will employ the property or
8 service transferred in a nontaxable manner, the properly
9 executed nontaxable transaction certificate shall be conclusive
10 evidence, and the only material evidence, that the proceeds
11 from the transaction are deductible from the seller's or
12 lessor's gross receipts.

13 B. Properly executed documents required to support
14 the deductions provided in [~~Sections~~] Section 7-9-57 [~~7-9-58~~
15 ~~and 7-9-74~~] NMSA 1978 should be in the possession of the seller
16 at the time the return is due for receipts from the
17 transactions. If the seller is not in possession of these
18 documents within sixty days from the date that the notice
19 requiring possession of these documents is given to the seller
20 by the department, deductions claimed by the seller or lessor
21 that require delivery of these documents shall be disallowed.
22 These documents shall contain the information and be in a form
23 prescribed by the department. When the seller accepts these
24 documents within the required time and in good faith that the
25 buyer will employ the property or service transferred in a

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1 nontaxable manner, the properly executed documents shall be
2 conclusive evidence, and the only material evidence, that the
3 proceeds from the transaction are deductible from the seller's
4 gross receipts.

5 C. Notice, as used in this section, is sufficient
6 if the notice is mailed or served as provided in Subsection A
7 of Section 7-1-9 NMSA 1978. Notice by the department under
8 this section shall not be given prior to the commencement of an
9 audit of the seller required to be in possession of the
10 documents.

11 D. To exercise the privilege of executing
12 appropriate nontaxable transaction certificates, a buyer or
13 lessee shall apply to the department for permission to execute
14 nontaxable transaction certificates, except with respect to
15 documents issued by other states or the multistate tax
16 commission that the department has deemed to be nontaxable
17 transaction certificates. If a person is shown on the
18 department's records to be a delinquent taxpayer or to have a
19 non-filed period, the department may refuse to approve the
20 application of the person until the person has filed returns
21 for all non-filed periods and is no longer shown to be a
22 delinquent taxpayer, and the taxpayer may protest that refusal
23 pursuant to Section 7-1-24 NMSA 1978. Upon the department's
24 approval of the application, the buyer or lessee may request
25 appropriate nontaxable transaction certificates for execution

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1 by the buyer or lessee; provided that if a person is shown on
2 the department's records to be a delinquent taxpayer or to have
3 a non-filed period, the department may refuse to issue
4 nontaxable transaction certificates to the person until the
5 person has filed returns for all non-filed periods and is no
6 longer shown to be a delinquent taxpayer. The taxpayer may
7 protest that refusal pursuant to Section 7-1-24 NMSA 1978. The
8 department may require a buyer or lessee requesting and
9 receiving nontaxable transaction certificates for execution by
10 that buyer or lessee to report to the department the names,
11 addresses and identification numbers assigned by the department
12 of the sellers and lessors to whom they have delivered
13 nontaxable transaction certificates. The department may
14 require a seller or lessor engaged in business in New Mexico to
15 report to the department the names, addresses and federal
16 employer identification numbers or state identification numbers
17 for tax purposes issued by the department of the buyers or
18 lessees from whom the seller or lessor has accepted nontaxable
19 transaction certificates.

20 E. The secretary or secretary's delegate may accept
21 other evidence, as specified by rule, to support the deduction
22 provided pursuant to Section 7-9-47 NMSA 1978 for the sale of
23 tangible personal property if a taxpayer is unable to provide a
24 nontaxable transaction certificate within the sixty-day period
25 specified in Subsection A of this section:

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1 (1) prior to the issuance of an audit
2 assessment; or

3 (2) if the audit assessment is protested,
4 prior to either the taxpayer's withdrawal of the protest or the
5 formal hearing of the protest; provided, however, that the
6 protest in this paragraph is acknowledged by the department
7 prior to December 31, 2011."

8 SECTION 33. Section 7-9-45 NMSA 1978 (being Laws 1969,
9 Chapter 144, Section 35, as amended) is amended to read:

10 "7-9-45. DEDUCTIONS.--

11 A. In computing the gross receipts tax or
12 governmental gross receipts tax due, [~~only those receipts~~
13 ~~specified in Sections 7-9-46 through 7-9-76.2, 7-9-77.1,~~
14 ~~7-9-83, 7-9-85 through 7-9-87 and 7-9-89 NMSA 1978 may be~~
15 ~~deducted~~] deductible receipts, whether specified as deductible
16 once or several times in [~~those sections~~] the Gross Receipts
17 and Compensating Tax Act, may be deducted only once from gross
18 receipts or governmental gross receipts.

19 B. Receipts that are exempted from the gross
20 receipts tax may not be deducted from gross receipts. Receipts
21 that are deducted from gross receipts may not be exempted from
22 the gross receipts tax.

23 C. Receipts that are exempted from the governmental
24 gross receipts tax shall not be deducted from governmental
25 gross receipts. Receipts that are deducted from governmental

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1 gross receipts shall not be exempted from the governmental
2 gross receipts tax."

3 SECTION 34. Section 7-9-56.1 NMSA 1978 (being Laws 1998,
4 Chapter 92, Section 1, as amended) is amended to read:

5 "7-9-56.1. DEDUCTION--GROSS RECEIPTS TAX--INTERNET
6 SERVICES.--On and after July 1, 1998, receipts from providing
7 leased telephone lines, telecommunications services, internet
8 services, internet access services or computer programming that
9 will be used by other persons in providing internet access and
10 related services to the final user may be deducted from gross
11 receipts if the sale is made to a person who is subject to [~~the~~
12 ~~gross receipts tax or~~] the interstate telecommunications gross
13 receipts tax."

14 SECTION 35. Section 7-9-91 NMSA 1978 (being Laws 2001,
15 Chapter 135, Section 1) is amended to read:

16 "7-9-91. DEDUCTION--COMPENSATING TAX--CONTRIBUTIONS OF
17 INVENTORY TO [~~CERTAIN ORGANIZATIONS AND~~] GOVERNMENTAL
18 AGENCIES.--

19 [~~A. Except as provided otherwise in Subsection D of~~
20 ~~this section, the value of tangible personal property that is~~
21 ~~removed from inventory and contributed to organizations that~~
22 ~~have been granted exemption from the federal income tax by the~~
23 ~~United States commissioner of internal revenue as organizations~~
24 ~~described in Section 501(c)(3) of the Internal Revenue Code of~~
25 ~~1986, as amended, may be deducted in computing the compensating~~

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1 ~~tax due, provided that the contribution is deductible for~~
2 ~~federal income tax purposes by the person from whose inventory~~
3 ~~the property was withdrawn or, if the person from whose~~
4 ~~inventory the property was withdrawn is a pass-through entity~~
5 ~~as that term is defined in Section 7-3-2 NMSA 1978, the~~
6 ~~contribution is deductible by the owner or owners of the pass-~~
7 ~~through entity.~~

8 ~~B.~~ A. Except as provided otherwise in Subsection
9 ~~[D]~~ C of this section, the value of tangible personal property
10 that is removed from inventory and contributed to the United
11 States or New Mexico or any governmental unit or subdivision,
12 agency, department or instrumentality thereof may be deducted
13 in computing the compensating tax due.

14 ~~[G.]~~ B. Except as provided otherwise in Subsection
15 ~~[D]~~ C of this section, the value of tangible personal property
16 that is removed from inventory and contributed to an Indian
17 tribe, nation or pueblo or any governmental subdivision,
18 agency, department or instrumentality thereof for use on that
19 Indian reservation or pueblo grant may be deducted in computing
20 the compensating tax due.

21 ~~[D.]~~ C. Unless contrary to federal law, the
22 deduction provided by this section does not apply to:

23 (1) a contribution of metalliferous mineral
24 ore;

25 (2) a contribution of tangible personal

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1 property that is or will be incorporated into a metropolitan
2 redevelopment project created under the Metropolitan
3 Redevelopment Code;

4 (3) a contribution of tangible personal
5 property that will become an ingredient or component part of a
6 construction project; or

7 (4) a contribution of tangible personal
8 property utilized or produced in the performance of a service.

9 ~~[E-]~~ D. For purposes of this section:

10 (1) "inventory" means tangible personal
11 property held for sale or lease in the ordinary course of
12 business; and

13 (2) "contributed" or "contribution" means a
14 transfer of ownership without consideration. Public
15 acknowledgment of the contribution does not constitute
16 consideration for the purpose of this section."

17 **SECTION 36.** A new section of the Gross Receipts and
18 Compensating Tax Act is enacted to read:

19 "[NEW MATERIAL] CREDIT--REFUND--GROSS RECEIPTS.--

20 A. A New Mexico resident who files a gross receipts
21 tax return or on whose behalf wages are withheld pursuant to
22 the Withholding Tax Act or Gross Receipts and Compensating Tax
23 Act may, by April 15 of each calendar year, claim a credit in
24 the appropriate amount shown in the following table against
25 gross receipts tax paid during the previous calendar year and

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1 based upon the claimant's percentage of income for federal
2 purposes and adjusted for family size for the previous federal
3 income tax period in relation to the federal poverty guidelines
4 as defined by the United States census bureau.

5 Income for federal purposes, adjusted for family size, as a
6 percentage of federal poverty guidelines is:

7	Over:	But Not Over:	Tax Credit Is:
8	0%	100%	1.64 X gross receipts tax paid
9	100%	110%	1.50 X gross receipts tax paid
10	110%	120%	1.36 X gross receipts tax paid
11	120%	130%	1.21 X gross receipts tax paid
12	130%	140%	1.07 X gross receipts tax paid
13	140%	150%	0.93 X gross receipts tax paid
14	150%	160%	0.79 X gross receipts tax paid
15	160%	170%	0.64 X gross receipts tax paid
16	170%	180%	0.50 X gross receipts tax paid
17	180%	190%	0.36 X gross receipts tax paid
18	190%	200%	0.21 X gross receipts tax paid
19	200%	210%	0.07 X gross receipts tax paid.

20 B. The tax credit provided for in this section
21 shall first be deducted from the taxpayer's gross receipts tax
22 liability. If the tax credit exceeds the taxpayer's gross
23 receipts tax liability, the excess shall be refunded to the
24 taxpayer. The credit shall not be transferred to another
25 taxpayer.

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1 C. The taxpayer shall claim the refund in a form
2 provided by the department. The department shall refund the
3 amount of the credit in excess of the gross receipts tax
4 liability within one hundred twenty days after the date the
5 taxpayer claimed the credit.

6 D. A taxpayer who is or may be claimed as a
7 dependent pursuant to the Internal Revenue Code of 1986 shall
8 not claim the credit provided by this section. In no event
9 shall the department allow a person who is or may be claimed as
10 a dependent pursuant to the Internal Revenue Code of 1986 to
11 claim the credit provided by this section.

12 E. For purposes of this section, a person who filed
13 a joint federal income tax return with the person's spouse for
14 the preceding taxable year shall be deemed to have an income
15 for federal purposes for that taxable year equal to one-half of
16 the income for federal purposes reported on the joint return."

17 SECTION 37. Section 7-19-12 NMSA 1978 (being Laws 1979,
18 Chapter 397, Section 3, as amended) is amended to read:

19 "7-19-12. AUTHORIZATION TO IMPOSE SUPPLEMENTAL MUNICIPAL
20 GROSS RECEIPTS TAX--AUTHORIZATION FOR ISSUANCE OF SUPPLEMENTAL
21 MUNICIPAL GROSS RECEIPTS BONDS--ELECTION REQUIRED.--

22 A. Prior to July 1, 2013, the majority of the
23 members elected to the governing body of a municipality may
24 enact an ordinance imposing an excise tax on any person
25 engaging in business in the municipality for the privilege of

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1 engaging in business in the municipality. This tax is to be
2 referred to as the "supplemental municipal gross receipts tax".
3 The rate of the tax shall not exceed one percent of the gross
4 receipts of the person engaging in business and shall be
5 imposed in one-fourth percent increments if less than one
6 percent.

7 B. The governing body of a municipality enacting an
8 ordinance imposing the tax authorized in Subsection A of this
9 section shall submit the question of imposing such tax and the
10 question of the issuance of supplemental municipal gross
11 receipts bonds in an amount not to exceed nine million dollars
12 (\$9,000,000), for which the revenue from the supplemental
13 municipal gross receipts tax is dedicated, to the qualified
14 electors of the municipality at a regular or special election.

15 C. The questions referred to in Subsection B of
16 this section shall be submitted to a vote of the qualified
17 electors of the municipality as two separate ballot questions,
18 which shall be substantially in the following form:

19 (1) "Shall the municipality be authorized to
20 issue supplemental municipal gross receipts bonds in an amount
21 of not exceeding _____ dollars for the purpose
22 of constructing and equipping and otherwise acquiring a
23 municipal water supply system?

24 For _____ Against _____"; and

25 (2) "Shall the municipality impose an excise

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1 tax for the privilege of engaging in business in the
2 municipality [~~which~~] that shall be known as the "supplemental
3 municipal gross receipts tax" and [~~which~~] that shall be imposed
4 at a rate of _____ percent of the gross receipts of the
5 person engaging in business, the proceeds of which are
6 dedicated to the payment of supplemental municipal gross
7 receipts bonds?

8 For _____ Against _____".

9 D. Only those voters who are registered electors
10 who reside within the municipality shall be permitted to vote
11 on these two questions. The procedures for conducting the
12 election shall be substantially the same as the applicable
13 provisions in Sections 3-30-1, 3-30-6 and 3-30-7 NMSA 1978
14 relating to municipal debt.

15 E. If at an election called pursuant to this
16 section a majority of the voters voting on each of the two
17 questions vote in the affirmative on each [~~such~~] question,
18 [~~then~~] the ordinance imposing the supplemental municipal gross
19 receipts tax shall be approved. If at such election a majority
20 of the voters voting on such questions [~~fail~~] fails to approve
21 any of the questions, [~~then~~] the ordinance imposing the tax
22 shall be disapproved and the questions required to be submitted
23 by Subsection B of this section shall not be submitted to the
24 voters for a period of one year from the date of the election.

25 F. Any ordinance enacted under the provisions of

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1 this section shall include an effective date of either July 1
2 or January 1, whichever date occurs first after the expiration
3 of at least five months from the date of the election. A
4 certified copy of any ordinance imposing a supplemental
5 municipal gross receipts tax shall be mailed to the [~~division~~
6 department] within five days after the ordinance is adopted by
7 the approval by the electorate. Any ordinance repealing the
8 imposition of a tax under the provisions of the Supplemental
9 Municipal Gross Receipts Tax Act shall become effective on
10 either July 1 or January 1, after the expiration of at least
11 five months from the date the ordinance is repealed by the
12 governing body.

13 G. Nothing in this section is intended to or does
14 alter the effectiveness or validity of any actions taken in
15 accordance with Subsection G of Section 80 of Chapter 20 of
16 Laws 1986."

17 SECTION 38. Section 7-19-17 NMSA 1978 (being Laws 1979,
18 Chapter 397, Section 8, as amended) is amended to read:

19 "7-19-17. ISSUANCE OF BONDS--PURPOSES--REPEAL AFTER PAID
20 IN FULL.--

21 A. If the ordinance imposing the supplemental
22 municipal gross receipts tax is approved as provided in
23 Subsection E of Section 7-19-12 NMSA 1978, the governing body
24 of a municipality may issue bonds pursuant to the Supplemental
25 Municipal Gross Receipts Tax Act in an amount not to exceed

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1 nine million dollars (\$9,000,000). The supplemental municipal
2 gross receipts bonds shall be issued for the purpose of
3 constructing and equipping and otherwise acquiring a municipal
4 water supply system, including the purchase of water rights and
5 easements, equipment and professional fees related thereto, to
6 be paid back from the proceeds of the supplemental municipal
7 gross receipts tax imposed.

8 B. Supplemental municipal gross receipts bonds
9 shall be issued and sold as provided in the Supplemental
10 Municipal Gross Receipts Tax Act. The governing body of the
11 municipality shall determine at its discretion the terms,
12 covenants and conditions of the supplemental municipal gross
13 receipts bonds, including but not limited to date of issuance,
14 denomination, maturity, coupon rates, call features, premium,
15 registration, refundability and other matters covering the
16 general and technical aspects of their issuance. These bonds
17 may be either serial or term and may be sold by the governing
18 body of the municipality at the time and in the manner as the
19 governing body may elect, at either public or private sale.
20 The supplemental municipal gross receipts bonds shall not be
21 considered or held to be general obligations of the
22 municipality issuing them and are payable solely from the
23 revenue accruing from the revenue of the supplemental municipal
24 gross receipts tax. The ordinance authorizing the tax shall be
25 irrepealable until these bonds are fully paid. Once these

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1 bonds are fully paid, the ordinance shall be repealed."

2 SECTION 39. A new section of the Municipal Local Option
3 Gross Receipts Taxes Act is enacted to read:

4 "[NEW MATERIAL] MAXIMUM AGGREGATE RATE--LIMITATION ON
5 AUTHORITY TO IMPOSE RATE--CONTINUED REPAYMENT OF DEBT
6 SERVICE.--

7 A. The total excise tax imposed by all ordinances
8 enacted pursuant to the Municipal Local Option Gross Receipts
9 Taxes Act shall not exceed a rate of five-tenths percent of the
10 gross receipts of any person engaging in business in the
11 municipality for the privilege of engaging in business and may
12 be imposed in increments of five-thousandths percent. If a
13 municipality prior to January 1, 2014 has imposed a rate in
14 excess of five-tenths percent, that municipality shall reduce
15 the rate not to exceed five-tenths percent.

16 B. Notwithstanding the provisions of Subsection A
17 of this section, if the maximum aggregate rate impairs the
18 ability of a municipality to meet its principal or interest
19 payment obligations for bonds outstanding prior to July 1, 2013
20 that are secured by the pledge of all or part of the
21 municipality's revenue from an excise tax imposed pursuant to
22 the Municipal Local Option Gross Receipts Taxes Act, then the
23 majority of the members of the governing body of that
24 municipality may impose a maximum aggregate rate in an amount
25 sufficient to meet any required payment, provided that the rate

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1 does not exceed three and twenty-five hundredths percent of
2 gross receipts. Notwithstanding any other section of law to
3 the contrary, a municipality may dedicate part of revenue
4 derived from an excise tax imposed pursuant to the Municipal
5 Local Option Gross Receipts Taxes Act to pay principal or
6 interest obligations for any type of bond outstanding prior to
7 July 1, 2013."

8 SECTION 40. Section 7-19D-9 NMSA 1978 (being Laws 1978,
9 Chapter 151, Section 1, as amended) is amended to read:

10 "7-19D-9. MUNICIPAL GROSS RECEIPTS TAX--AUTHORITY TO
11 IMPOSE RATE.--

12 A. The majority of the members of the governing
13 body of any municipality may impose by ordinance an excise tax
14 not to exceed a rate of [~~one and one-half~~] five-tenths percent
15 of the gross receipts of any person engaging in business in the
16 municipality for the privilege of engaging in business in the
17 municipality. A tax imposed pursuant to this section shall be
18 imposed by the enactment of one or more ordinances, each
19 imposing any number of municipal gross receipts tax rate
20 increments, but the total municipal gross receipts tax rate
21 imposed by all ordinances shall not exceed an aggregate rate of
22 [~~one and one-half~~] five-tenths percent of the gross receipts of
23 a person engaging in business. Municipalities may impose
24 increments of [~~one-eighth of one~~] five-thousandths percent.

25 B. The tax imposed pursuant to Subsection A of this
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1 section may be referred to as the "municipal gross receipts
2 tax".

3 C. The governing body of a municipality may, at the
4 time of enacting an ordinance imposing the tax authorized in
5 Subsection A of this section, dedicate the revenue for a
6 specific purpose or area of municipal government services,
7 including but not limited to police protection, fire
8 protection, public transportation or street repair and
9 maintenance. If the governing body proposes to dedicate such
10 revenue, the ordinance and, if any election is held, the ballot
11 shall clearly state the purpose to which the revenue will be
12 dedicated, and any revenue so dedicated shall be used by the
13 municipality for that purpose unless a subsequent ordinance is
14 adopted to change the purpose to which dedicated or to place
15 the revenue in the general fund of the municipality.

16 D. An election shall be called on the questions of
17 disapproval or approval of any ordinance enacted pursuant to
18 Subsection A of this section or any ordinance amending such
19 ordinance:

20 (1) if the governing body chooses to provide
21 in the ordinance that it shall not be effective until the
22 ordinance is approved by the majority of the registered voters
23 voting on the question at an election to be held pursuant to
24 the provisions of a home-rule charter or on a date set by the
25 governing body and pursuant to the provisions of the Municipal

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1 Election Code governing special elections; or

2 (2) if the ordinance does not contain a
3 mandatory election provision as provided in Paragraph (1) of
4 this subsection, upon the filing of a petition requesting such
5 an election if the petition is filed:

6 (a) pursuant to the requirements of a
7 referendum provision contained in a municipal home-rule charter
8 and signed by the number of registered voters in the
9 municipality equal to the number of registered voters required
10 in its charter to seek a referendum; or

11 (b) in all other municipalities, with
12 the municipal clerk within thirty days after the adoption of
13 such ordinance and the petition has been signed by a number of
14 registered voters in the municipality equal to at least five
15 percent of the number of the voters in the municipality who
16 were registered to vote in the most recent regular municipal
17 election.

18 E. The signatures on the petition filed in
19 accordance with Subsection D of this section shall be verified
20 by the municipal clerk. If the petition is verified by the
21 municipal clerk as containing the required number of signatures
22 of registered voters, the governing body shall adopt an
23 election resolution calling for the holding of a special
24 election on the question of approving or disapproving the
25 ordinance unless the ordinance is repealed before the adoption

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1 of the election resolution. An election held pursuant to
2 Subparagraph (a) or (b) of Paragraph (2) of Subsection D of
3 this section shall be called, conducted and canvassed as
4 provided in the Municipal Election Code for special elections,
5 and the election shall be held within seventy-five days after
6 the date the petition is verified by the municipal clerk or it
7 may be held in conjunction with a regular municipal election if
8 such election occurs within seventy-five days after the date of
9 verification by the municipal clerk.

10 F. If at an election called pursuant to Subsection
11 D of this section a majority of the registered voters voting on
12 the question approves the ordinance imposing the tax, the
13 ordinance shall become effective in accordance with the
14 provisions of the Municipal Local Option Gross Receipts Taxes
15 Act. If at such an election a majority of the registered
16 voters voting on the question disapproves the ordinance, the
17 ordinance imposing the tax shall be deemed repealed and the
18 question of imposing any increment of the municipal gross
19 receipts tax authorized in this section shall not be considered
20 again by the governing body for a period of one year from the
21 date of the election.

22 G. Any municipality that has lawfully imposed by
23 the requirements of the Special Municipal Gross Receipts Tax
24 Act a rate of at least one-fourth of one percent shall be
25 deemed to have imposed [~~one-fourth of one~~] five-hundredths

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1 percent municipal gross receipts tax pursuant to this section.
2 Any rate of tax deemed to be imposed pursuant to this
3 subsection shall continue to be dedicated to the payment of
4 outstanding bonds issued by the municipality that pledged the
5 tax revenues by ordinance until such time as the bonds are
6 fully paid. A municipality may by ordinance change the purpose
7 for any rate of tax deemed to be imposed at any time the
8 revenues are not committed to payment of bonds.

9 H. Any law that imposes or authorizes the
10 imposition of a municipal gross receipts tax or that affects
11 the municipal gross receipts tax, or any law supplemental
12 thereto or otherwise appertaining thereto, shall not be
13 repealed or amended or otherwise directly or indirectly
14 modified in such a manner as to impair adversely any
15 outstanding revenue bonds that may be secured by a pledge of
16 such municipal gross receipts tax unless such outstanding
17 revenue bonds have been discharged in full or provision has
18 been fully made therefor.

19 I. Notwithstanding the provisions of Subsection A
20 of this section, if the municipal gross receipts tax rate of
21 one-half percent of gross receipts impairs the ability of a
22 municipality to meet its principal or interest payment
23 obligations for revenue bonds outstanding prior to July 1, 2013
24 that are secured by the pledge of all or part of the
25 municipality's municipal gross receipts tax, then the majority

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1 of the members of the governing body of that municipality may
2 impose a municipal gross receipts tax rate in an amount
3 sufficient to meet any required payment, provided that the rate
4 does not exceed one and five-tenths percent of gross receipts."

5 SECTION 41. Section 7-19D-10 NMSA 1978 (being Laws 1990,
6 Chapter 99, Section 51, as amended) is amended to read:

7 "7-19D-10. MUNICIPAL ENVIRONMENTAL SERVICES GROSS
8 RECEIPTS TAX--AUTHORITY TO IMPOSE--ORDINANCE REQUIREMENTS.--

9 A. Except as otherwise provided in this section,
10 the majority of the members of the governing body of a
11 municipality may enact an ordinance imposing an excise tax on
12 any person engaging in business in the municipality for the
13 privilege of engaging in business. The rate of the tax shall
14 [~~be one-sixteenth of one~~] not exceed five-hundredths percent of
15 the gross receipts of the person engaging in business.
16 Municipalities may impose increments of five-thousandths
17 percent.

18 B. The tax imposed in accordance with Subsection A
19 of this section may be referred to as the "municipal
20 environmental services gross receipts tax". The imposition of
21 a municipal environmental services gross receipts tax is not
22 subject to referendum.

23 C. The governing body of a municipality shall, at
24 the time of enacting an ordinance imposing the rate of the tax
25 authorized in Subsection A of this section, dedicate the

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1 revenue for acquisition, construction, operation and
2 maintenance of solid waste facilities, water facilities,
3 wastewater facilities, sewer systems and related facilities.

4 D. The governing body of a municipality in a class
5 B county with a net taxable value used for rate-setting
6 purposes for the 2008 property tax year of greater than seven
7 hundred fifty million dollars (\$750,000,000) and a population
8 in the entire county according to the most recent federal
9 decennial census of less than twenty-five thousand may enact an
10 ordinance imposing an excise tax on any person engaging in
11 business in the municipality for the privilege of engaging in
12 business; provided that:

13 (1) the rate of the tax imposed shall not
14 exceed [~~one-half of one~~] one hundred twenty-five thousandths
15 percent of the gross receipts of the person engaging in
16 business;

17 (2) the tax is imposed in [~~one-fourth of one~~]
18 five-thousandths percent increments; and

19 (3) the population of the municipality
20 imposing the municipal environmental services gross receipts
21 tax according to the most recent federal decennial census is:

22 (a) more than seven thousand five
23 hundred but less than seven thousand eight hundred; or

24 (b) more than one thousand five hundred
25 but less than two thousand."

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1 SECTION 42. Section 7-19D-11 NMSA 1978 (being Laws 1991,
2 Chapter 9, Section 3, as amended) is amended to read:

3 "7-19D-11. MUNICIPAL INFRASTRUCTURE GROSS RECEIPTS
4 TAX--AUTHORITY BY MUNICIPALITY TO IMPOSE--ORDINANCE
5 REQUIREMENTS--ELECTION.--

6 A. A majority of the members of the governing body
7 of a municipality may enact an ordinance imposing an excise tax
8 on any person engaging in business in the municipality for the
9 privilege of engaging in business. The rate of the tax shall
10 not exceed [~~one-fourth of one~~] five-hundredths percent of the
11 gross receipts of the person engaging in business and may be
12 imposed in [~~one-sixteenth of one~~] five-thousandths percent
13 increments by separate ordinances. Any ordinance enacting any
14 increment of the first [~~one-eighth of one~~] two-hundredths
15 percent of the tax is not subject to a referendum of any kind,
16 notwithstanding any requirement of any charter municipality,
17 except that an increment that is imposed after July 1, 1998 for
18 economic development purposes set forth in Paragraph (5) of
19 Subsection C of this section shall be subject to a referendum
20 as provided in Subsection D of this section.

21 B. The tax imposed pursuant to Subsection A of this
22 section may be referred to as the "municipal infrastructure
23 gross receipts tax".

24 C. The governing body of a municipality, at the
25 time of enacting any ordinance imposing the rate of the tax

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1 authorized in Subsection A of this section, may dedicate the
2 revenue for:

3 (1) payment of special obligation bonds issued
4 pursuant to a revenue bond act;

5 (2) repair, replacement, construction or
6 acquisition of infrastructure improvements, including sanitary
7 sewer lines, storm sewers and other drainage improvements,
8 water, water rights, water lines and utilities, streets,
9 alleys, rights of way, easements, international ports of entry
10 and land within the municipality or within the extraterritorial
11 zone of the municipality;

12 (3) municipal general purposes;

13 (4) acquiring, constructing, extending,
14 bettering, repairing or otherwise improving or operating or
15 maintaining public transit systems or regional transit systems
16 or authorities; and

17 (5) furthering or implementing economic
18 development plans and projects as defined in the Local Economic
19 Development Act or projects as defined in the Statewide
20 Economic Development Finance Act, and use of not more than the
21 greater of fifty thousand dollars (\$50,000) or ten percent of
22 the revenue collected for promotion and administration of or
23 professional services contracts related to implementation of an
24 economic development plan adopted by the governing body
25 pursuant to the Local Economic Development Act and in

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1 accordance with law.

2 D. An ordinance imposing any increment of the
3 municipal infrastructure gross receipts tax in excess of the
4 first ~~[one-eighth of one]~~ two-hundredths percent or any
5 increment imposed after July 1, 1998 for economic development
6 purposes set forth in Paragraph (5) of Subsection C of this
7 section shall not go into effect until after an election is
8 held and a majority of the voters of the municipality voting in
9 the election votes in favor of imposing the tax. The governing
10 body shall adopt a resolution calling for an election within
11 seventy-five days of the date the ordinance is adopted on the
12 question of imposing the tax. The question shall be submitted
13 to the voters of the municipality as a separate question at a
14 regular municipal election or at a special election called for
15 that purpose by the governing body. A special municipal
16 election shall be called, conducted and canvassed as provided
17 in the Municipal Election Code. If a majority of the voters
18 voting on the question approves the ordinance imposing the
19 municipal infrastructure gross receipts tax, then the ordinance
20 shall become effective in accordance with the provisions of the
21 Municipal Local Option Gross Receipts Taxes Act. If the
22 question of imposing the municipal infrastructure gross
23 receipts tax fails, the governing body shall not again propose
24 the imposition of any increment of the tax in excess of the
25 first ~~[one-eighth of one]~~ two-hundredths percent for a period

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1 of one year from the date of the election."

2 SECTION 43. Section 7-19D-12 NMSA 1978 (being Laws 2001,
3 Chapter 172, Section 1, as amended) is amended to read:

4 "7-19D-12. MUNICIPAL CAPITAL OUTLAY GROSS RECEIPTS
5 TAX--PURPOSES--REFERENDUM.--

6 A. The majority of the members of the governing
7 body of a municipality may enact an ordinance imposing an
8 excise tax at a rate not to exceed [~~one-fourth of one~~] twenty-
9 five hundredths percent of the gross receipts of any person
10 engaging in business in the municipality for the privilege of
11 engaging in business. The tax may be imposed in increments of
12 [~~one-sixteenth of one~~] five-thousandths percent not to exceed
13 an aggregate rate of [~~one-fourth of~~] one hundred twenty-five
14 thousandths percent.

15 B. The tax imposed pursuant to Subsection A of this
16 section may be referred to as the "municipal capital outlay
17 gross receipts tax".

18 C. The governing body, at the time of enacting an
19 ordinance imposing a rate of tax authorized in Subsection A of
20 this section, may dedicate the revenue for any municipal
21 infrastructure purpose, including:

- 22 (1) the design, construction, acquisition,
- 23 improvement, renovation, rehabilitation, equipping or
- 24 furnishing of public buildings or facilities, including parking
- 25 facilities, the acquisition of land for the public buildings or

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1 facilities and the acquisition or improvement of the grounds
2 surrounding public buildings or facilities;

3 (2) acquisition, construction or improvement
4 of water, wastewater or solid waste systems or facilities and
5 related facilities, including water or sewer lines and storm
6 sewers and other drainage improvements;

7 (3) acquisition, rehabilitation or improvement
8 of firefighting equipment;

9 (4) construction, reconstruction or
10 improvement of municipal streets, alleys, roads or bridges,
11 including acquisition of rights of way;

12 (5) design, construction, acquisition,
13 improvement or equipping of airport facilities, including
14 acquisition of land, easements or rights of way for airport
15 facilities;

16 (6) acquisition of land for open space, public
17 parks or public recreational facilities and the design,
18 acquisition, construction, improvement or equipping of parks
19 and recreational facilities; and

20 (7) payment of gross receipts tax revenue
21 bonds issued pursuant to Chapter 3, Article 31 NMSA 1978 for
22 infrastructure purposes.

23 D. An ordinance imposing the municipal capital
24 outlay gross receipts tax shall not go into effect until after
25 an election is held on the question of imposing the tax for the

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1 purpose for which the revenue is dedicated and a majority of
2 the voters in the municipality voting in the election votes in
3 favor of imposing the tax. The governing body shall adopt a
4 resolution calling for an election within seventy-five days of
5 the date the ordinance is adopted on the question of imposing
6 the tax. The question shall be submitted to the voters of the
7 municipality as a separate question at a general election or at
8 a special election called for that purpose by the governing
9 body. A special election shall be called, conducted and
10 canvassed in substantially the same manner as provided by law
11 for general elections. If a majority of the voters voting on
12 the question approves the question of imposing the municipal
13 capital outlay gross receipts tax, then the ordinance shall
14 become effective in accordance with the provisions of the
15 Municipal Local Option Gross Receipts Taxes Act. If the
16 question of imposing the municipal capital outlay gross
17 receipts tax fails, the governing body shall not again propose
18 the imposition of the tax for a period of one year from the
19 date of the election."

20 SECTION 44. Section 7-19D-14 NMSA 1978 (being Laws 2005,
21 Chapter 212, Section 2) is amended to read:

22 "7-19D-14. QUALITY OF LIFE GROSS RECEIPTS TAX--AUTHORITY
23 TO IMPOSE--ORDINANCE REQUIREMENTS--USE OF REVENUE--ELECTION.--

24 A. Prior to January 1, 2016, the majority of the
25 members of the governing body of a municipality may enact an

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1 ordinance imposing an excise tax at a rate not to exceed [~~one-~~
2 ~~fourth~~] one hundred twenty-five thousandths percent of the
3 gross receipts of a person engaging in business in the
4 municipality for the privilege of engaging in business. The
5 tax may be imposed in one or more increments of [~~one-sixteenth~~]
6 five-thousandths percent not to exceed an aggregate rate of
7 [~~one-fourth~~] one hundred twenty-five thousandths percent. The
8 tax shall be imposed for a period of not more than ten years
9 from the effective date of the ordinance imposing the tax.
10 Having enacted an ordinance imposing the tax prior to January
11 1, 2016 pursuant to the provisions of this section, the
12 governing body may enact subsequent ordinances for succeeding
13 periods of not more than ten years; provided that each
14 ordinance meets the requirements of this section and of the
15 Municipal Local Option Gross Receipts Taxes Act. The tax
16 imposed pursuant to the provisions of this section may be
17 referred to as the "quality of life gross receipts tax".

18 B. The governing body, at the time of enacting an
19 ordinance imposing the quality of life gross receipts tax,
20 shall dedicate the revenue to cultural programs and activities
21 provided by a local government and to cultural programs, events
22 and activities provided by contract or operating agreement with
23 nonprofit or publicly owned cultural organizations and
24 institutions.

25 C. An ordinance imposing any increment of the

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1 quality of life gross receipts tax shall not go into effect
2 until after an election is held and a majority of the voters in
3 the municipality voting in the election votes in favor of
4 imposing the tax. The governing body shall adopt a resolution
5 calling for an election within ninety days of the date the
6 ordinance is adopted on the question of imposing the tax. The
7 question may be submitted to the voters as a separate question
8 at a general election or at a special election called for that
9 purpose by the governing body. A special election shall be
10 called, conducted and canvassed in substantially the same
11 manner as provided by law for general elections. In any
12 election held, the ballot shall clearly state the purpose to
13 which the revenue will be dedicated pursuant to this section.
14 If a majority of the voters voting on the question approves the
15 ordinance imposing the quality of life gross receipts tax, the
16 ordinance shall become effective in accordance with the
17 provisions of the Municipal Local Option Gross Receipts Taxes
18 Act. If the question of imposing the quality of life gross
19 receipts tax fails, the governing body shall not again propose
20 the imposition of the tax for a period of one year from the
21 date of the election.

22 D. The quality of life gross receipts tax revenue
23 shall be used to meet the following goals: promoting and
24 preserving cultural diversity; enhancing the quality of
25 cultural programs and activities; fostering greater access to

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1 cultural opportunities; promoting culture in order to further
2 economic development within the municipality; and supporting
3 programs, events and organizations with direct, identifiable
4 and measurable public benefit to residents of the municipality.
5 It is the objective of the quality of life gross receipts tax
6 that the revenue from the tax be used to expand and sustain
7 existing programs and to develop new programs, events and
8 activities, rather than to replace other funding sources for
9 existing programs, events and activities.

10 E. The governing body of a municipality that
11 imposes the quality of life gross receipts tax shall, within
12 sixty days of the election approving the imposition of the tax,
13 appoint a municipal cultural advisory board consisting of
14 between nine and fifteen members. Persons appointed to the
15 board shall be residents of the municipality who are
16 knowledgeable about the activities eligible for quality of life
17 tax funding. The members of the board shall be appointed for
18 fixed terms and shall not be removed during their terms except
19 for malfeasance. The terms of the initial board members shall
20 be staggered so that one-third of the members are appointed for
21 one-year terms, one-third are appointed for two-year terms and
22 one-third are appointed for three-year terms. Subsequent
23 appointments to the board shall be for three-year terms. If a
24 vacancy on the board occurs, the governing body shall appoint a
25 replacement member for the remainder of the unexpired term. A

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1 board member shall not serve for more than two consecutive
2 terms.

3 F. The municipal cultural advisory board shall have
4 the responsibility of overseeing the distribution of the
5 quality of life gross receipts tax revenue for the goals listed
6 in Subsection D of this section. The board shall:

7 (1) biennially submit recommendations to the
8 governing body for expenditures of revenue from the quality of
9 life gross receipts tax that are allocated pursuant to this
10 section through contracts for services with appropriate
11 organizations and institutions;

12 (2) establish and publicize the necessary
13 qualifications for organizations and institutions to receive
14 quality of life gross receipts tax funding; and

15 (3) develop guidelines and procedures for
16 applying for funding through a request for proposals process
17 and the criteria by which contracts will be awarded. The
18 evaluation process shall include a public review component.

19 G. The municipal cultural advisory board shall
20 establish reporting requirements for recipients of the quality
21 of life gross receipts tax revenue. The board shall provide to
22 the governing body an annual evaluation of the use of revenue
23 from the quality of life gross receipts tax to ensure that it
24 is meeting the goals listed in Subsection D of this section.

25 H. Every four years, the municipal cultural

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1 advisory board shall review and revise as necessary:

2 (1) the guidelines and procedures for applying
3 for funding; and

4 (2) the criteria by which applications for
5 funding will be evaluated.

6 I. As used in this section:

7 (1) "cultural organizations and institutions"
8 means organizations or institutions that have as a primary
9 purpose the advancement or preservation of zoology, museums,
10 library sciences, art, music, theater, dance, literature or the
11 humanities; and

12 (2) "municipality" means an incorporated
13 municipality except for an incorporated municipality with a
14 population in excess of two hundred fifty thousand according to
15 the most recent federal decennial census."

16 SECTION 45. Section 7-19D-15 NMSA 1978 (being Laws 2006,
17 Chapter 15, Section 14) is amended to read:

18 "7-19D-15. MUNICIPAL REGIONAL SPACEPORT GROSS RECEIPTS
19 TAX--AUTHORITY TO IMPOSE--RATE--ELECTION REQUIRED.--

20 A. A majority of the members of the governing body
21 of a municipality that desires to become a member of a regional
22 spaceport district pursuant to the Regional Spaceport District
23 Act shall impose by ordinance an excise tax at a rate not to
24 exceed [~~one-half~~] twenty-five hundredths percent of the gross
25 receipts of a person engaging in business in the municipality

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1 for the privilege of engaging in business. A tax imposed
2 pursuant to this section may be imposed by one or more
3 ordinances, each imposing any number of tax rate increments,
4 but an increment shall not be less than [~~one-sixteenth~~] five-
5 thousandths percent of the gross receipts of a person engaging
6 in business in the municipality, and the aggregate of all rates
7 shall not exceed [~~one-half~~] twenty-five hundredths percent of
8 the gross receipts of a person engaging in business in the
9 municipality. The tax may be referred to as the "municipal
10 regional spaceport gross receipts tax".

11 B. A governing body, at the time of enacting an
12 ordinance imposing a tax authorized in Subsection A of this
13 section, shall dedicate a minimum of seventy-five percent of
14 the revenue to a regional spaceport district for the financing,
15 planning, designing, engineering and construction of a regional
16 spaceport pursuant to the Regional Spaceport District Act and
17 may dedicate no more than twenty-five percent of the revenue
18 for spaceport-related projects as approved by resolution of the
19 governing body of the municipality.

20 C. An ordinance imposing a municipal regional
21 spaceport gross receipts tax shall not go into effect until
22 after an election is held and a majority of the voters of the
23 municipality voting in the election votes in favor of imposing
24 the tax. The governing body shall adopt a resolution calling
25 for an election within seventy-five days of the date the

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1 ordinance is adopted on the question of imposing the tax. The
2 question shall be submitted to the voters of the municipality
3 as a separate question at a regular municipal election or at a
4 special election called for that purpose by the governing body.
5 A special municipal election shall be called, conducted and
6 canvassed as provided in the Municipal Election Code. If a
7 majority of the voters voting on the question approves the
8 ordinance imposing the municipal regional spaceport gross
9 receipts tax, the ordinance shall become effective in
10 accordance with the provisions of the Municipal Local Option
11 Gross Receipts Taxes Act. If the question of imposing the
12 municipal regional spaceport gross receipts tax fails, the
13 governing body shall not again propose the imposition of an
14 increment of the tax for a period of one year from the date of
15 the election.

16 D. The governing body of a municipality imposing
17 the municipal regional spaceport gross receipts tax shall
18 transfer a minimum of seventy-five percent of all proceeds from
19 the tax to the regional spaceport district of which it is a
20 member for regional spaceport purposes in accordance with the
21 provisions of the Regional Spaceport District Act. The
22 governing body of a municipality imposing the municipal
23 regional spaceport gross receipts tax may retain no more than
24 twenty-five percent of the municipal regional spaceport gross
25 receipts tax for spaceport-related projects as approved by

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1 resolution of the governing body."

2 SECTION 46. Section 7-19D-16 NMSA 1978 (being Laws 2007,
3 Chapter 148, Section 1) is amended to read:

4 "7-19D-16. MUNICIPAL HIGHER EDUCATION FACILITIES GROSS
5 RECEIPTS TAX.--

6 A. The majority of the members of the governing
7 body of an eligible municipality may impose by ordinance an
8 excise tax at a rate not to exceed [~~one-fourth of~~] one hundred
9 twenty-five thousandths percent of the gross receipts of a
10 person engaging in business in the municipality for the
11 privilege of engaging in business. The tax may be imposed in
12 increments of [~~one-sixteenth of one~~] five-thousandths percent
13 not to exceed an aggregate rate of [~~one-fourth of~~] one hundred
14 twenty-five thousandths percent. The tax shall be imposed for
15 a period of not more than twenty years from the effective date
16 of the ordinance imposing the tax.

17 B. The tax imposed pursuant to this section may be
18 referred to as the "municipal higher education facilities gross
19 receipts tax".

20 C. The governing body, at the time of enacting an
21 ordinance imposing a rate of tax authorized in Subsection A of
22 this section, shall dedicate the revenue only for:

23 (1) acquisition, construction, renovation or
24 improvement of facilities of a four-year post-secondary public
25 educational institution located in the municipality and

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1 acquisition of or improvements to land for those facilities; or

2 (2) payment of municipal higher education
3 facilities gross receipts tax revenue bonds issued pursuant to
4 Chapter 3, Article 31 NMSA 1978.

5 D. An ordinance imposing any increment of the
6 municipal higher education facilities gross receipts tax shall
7 not go into effect until after an election is held and a
8 majority of the voters of the municipality voting in the
9 election votes in favor of imposing the tax. The governing
10 body shall adopt a resolution calling for an election on the
11 question of imposing the tax at the next regular municipal
12 election. The question shall be submitted to the voters of the
13 municipality as a separate question. If a majority of the
14 voters voting on the question approves the ordinance imposing
15 the municipal higher education facilities gross receipts tax,
16 the ordinance shall become effective in accordance with the
17 provisions of the Municipal Local Option Gross Receipts Taxes
18 Act. If the question of imposing the municipal higher
19 education facilities gross receipts tax fails, the governing
20 body shall not again propose the imposition of any increment of
21 the tax for a period of one year from the date of the election.

22 E. Notwithstanding the provisions of Subsection A
23 of this section, if the municipal higher education facilities
24 gross receipts tax rate of one hundred twenty-five thousandths
25 percent of gross receipts impairs the ability of a municipality

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1 to meet its principal or interest payment obligations for
2 revenue bonds outstanding prior to July 1, 2013 that are
3 secured by the pledge of all or part of the municipality's
4 municipal higher education facilities gross receipts tax rate,
5 then the majority of the members of the governing body of that
6 municipality may impose a municipal higher education facilities
7 gross receipts tax rate in an amount sufficient to meet any
8 required payment, provided that the rate does not exceed
9 twenty-five hundredths percent of gross receipts.

10 ~~[E-]~~ F. For the purposes of this section, "eligible
11 municipality" means a municipality that has a population
12 greater than fifty thousand according to the most recent
13 federal decennial census and that is located in a class B
14 county having a net taxable value for rate-setting purposes for
15 the 2006 property tax year or any subsequent year of more than
16 two billion dollars (\$2,000,000,000)."

17 SECTION 47. Section 7-19D-17 NMSA 1978 (being Laws 2012,
18 Chapter 58, Section 1) is amended to read:

19 "7-19D-17. FEDERAL WATER PROJECT GROSS RECEIPTS TAX--
20 AUTHORIZATION--USE OF REVENUE--REFERENDUM.--

21 A. A majority of the members of the governing body
22 of a municipality may enact an ordinance imposing an excise tax
23 on any person engaging in business in the municipality for the
24 privilege of engaging in business. The rate of the tax shall
25 not exceed ~~[one-fourth]~~ one hundred twenty-five thousandths

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1 percent of the gross receipts of the person engaging in
2 business and may be imposed in increments of five-thousandths
3 percent. An ordinance enacting the tax authorized by this
4 section is subject to a positive referendum.

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

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

18 D. An ordinance imposing the federal water project
19 gross receipts tax shall not go into effect until an election
20 is held and a majority of the voters of the municipality voting
21 in the election votes in favor of imposing the tax. The
22 governing body shall adopt a resolution calling for an election
23 within seventy-five days of the date the ordinance is adopted
24 on the question of imposing the tax. The question shall be
25 submitted to the voters of the municipality as a separate

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1 question at a regular municipal election or at a special
2 election called for that purpose by the governing body. A
3 special municipal election shall be called, conducted and
4 canvassed as provided in the Municipal Election Code. If a
5 majority of the voters voting on the question approves the
6 ordinance imposing the federal water project gross receipts
7 tax, then the ordinance shall become effective on January 1 or
8 July 1 in accordance with the provisions of the Municipal Local
9 Option Gross Receipts Taxes Act. If the question of imposing
10 the federal water project gross receipts tax fails, the
11 governing body shall not again propose the imposition of the
12 tax for a period of one year from the date of the election.

13 E. A municipality that imposed a federal water
14 project gross receipts tax pursuant to this section shall not
15 also impose a municipal capital outlay gross receipts tax.

16 F. As used in this section, "municipality" means an
17 incorporated municipality that has a population pursuant to the
18 most recent federal decennial census of greater than twenty
19 thousand but less than twenty-five thousand and is located in a
20 class B county."

21 SECTION 48. Section 7-20C-3 NMSA 1978 (being Laws 1991,
22 Chapter 176, Section 3, as amended) is amended to read:

23 "7-20C-3. LOCAL HOSPITAL GROSS RECEIPTS TAX--AUTHORITY TO
24 IMPOSE--ORDINANCE REQUIREMENTS.--

25 A. Prior to July 1, 2013, a majority of the members

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1 elected to the governing body of a county may enact an
2 ordinance imposing an excise tax on a person engaging in
3 business in the county for the privilege of engaging in
4 business. This tax is to be referred to as the "local hospital
5 gross receipts tax". The rate of the tax shall be:

6 (1) one-half percent of the gross receipts of
7 the person engaging in business if the tax is initially imposed
8 before January 1, 1993;

9 (2) one-eighth percent of the gross receipts
10 of the person engaging in business if the tax is initially
11 imposed after January 1, 1993; and

12 (3) a rate not to exceed one-half percent of
13 the gross receipts of the person engaging in business if the
14 tax is imposed after July 1, 1996 in a county described in
15 Paragraph (4), (6), (7) or (8) of Subsection A of Section
16 7-20C-2 NMSA 1978; provided the tax may be imposed in any
17 number of increments of one-eighth percent not to exceed an
18 aggregate rate of one-half percent of gross receipts.

19 B. The local hospital gross receipts tax imposed:

20 (1) initially before January 1, 1993 shall be
21 imposed only once for the period necessary for payment of the
22 principal and interest on revenue bonds issued to accomplish
23 the purpose for which the revenue is dedicated, but the period
24 shall not exceed ten years from the effective date of the
25 ordinance imposing the tax; or

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1 (2) after July 1, 1996 in a county described
2 in Paragraph (4) or (8) of Subsection A of Section 7-20C-2 NMSA
3 1978 shall be imposed for the period necessary for payment of
4 the principal and interest on revenue bonds issued to
5 accomplish the purpose for which the revenue is dedicated, but
6 the period shall not exceed forty years from the effective date
7 of the ordinance imposing the tax; provided, however, that the
8 governing body of a county described in Paragraph (8) of
9 Subsection A of Section 7-20C-2 NMSA 1978 that has enacted an
10 ordinance imposing an increment of the local hospital gross
11 receipts tax pursuant to the provisions of this paragraph may,
12 prior to July 1, 2013 or the date of the delayed repeal of the
13 ordinance, whichever date occurs first, enact an ordinance to
14 modify the period of imposition of the tax and modify the
15 purposes for which the revenue from the tax is dedicated,
16 consistent with one or more of the purposes permitted pursuant
17 to Paragraph (6) of Subsection [D] E of this section. The
18 ordinance shall be subject to the election requirement of
19 Subsection [E] F of this section.

20 C. No local hospital gross receipts tax authorized
21 in Subsection A of this section shall be imposed initially
22 after January 1, 1993 in a county described in Paragraph (2),
23 (3) or (5) of Subsection A of Section 7-20C-2 NMSA 1978 unless:

24 (1) in a county described in Paragraph (2) of
25 Subsection A of Section 7-20C-2 NMSA 1978, the voters of the

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1 county have approved the issuance of general obligation bonds
2 of the county sufficient to pay at least one-half of the costs
3 of the county hospital facility or county twenty-four-hour
4 urgent care or emergency facility for which the local hospital
5 gross receipts tax revenues are dedicated, including the costs
6 of all acquisition, renovation and equipping of the facility;
7 or

8 (2) in a county described in Paragraph (3) or
9 (5) of Subsection A of Section 7-20C-2 NMSA 1978, the county
10 will not have in effect at the same time a county hospital
11 emergency gross receipts tax and the voters of the county have
12 approved the imposition of a property tax at a rate of one
13 dollar (\$1.00) on each one thousand dollars (\$1,000) of taxable
14 value of property in the county for the purpose of operation
15 and maintenance of a hospital owned by the county and operated
16 and maintained either by the county or by another party
17 pursuant to a lease with the county.

18 D. After July 1, 2013:

19 (1) a local hospital gross receipts tax
20 authorized in Subsection A of this section shall not be imposed
21 initially; or

22 (2) the governing body of a county that has
23 enacted an ordinance imposing the local hospital gross receipts
24 tax shall not enact an ordinance to extend the period of
25 imposition of the tax or reimpose the local hospital gross

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1 receipts tax.

2 ~~[D-]~~ E. The governing body of a county enacting an
3 ordinance imposing a local hospital gross receipts tax shall
4 dedicate the revenue from the tax as provided in this
5 subsection. In any election held, the ballot shall clearly
6 state the purpose to which the revenue will be dedicated and
7 the revenue shall be used by the county for that purpose. The
8 revenue shall be dedicated as follows:

9 (1) prior to January 1, 1993, the governing
10 body, at the time of enacting an ordinance imposing the rate of
11 the tax authorized in Subsection A of this section, shall
12 dedicate the revenue for acquisition of land for and the
13 design, construction, equipping and furnishing of a county
14 hospital facility to be operated by the county or operated and
15 maintained by another party pursuant to a lease with the
16 county;

17 (2) if the governing body of a county
18 described in Paragraph (2), (3) or (5) of Subsection A of
19 Section 7-20C-2 NMSA 1978 is enacting the ordinance imposing
20 the tax after July 1, 1993, the governing body shall dedicate
21 the revenue for acquisition, renovation and equipping of a
22 building for a county hospital facility or a county twenty-
23 four-hour urgent care or emergency facility or for operation
24 and maintenance of that facility, whether operated and
25 maintained by the county or by another party pursuant to a

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1 lease or management contract with the county, for the period of
2 time the tax is imposed not to exceed ten years;

3 (3) if the governing body of a county
4 described in Paragraph (4) or (8) of Subsection A of Section
5 7-20C-2 NMSA 1978 is enacting the ordinance imposing the tax
6 after July 1, 1995, the governing body shall dedicate the
7 revenue for acquisition of land or buildings for and the
8 renovation, design, construction, equipping or furnishing of a
9 county hospital facility or health clinic to be operated by the
10 county or operated and maintained by another party pursuant to
11 a health care facilities contract, lease or management contract
12 with the county; provided, however, that the governing body of
13 a county described in Paragraph (8) of Subsection A of Section
14 7-20C-2 NMSA 1978 that has imposed an increment of the local
15 hospital gross receipts tax prior to January 1, 2009 and
16 dedicated the revenue from that imposition pursuant to the
17 provisions of this paragraph may, prior to the date of the
18 delayed repeal of the ordinance imposing the increment of the
19 tax, enact an ordinance to modify the period of imposition of
20 the tax and modify the purposes for which the revenue from the
21 tax is dedicated, consistent with one or more of the purposes
22 permitted pursuant to Paragraph (6) of this subsection. The
23 ordinance shall be subject to the election requirement of
24 Subsection ~~[E]~~ F of this section;

25 (4) if the governing body of a county

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1 described in Paragraph (6) or (9) of Subsection A of Section
2 7-20C-2 NMSA 1978 is enacting the ordinance imposing the tax
3 after July 1, 1997, the governing body shall dedicate the
4 revenue for either or a combination of the following:

5 (a) acquisition of land or buildings for
6 and the design, construction, renovation, equipping or
7 furnishing of a hospital facility or health clinic owned by the
8 county or a hospital or health clinic with which the county has
9 entered into a health care facilities contract lease or
10 management contract; or

11 (b) operations and maintenance of a
12 hospital or health clinic owned by the county or a hospital or
13 a health clinic with which the county has entered into a health
14 care facilities contract;

15 (5) if the governing body of a county
16 described in Paragraph (7) of Subsection A of Section 7-20C-2
17 NMSA 1978 is enacting the ordinance imposing the tax after
18 January 1, 2002, the governing body shall dedicate the revenue
19 for acquisition, lease, renovation or equipping of a hospital
20 facility or for operation and maintenance of that facility,
21 whether operated and maintained by the county or by another
22 party pursuant to a health care facilities contract, lease or
23 management contract with the county; and

24 (6) if the governing body of a county
25 described in Paragraph (8) of Subsection A of Section 7-20C-2

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1 NMSA 1978 is enacting the ordinance imposing one or more
2 increments of the tax after January 1, 2009, the governing body
3 shall dedicate the revenue for either or both of the following:

4 (a) payment of the principal and
5 interest on revenue bonds, including refunding bonds, issued
6 for acquisition of land or buildings for and the renovation,
7 design, construction, equipping or furnishing of hospital
8 facilities or health care clinic facilities to be operated by
9 the county or operated and maintained by another party pursuant
10 to a health care facilities contract, lease or management
11 contract with the county; and

12 (b) use as matching funds for state or
13 federal programs benefiting the facilities.

14 ~~[E-]~~ F. The ordinance shall not go into effect
15 until after an election is held and a simple majority of the
16 qualified electors of the county voting in the election [~~vote~~]
17 votes in favor of imposing the local hospital gross receipts
18 tax and, in the case of a county described in Paragraph (3) or
19 (5) of Subsection A of Section 7-20C-2 NMSA 1978, also [~~vote~~]
20 votes in favor of a property tax at a rate of one dollar
21 (\$1.00) for each one thousand dollars (\$1,000) of taxable value
22 of property in the county. The governing body shall adopt a
23 resolution calling for an election within seventy-five days of
24 the date the ordinance is adopted on the question of imposing
25 the tax. The question may be submitted to the qualified

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1 electors and voted on as a separate question in a general
2 election or in any special election called for that purpose by
3 the governing body. A special election on the question shall
4 be called, held, conducted and canvassed in substantially the
5 same manner as provided by law for general elections. If the
6 question of imposing a local hospital gross receipts tax fails
7 or if the question of imposing both a local hospital gross
8 receipts tax and a property tax fails, the governing body shall
9 not again propose a local hospital gross receipts tax for a
10 period of one year after the election. A certified copy of any
11 ordinance imposing a local hospital gross receipts tax shall be
12 mailed to the department within five days after the ordinance
13 is adopted in an election called for that purpose.

14 [~~F.~~] G. An ordinance enacted pursuant to the
15 provisions of Subsection A of this section shall include an
16 effective date of either July 1 or January 1, whichever date
17 occurs first after the expiration of at least three months from
18 the date the ordinance is approved by the electorate.

19 [~~G.~~] H. An ordinance repealed under the provisions
20 of the Local Hospital Gross Receipts Tax Act shall be repealed
21 effective on either July 1 or January 1.

22 [~~H.~~] I. As used in this section, "taxable value of
23 property" means the sum of:

24 (1) the net taxable value, as that term is
25 defined in the Property Tax Code, of property subject to

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1 taxation under the Property Tax Code;

2 (2) the assessed value of products, as those
3 terms are defined in the Oil and Gas Ad Valorem Production Tax
4 Act;

5 (3) the assessed value of equipment, as those
6 terms are defined in the Oil and Gas Production Equipment Ad
7 Valorem Tax Act; and

8 (4) the taxable value of copper mineral
9 property, as those terms are defined in the Copper Production
10 Ad Valorem Tax Act, subject to taxation under the Copper
11 Production Ad Valorem Tax Act."

12 SECTION 49. A new section of the County Local Option
13 Gross Receipts Taxes Act is enacted to read:

14 "[NEW MATERIAL] MAXIMUM AGGREGATE RATE--LIMITATION ON
15 AUTHORITY TO IMPOSE RATE---CONTINUED REPAYMENT OF DEBT
16 SERVICE.--

17 A. The total excise tax imposed by all ordinances
18 enacted pursuant to the County Local Option Gross Receipts
19 Taxes Act shall not exceed a rate of five-tenths percent of the
20 gross receipts of any person engaging in business in the county
21 for the privilege of engaging in business and may be imposed in
22 increments of five-thousandths percent. If a county prior to
23 January 1, 2014 has imposed a rate in excess of five-tenths
24 percent, that county shall reduce the rate not to exceed five-
25 tenths percent.

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1 B. Notwithstanding the provisions of Subsection A
2 of this section, if the maximum aggregate rate impairs the
3 ability of a county to meet its principal or interest payment
4 obligations for bonds outstanding prior to July 1, 2013 that
5 are secured by the pledge of all or part of the county's
6 revenue from an excise tax imposed pursuant to the County Local
7 Option Gross Receipts Taxes Act, then the majority of the
8 members of the governing body of that county may impose a
9 maximum aggregate rate in an amount sufficient to meet any
10 required payment, provided that the rate does not exceed four
11 and five-tenths percent of gross receipts. Notwithstanding any
12 other section of law to the contrary, a county may dedicate
13 part of revenue derived from an excise tax imposed pursuant to
14 the Municipal Local Option Gross Receipts Taxes Act to pay
15 principal or interest obligations for any type of bond
16 outstanding prior to July 1, 2013."

17 **SECTION 50.** Section 7-20E-9 NMSA 1978 (being Laws 1983,
18 Chapter 213, Section 30, as amended) is amended to read:

19 "7-20E-9. COUNTY GROSS RECEIPTS TAX--AUTHORITY TO IMPOSE
20 RATE--INDIGENT FUND REQUIREMENTS.--

21 A. A majority of the members of the governing body
22 of a county may enact an ordinance imposing an excise tax not
23 to exceed a rate of [~~seven-sixteenths~~] two hundred twenty-five
24 thousandths percent of the gross receipts of any person
25 engaging in business in the county for the privilege of

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1 engaging in business in the county. An ordinance imposing an
2 excise tax pursuant to this section shall impose the tax in
3 three independent increments of [~~one-eighth~~] sixty-five
4 thousandths percent and one independent increment of [~~one-~~
5 ~~sixteenth~~] thirty-thousandths percent, which shall be
6 separately denominated as "the first [~~one-eighth~~] sixty-five
7 thousandths percent increment", "the second [~~one-eighth~~] sixty-
8 five thousandths percent increment", "the third [~~one-eighth~~]
9 sixty-five thousandths percent increment" and "the [~~one-~~
10 ~~sixteenth~~] thirty-thousandths percent increment", respectively,
11 not to exceed an aggregate amount of [~~seven-sixteenths~~] two
12 hundred twenty-five thousandths percent.

13 B. The tax authorized in Subsection A of this
14 section is to be referred to as the "county gross receipts
15 tax".

16 C. A class A county with a county hospital operated
17 and maintained pursuant to a lease with a state educational
18 institution named in Article 12, Section 11 of the constitution
19 of New Mexico enacting the second [~~one-eighth~~] sixty-five
20 thousandths percent increment of county gross receipts tax
21 shall provide, each year that the tax is in effect, not less
22 than one million dollars (\$1,000,000) in funds, and that amount
23 shall be dedicated to the support of indigent patients who are
24 residents of that county. Funds for indigent care shall be
25 made available each month of each year the tax is in effect in

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1 an amount not less than eighty-three thousand three hundred
2 thirty-three dollars thirty-three cents (\$83,333.33). The
3 interest from the investment of county funds for indigent care
4 may be used for other assistance to indigent persons, not to
5 exceed twenty thousand dollars (\$20,000) for all other
6 assistance in any year.

7 D. A county, except a class A county with a county
8 hospital operated and maintained pursuant to a lease with a
9 state educational institution named in Article 12, Section 11
10 of the constitution of New Mexico, imposing the second
11 [~~one-eighth~~] sixty-five thousandths percent increment of county
12 gross receipts tax shall be required to dedicate the entire
13 amount of revenue produced by the imposition of the second
14 [~~one-eighth~~] sixty-five thousandths percent increment for the
15 support of indigent patients who are residents of that county.
16 The revenue produced by the imposition of the third [~~one-~~
17 ~~eighth~~] sixty-five thousandths percent increment and the [~~one-~~
18 ~~sixteenth~~] thirty-thousandths percent increment may be used for
19 general purposes. Any county that has imposed the second [~~one-~~
20 ~~eighth~~] sixty-five thousandths percent increment or the third
21 [~~one-eighth~~] sixty-five thousandths percent increment, or both,
22 on January 1, 1996 for support of indigent patients in the
23 county or after January 1, 1996 imposes the second [~~one-eighth~~]
24 sixty-five thousandths percent increment or imposes the third
25 [~~one-eighth~~] sixty-five thousandths percent increment and

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1 dedicates one-half of that increment for county indigent
2 patient purposes shall deposit the revenue dedicated for county
3 indigent purposes that is transferred to the county after the
4 distribution pursuant to Subsection C of Section 7-1-6.13 and
5 Subsection C of Section 7-20E-7 NMSA 1978 in the county
6 indigent hospital claims fund and such revenues shall be
7 expended pursuant to the Indigent Hospital and County Health
8 Care Act."

9 SECTION 51. Section 7-20E-10 NMSA 1978 (being Laws 1983,
10 Chapter 213, Section 32, as amended) is amended to read:

11 "7-20E-10. COUNTY GROSS RECEIPTS TAX--REFERENDUM
12 REQUIREMENTS.--

13 A. An ordinance enacting the first or third [~~one-~~
14 ~~eighth~~] sixty-five thousandths percent increment or the [~~one-~~
15 ~~sixteenth~~] thirty-thousandths percent increment of county gross
16 receipts tax pursuant to Section 7-20E-9 NMSA 1978 shall be
17 subject to optional referendum selection by the governing body,
18 pursuant to Subsection A of Section 7-20E-3 NMSA 1978.

19 B. Imposition by any county of the second [~~one-~~
20 ~~eighth~~] sixty-five thousandths percent increment of county
21 gross receipts tax shall not be subject to a referendum of any
22 kind unless prescribed by the county charter or the governing
23 body of the county."

24 SECTION 52. Section 7-20E-11 NMSA 1978 (being Laws 1983,
25 Chapter 213, Section 35, as amended) is amended to read:

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1 "7-20E-11. COUNTY GROSS RECEIPTS TAX--USE OF PROCEEDS
2 FROM FIRST [~~ONE-EIGHTH~~] SIXTY-FIVE THOUSANDTHS PERCENT
3 INCREMENT.--

4 A. Each county shall establish a reserve fund to be
5 known as the "county reserve fund". From the net receipts from
6 the county gross receipts tax attributable to the first [~~one-~~
7 ~~eighth~~] sixty-five thousandths percent increment imposed
8 pursuant to Subsection A of Section 7-20E-9 NMSA 1978, [~~one-~~
9 ~~fourth~~] twenty-five percent of the net receipts each month
10 shall be deposited in the county reserve fund. The balance of
11 the monthly net receipts shall be placed in either the general
12 fund or road fund, or both, of the county. Except as provided
13 in Subsections B through D of this section, the portions of the
14 net receipts deposited in the county reserve fund shall remain
15 on deposit in that fund until the sixteenth day of the month
16 following the end of the state fiscal year in which the
17 deposits were made, at which time the amount deposited from net
18 receipts for the previous fiscal year shall be placed in either
19 the general fund or road fund, or both, of the county.

20 B. If the actual amount of the distribution to a
21 county in any state fiscal year of federal in lieu of taxes
22 payments [~~under~~] made pursuant to the provisions of Sections
23 6901 through 6906 of Title 31 of the United States Code, as
24 amended or renumbered, is less than the actual distribution to
25 that county in the seventy-first state fiscal year or is no

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1 longer available to that county, the county may transfer from
2 its reserve fund to its general fund or road fund, or both, an
3 amount equal to the difference between the actual federal in
4 lieu of taxes payments received in the seventy-first fiscal
5 year and the payments received in the year in which the
6 reduction occurred. The local government division of the
7 department of finance and administration shall certify the
8 amount to be transferred from the reserve fund.

9 C. If the actual amount of the distribution to a
10 county in any state fiscal year of national forest reserves
11 receipts [~~under~~] made pursuant to the provisions of Section 500
12 of Title 16 of the United States Code, as amended or
13 renumbered, is less than the actual amount distributed to that
14 county in the seventy-first state fiscal year, the county may
15 transfer from its reserve fund to its general fund or road
16 fund, or both, an amount equal to the difference between the
17 actual national forest reserves receipts distributed to the
18 county in the seventy-first fiscal year and the receipts
19 distributed in the year in which the reduction occurred. The
20 local government division of the department of finance and
21 administration shall certify the amount to be transferred from
22 the reserve fund.

23 D. If the actual amount of any quarterly
24 distribution to a county in any state fiscal year of federal
25 revenue sharing entitlement payments made [~~under~~] pursuant to
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1 the provisions of Sections 6701 through 6724 of Title 31 of the
2 United States Code, as amended or renumbered, is less than the
3 actual quarterly amount distributed to that county in the first
4 federal quarter of the federal 1982-83 fiscal year, the county
5 may transfer from its reserve fund to its general fund or road
6 fund, or both, an amount equal to the difference between the
7 actual federal revenue sharing quarterly entitlement payment
8 distributed to the county in the first federal quarter of the
9 federal 1982-83 fiscal year and the entitlement payment
10 distributed to the county in the quarter in which the reduction
11 occurred. The local government division of the department of
12 finance and administration shall certify the amount to be
13 transferred from the reserve fund."

14 SECTION 53. Section 7-20E-12 NMSA 1978 (being Laws 1989,
15 Chapter 239, Section 1, as amended) is amended to read:

16 "7-20E-12. COUNTY EMERGENCY GROSS RECEIPTS TAX--AUTHORITY
17 TO IMPOSE [~~IN LIEU OF PROPERTY TAX~~].--

18 A. The majority of the members of the governing
19 body of any county may enact an ordinance [~~or ordinances~~]
20 imposing an excise tax not to exceed a rate of [~~three-eighths~~
21 ~~of~~] one hundred seventy-five thousandths percent of the gross
22 receipts of any person engaging in business in the county for
23 the privilege of engaging in business in the county. Any
24 ordinance imposing an excise tax pursuant to this section shall
25 impose the tax in any number of increments of [~~one-eighth~~]

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1 five-thousandths percent not to exceed an aggregate amount of
2 [~~three-eighths~~ of] one hundred seventy-five thousandths
3 percent. Any ordinance adopted [~~under~~] pursuant to provisions
4 of this section shall be in effect only for the twelve-month
5 period beginning with the effective date of the ordinance and
6 shall expire on the date one year after its effective date.

7 B. The tax imposed by this section may be referred
8 to as the "county emergency gross receipts tax".

9 C. The tax authorized by this section may be
10 imposed only in a property tax year for which the property
11 taxes not admitted to be due in the aggregate claims for refund
12 filed under the provisions of Section 7-38-40 NMSA 1978 for
13 property taxes imposed in the county [~~under~~] pursuant to the
14 provisions of Paragraph (1) of Subsection B of Section 7-37-7
15 NMSA 1978 for that property tax year are more than ten percent
16 of property taxes imposed in the county under the cited
17 provisions for that property tax year.

18 D. As used in this section, "county" means a class
19 B county of the state with:

20 (1) a population of not less than thirty
21 thousand and not more than thirty thousand seven hundred
22 according to the most recent federal decennial census and a net
23 taxable value for rate-setting purposes for the 1988 property
24 tax year or any subsequent year of more than ninety-two million
25 dollars (\$92,000,000) but less than one hundred twenty-five

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1 million dollars (\$125,000,000);

2 (2) a population of not less than fifty-six
3 thousand and not more than fifty-six thousand seven hundred
4 according to the most recent federal decennial census and a net
5 taxable value for rate-setting purposes for the 1988 property
6 tax year or any subsequent year of more than five hundred
7 million dollars (\$500,000,000) but less than five hundred fifty
8 million dollars (\$550,000,000); and

9 (3) a population of not less than eighty-one
10 thousand and not more than eighty-one thousand seven hundred
11 according to the most recent federal decennial census and a net
12 taxable value for rate-setting purposes for the 1988 property
13 tax year or any subsequent year of more than one billion five
14 hundred million dollars (\$1,500,000,000) but less than two
15 billion dollars (\$2,000,000,000).

16 E. The governing body prior to the month in which
17 the proceeds of this tax will first be distributed may request
18 the department to make an advance distribution. Upon
19 concurrence of the department of finance and administration,
20 the department shall make the advance distribution. An advance
21 distribution is an amount equal to the product of the net
22 receipts with respect to the gross receipts tax reported from
23 business locations in the county for the month multiplied by a
24 fraction the numerator of which is the rate imposed by the
25 county under this section and the denominator of which is the

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1 rate imposed for the month by Section 7-9-4 NMSA 1978. The
2 aggregate amount of advance distributions made to the county
3 shall be recovered by the department by reducing the monthly
4 amount transferable to the county as a result of the imposition
5 of a tax ~~[under]~~ pursuant to provisions of this section by one-
6 twelfth of the aggregate amount of advance distributions made."

7 SECTION 54. Section 7-20E-12.1 NMSA 1978 (being Laws
8 1994, Chapter 14, Section 1, as amended) is amended to read:

9 "7-20E-12.1. COUNTY HOSPITAL EMERGENCY GROSS RECEIPTS
10 TAX--AUTHORITY TO IMPOSE--USE OF PROCEEDS.--

11 A. A majority of the members of a governing body
12 may enact an ordinance imposing an excise tax on a person
13 engaging in business in the county for the privilege of
14 engaging in business. The rate of the tax shall ~~[be one-fourth~~
15 ~~of one]~~ not exceed one hundred twenty-five thousandths percent
16 of the gross receipts of the person engaging in business and
17 may be imposed in increments of five-thousandths percent. The
18 tax shall be imposed for a period of not more than two years
19 from the effective date of the ordinance imposing the tax. The
20 tax may be imposed for an additional period not to exceed three
21 years from the date of the ordinance imposing the tax for that
22 period. On or after July 1, 1997:

23 (1) in a county described in Paragraph (1) of
24 Subsection D of this section, the tax may be imposed for the
25 period necessary for payment of bonds or a loan for acquisition

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~~[bracketed material] = delete~~

1 of land or buildings for and the design, construction,
2 equipping, remodeling or improvement of a county hospital
3 facility, but the period shall not exceed twenty years from the
4 effective date of the ordinance imposing the tax for that
5 period; provided, however, that a majority of the members of a
6 governing body that has enacted an ordinance imposing the tax
7 pursuant to the provisions of this paragraph may, prior to the
8 date of the delayed repeal of the ordinance, enact an ordinance
9 to extend the period of imposition of the previously imposed
10 tax for an additional twenty years and modify the purposes for
11 which the revenue from the tax is dedicated, consistent with
12 one or more of the purposes permitted pursuant to this
13 paragraph; and

14 (2) in a county described in Paragraph (2) of
15 Subsection D of this section, the tax may be imposed for the
16 period necessary for payment of bonds or a loan for
17 acquisition, equipping, remodeling or improvement of a county
18 health facility, but the period shall not exceed twenty years
19 from the effective date of the ordinance imposing the tax for
20 that period.

21 B. The tax imposed by this section may be referred
22 to as the "county hospital emergency gross receipts tax".

23 C. At the time of enacting the ordinance imposing
24 the tax authorized in this section:

25 (1) if the effective date of the tax is prior

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1 to July 1, 1997, the governing body shall dedicate the revenue
2 for current operations and maintenance of a hospital owned by
3 the county or a hospital with which the county has entered into
4 a health care facilities contract; provided that a majority of
5 the members of a governing body may enact an ordinance to
6 change the purposes for which the revenue from a previously
7 imposed tax is dedicated and to dedicate that revenue during
8 the remainder of the tax imposition period to payment of bonds
9 or a loan for acquisition of land or buildings for, and the
10 design, construction, equipping, remodeling or improvement of,
11 a county hospital facility; and

12 (2) if the effective date of the tax is on or
13 after July 1, 1997:

14 (a) the governing body of a county
15 described in Paragraph (1) of Subsection D of this section
16 shall dedicate the revenue for the period of time the tax is
17 imposed to payment of a bond or loan for acquisition,
18 equipping, remodeling and improvement of a county hospital
19 facility; provided, however, that a majority of the members of
20 a governing body that has imposed the tax and dedicated the
21 revenue from that imposition pursuant to the provisions of this
22 paragraph may, prior to the date of the delayed repeal of the
23 ordinance imposing the tax, enact an ordinance to extend the
24 period of imposition of the tax as provided in Paragraph (1) of
25 Subsection A of this section and modify the purposes for which

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1 the revenue from the previously imposed tax is dedicated, and
2 dedicate that revenue to payment of bonds or a loan for
3 acquisition of land or buildings for, and the design,
4 construction, equipping, remodeling or improvement of, a county
5 hospital facility; and

6 (b) the governing body of a county
7 described in Paragraph (2) of Subsection D of this section
8 shall dedicate the revenue for the period of time the tax is
9 imposed to payment of a bond or loan for acquisition,
10 equipping, remodeling and improvement of a county health
11 facility.

12 D. As used in this section, "county" means:

13 (1) a class B county with a population of less
14 than ten thousand according to the 1990 federal decennial
15 census and with a net taxable value for rate-setting purposes
16 for the 1993 property tax year in excess of one hundred million
17 dollars (\$100,000,000); or

18 (2) a class B county with a population of less
19 than ten thousand according to the 1990 federal decennial
20 census and with a net taxable value for rate-setting purposes
21 for the 1997 property tax year of more than one hundred million
22 dollars (\$100,000,000) but less than one hundred twenty million
23 dollars (\$120,000,000)."

24 SECTION 55. Section 7-20E-13 NMSA 1978 (being Laws 1987,
25 Chapter 45, Section 3, as amended) is amended to read:

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1 "7-20E-13. SPECIAL COUNTY HOSPITAL GROSS RECEIPTS TAX--
2 AUTHORITY TO IMPOSE--ORDINANCE REQUIREMENTS.--

3 A. The majority of the members of the governing
4 body may enact an ordinance imposing an excise tax on any
5 person engaging in business in the county for the privilege of
6 engaging in business. The rate of the tax shall [~~be one-eighth~~
7 ~~of one~~] not exceed one hundred seventy-five thousandths percent
8 of the gross receipts of the person engaging in business and
9 may be imposed in increments of five-thousandths percent. The
10 tax shall be imposed for a period of not more than five years
11 from the effective date of the ordinance imposing the tax.
12 Having once enacted an ordinance under this section, the
13 governing body may enact subsequent ordinances for succeeding
14 periods of not more than five years; provided that each such
15 ordinance meets the requirements of the County Local Option
16 Gross Receipts Taxes Act with respect to the tax imposed by
17 this section.

18 B. The tax imposed by this section may be referred
19 to as the "special county hospital gross receipts tax".

20 C. For the purposes of this section, "county"
21 means:

- 22 (1) a county:
 - 23 (a) having a population of more than ten
 - 24 thousand but less than ten thousand six hundred, according to
 - 25 the last federal decennial census or any subsequent decennial

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1 census, and having a net taxable value for rate-setting
2 purposes for the 1986 property tax year or any subsequent year
3 of more than eighty-two million dollars (\$82,000,000) but less
4 than eighty-two million three hundred thousand dollars
5 (\$82,300,000);

6 (b) that has imposed a rate of one
7 dollar fifty cents (\$1.50) to each one thousand dollars
8 (\$1,000) of net taxable value of property as defined in the
9 Property Tax Code for property taxation purposes in the county
10 and to each one thousand dollars (\$1,000) of the assessed value
11 of products severed and sold in the school district as
12 determined under the Oil and Gas Ad Valorem Production Tax Act
13 and the Oil and Gas Production Equipment Ad Valorem Tax Act or
14 has made an appropriation of funds or has imposed another tax
15 that produces an amount not less than the revenue that would be
16 produced by applying a rate of one dollar fifty cents (\$1.50)
17 to each one thousand dollars (\$1,000) of net taxable value of
18 property as defined in the Property Tax Code for property
19 taxation purposes in the school district and to each one
20 thousand dollars (\$1,000) of the assessed value of products
21 severed and sold in the school district as determined under the
22 Oil and Gas Ad Valorem Production Tax Act and the Oil and Gas
23 Production Equipment Ad Valorem Tax Act. The proceeds of any
24 tax imposed or appropriation made shall be dedicated for
25 current operations and maintenance of a hospital owned and

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1 operated by the county or operated and maintained by another
2 party pursuant to a lease with the county; and

3 (c) having qualified at any time under
4 this definition shall continue to be qualified as a county and
5 authorized to implement the provisions of this section; and

6 (2) a class B county having a population of
7 more than seventeen thousand five hundred but less than
8 nineteen thousand according to the 1990 federal decennial
9 census and having a net taxable value for property tax
10 rate-setting purposes of under three hundred million dollars
11 (\$300,000,000).

12 D. The governing body of a county described in
13 Paragraph (1) of Subsection C of this section shall, at the
14 time of enacting an ordinance imposing the rate of the tax
15 authorized in Subsection A of this section, dedicate the
16 revenue for current operations and maintenance of a hospital
17 owned and operated by the county or operated and maintained by
18 another party pursuant to a lease with the county, and the use
19 of these proceeds shall be for the care and maintenance of sick
20 and indigent persons and shall be an expenditure for a public
21 purpose. In any election held, the ballot shall clearly state
22 the purpose to which the revenue will be dedicated, and the
23 revenue shall be used by the county for that purpose.

24 E. The governing body of a county described in
25 Paragraph (2) of Subsection C of this section shall, at the

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1 time of enacting an ordinance imposing the rate of the tax
2 authorized in Subsection A of this section, dedicate the
3 revenue for county ambulance transport costs or for operation
4 of a rural health clinic. In any election held, the ballot
5 shall clearly state the purposes to which the revenue will be
6 dedicated, and the revenue shall be used by the county for
7 those purposes.

8 F. Any ordinance enacted under the provisions of
9 Subsection A of this section shall include an effective date of
10 either July 1 or January 1 in accordance with the provisions of
11 the County Local Option Gross Receipts Taxes Act.

12 G. The ordinance shall not go into effect until
13 after an election is held and a simple majority of the
14 qualified electors of the county voting in the election votes
15 in favor of imposing the special county hospital gross receipts
16 tax. The governing body shall adopt a resolution calling for
17 an election within seventy-five days of the date the ordinance
18 is adopted on the question of imposing the tax. The question
19 may be submitted to the qualified electors and voted upon as a
20 separate question in a general election or in any special
21 election called for that purpose by the governing body. A
22 special election upon the question shall be called, held,
23 conducted and canvassed in substantially the same manner as
24 provided by law for general elections. If the question of
25 imposing a special county hospital gross receipts tax fails,

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1 the governing body shall not again propose a special county
2 hospital gross receipts tax for a period of one year after the
3 election. A certified copy of any ordinance imposing a special
4 county hospital gross receipts tax shall be mailed to the
5 department within five days after the ordinance is adopted in
6 any election called for that purpose.

7 H. A single election may be held on the question of
8 imposing a special county hospital gross receipts tax as
9 authorized in this section on the question of imposing a
10 special county hospital gasoline tax as authorized in the
11 Special County Hospital Gasoline Tax Act and on the question of
12 imposing a mill levy pursuant to the Hospital Funding Act."

13 SECTION 56. Section 7-20E-15 NMSA 1978 (being Laws 1979,
14 Chapter 398, Section 3, as amended) is amended to read:

15 "7-20E-15. COUNTY FIRE PROTECTION EXCISE TAX--AUTHORITY
16 TO IMPOSE--ORDINANCE REQUIREMENTS.--

17 A. The majority of the members of the governing
18 body may enact an ordinance imposing an excise tax on any
19 person engaging in business in the county area for the
20 privilege of engaging in business. The rate of the tax shall
21 be [~~one-fourth~~] one hundred twenty-five thousandths percent or
22 [~~one-eighth~~] sixty-five thousandths percent of the gross
23 receipts of the person engaging in business.

24 B. This tax is to be referred to as the "county
25 fire protection excise tax".

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1 C. The governing body of a county shall, at the
2 time of enacting an ordinance imposing the rate of the tax
3 authorized in Subsection A of this section, dedicate the
4 revenue for the purpose of financing the operational expenses,
5 ambulance services or capital outlay costs of independent fire
6 districts or ambulance services provided by the county. In any
7 election held, the ballot shall clearly state the purpose to
8 which the revenue will be dedicated, and the revenue shall be
9 used by the county for that purpose.

10 D. Any ordinance enacted under the provisions of
11 Subsection A of this section shall include an effective date of
12 either July 1 or January 1 in accordance with the provisions of
13 the County Local Option Gross Receipts Taxes Act.

14 E. The ordinance shall not go into effect until
15 after an election is held and a simple majority of the
16 qualified electors of the county area voting in the election
17 votes in favor of imposing the county fire protection excise
18 tax. The governing body shall adopt a resolution calling for
19 an election within seventy-five days of the date the ordinance
20 is adopted on the question of imposing the tax. Such question
21 may be submitted to the qualified electors and voted upon as a
22 separate question at any special election called for that
23 purpose by the governing body. The election upon the question
24 shall be called, held, conducted and canvassed in substantially
25 the same manner as provided by law for general elections. If

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1 the question of imposing a county fire protection excise tax
2 fails, the governing body shall not again propose a county fire
3 protection excise tax for a period of one year after the
4 election."

5 SECTION 57. Section 7-20E-17 NMSA 1978 (being Laws 1990,
6 Chapter 99, Section 58, as amended) is amended to read:

7 "7-20E-17. COUNTY ENVIRONMENTAL SERVICES GROSS RECEIPTS
8 TAX--AUTHORITY TO IMPOSE RATE--USE OF FUNDS.--

9 A. The majority of the members of the governing
10 body of any county may enact an ordinance imposing an excise
11 tax at a rate of [~~one-eighth of one~~] sixty-five thousandths
12 percent of the gross receipts of any person engaging in
13 business in the county area for the privilege of engaging in
14 business.

15 B. This tax is to be referred to as the "county
16 environmental services gross receipts tax".

17 C. Imposition by any county of the county
18 environmental services gross receipts tax shall not be subject
19 to a referendum of any kind unless prescribed by the county
20 charter.

21 D. Any county, at the time of enacting an ordinance
22 imposing a county environmental services gross receipts tax,
23 shall dedicate the entire amount of revenue produced by the tax
24 for the acquisition, construction, operation and maintenance of
25 solid waste facilities, water facilities, wastewater

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1 facilities, sewer systems and related facilities.

2 E. Any ordinance enacted [~~under~~] pursuant to the
3 provisions of Subsection A of this section shall include an
4 effective date of either July 1 or January 1 in accordance with
5 the provisions of the County Local Option Gross Receipts Taxes
6 Act."

7 SECTION 58. Section 7-20E-18 NMSA 1978 (being Laws 1991,
8 Chapter 212, Section 7, as amended) is amended to read:

9 "7-20E-18. COUNTY HEALTH CARE GROSS RECEIPTS TAX--
10 AUTHORITY TO IMPOSE RATE.--

11 A. The majority of the members of the governing
12 body of any county may enact an ordinance imposing an excise
13 tax at a rate of [~~one-sixteenth~~] thirty-five thousandths
14 percent of the gross receipts of any person engaging in
15 business in the county for the privilege of engaging in
16 business in the county. Any ordinance imposing an excise tax
17 pursuant to this section shall not be subject to a referendum.
18 The governing body of a county shall, at the time of enacting
19 an ordinance imposing the tax, dedicate the revenue to the
20 county-supported medicaid fund. This tax is to be referred to
21 as the "county health care gross receipts tax".

22 B. In addition to the imposition of the county
23 health care gross receipts tax authorized by Subsection A of
24 this section, the majority of the members of the governing body
25 of a county having a population of more than five hundred

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1 thousand persons according to the most recent federal decennial
2 census may enact an ordinance imposing an additional [~~one-~~
3 ~~sixteenth~~] thirty-five thousandths percent increment of county
4 health care gross receipts tax; provided that the imposition of
5 the additional increment shall be for a period that ends no
6 later than June 30, 2009. To continue an increment after June
7 30, 2009 or beyond any five-year period for which the increment
8 has been imposed, the members of the governing body shall
9 review the need for the increment and if the majority of the
10 members vote in favor of continuing the increment imposed
11 pursuant to this subsection, the increment shall be imposed for
12 an additional period of five years. The governing body of the
13 county shall, at the time of enacting an ordinance imposing the
14 additional increment of county health care gross receipts tax,
15 dedicate the revenue to the support of indigent patients.

16 C. Any ordinance enacted pursuant to the provisions
17 of Subsection A or B of this section shall include an effective
18 date of either July 1 or January 1 in accordance with the
19 provisions of the County Local Option Gross Receipts Taxes
20 Act."

21 SECTION 59. Section 7-20E-19 NMSA 1978 (being Laws 1998,
22 Chapter 90, Section 7, as amended) is amended to read:

23 "7-20E-19. COUNTY INFRASTRUCTURE GROSS RECEIPTS TAX--
24 AUTHORITY TO IMPOSE RATE--USE OF FUNDS--ELECTION.--

25 A. The majority of the members of the governing

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1 body of a county may enact an ordinance imposing an excise tax
2 at a rate not to exceed [~~one-eighth of one~~] sixty-five
3 thousandths percent of the gross receipts of any person
4 engaging in business in the county area for the privilege of
5 engaging in business. The tax may be imposed in increments of
6 [~~one-sixteenth of one~~] five-thousandths percent not to exceed
7 an aggregate rate of [~~one-eighth of one~~] sixty-five thousandths
8 percent.

9 B. The tax imposed pursuant to Subsection A of this
10 section may be referred to as the "county infrastructure gross
11 receipts tax".

12 C. The governing body, at the time of enacting an
13 ordinance imposing a rate of tax authorized in Subsection A of
14 this section, may dedicate the revenue for:

15 (1) county general purposes;

16 (2) payment of gross receipts tax revenue
17 bonds issued pursuant to Chapter 4, Article 62 NMSA 1978;

18 (3) repair, replacement, construction or
19 acquisition of any county infrastructure improvements;

20 (4) acquisition, construction, operation or
21 maintenance of solid waste facilities, water facilities,
22 wastewater facilities, sewer systems and related facilities;

23 (5) acquiring, constructing, extending,
24 bettering, repairing or otherwise improving or operating or
25 maintaining public transit systems or regional transit systems

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1 or authorities;

2 (6) planning, design, construction, equipping,
3 maintenance or operation of a county jail or juvenile detention
4 facility; planning, assessment, design or operation of a
5 regional system of juvenile services, including secure
6 detention and nonsecure alternatives, that serves multiple
7 contiguous counties; planning, design, construction,
8 maintenance or operation of multipurpose regional adult jails
9 or juvenile detention facilities; housing of county prisoners
10 or juvenile offenders in any county jail or detention facility;
11 or substance abuse, mental health or other programs for county
12 prisoners or other inmates in county jails or for juvenile
13 offenders in county or regional detention facilities; and

14 (7) furthering or implementing economic
15 development plans and projects as defined in the Local Economic
16 Development Act or projects as defined in the Statewide
17 Economic Development Finance Act, and use of not more than the
18 greater of fifty thousand dollars (\$50,000) or ten percent of
19 the revenue collected for promotion and administration of or
20 professional services contracts related to implementation of an
21 economic development plan adopted by the governing body
22 pursuant to the Local Economic Development Act and in
23 accordance with law.

24 D. An ordinance imposing the county infrastructure
25 gross receipts tax shall not go into effect until after an

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1 election is held and a majority of the voters in the county
2 area voting in the election votes in favor of imposing the tax.
3 The governing body shall adopt a resolution calling for an
4 election within seventy-five days of the date the ordinance is
5 adopted on the question of imposing the tax. The question
6 shall be submitted to the voters of the county area as a
7 separate question at a general election or at a special
8 election called for that purpose by the governing body. A
9 special election shall be called, conducted and canvassed in
10 substantially the same manner as provided by law for general
11 elections. If a majority of the voters voting on the question
12 approves the ordinance imposing the county infrastructure gross
13 receipts tax, then the ordinance shall become effective in
14 accordance with the provisions of the County Local Option Gross
15 Receipts Taxes Act. If the question of imposing the county
16 infrastructure gross receipts tax fails, the governing body
17 shall not again propose the imposition of the tax for a period
18 of one year from the date of the election."

19 SECTION 60. Section 7-20E-20 NMSA 1978 (being Laws 2001,
20 Chapter 328, Section 1, as amended) is amended to read:

21 "7-20E-20. COUNTY EDUCATION GROSS RECEIPTS TAX--AUTHORITY
22 TO IMPOSE--RATE--ELECTION--USE OF REVENUE.--

23 A. Upon submission of a resolution to the governing
24 body pursuant to Subsection D of this section, the governing
25 body of a county shall enact an ordinance imposing or

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1 reimposing an excise tax [~~at a rate of one-half of one percent~~]
2 on any person engaging in business in the county for the
3 privilege of engaging in business in the county. The rate of
4 the tax shall not exceed twenty-five hundredths percent of the
5 gross receipts of the person engaging in business and may be
6 imposed in increments of five-thousandths percent. The tax
7 imposed pursuant to this section may be referred to as the
8 "county education gross receipts tax".

9 B. The governing body, at the time of enacting an
10 ordinance imposing a county education gross receipts tax
11 pursuant to this section shall dedicate the revenue only for
12 the payment of county education gross receipts tax bonds for
13 public school capital projects and off-campus instruction
14 program capital projects, if any, in the county. The tax shall
15 be imposed for the period necessary for payment of the
16 principal and interest on the county education gross receipts
17 tax revenue bonds issued to accomplish the purpose for which
18 the revenue is dedicated, but the period shall not exceed ten
19 years from the effective date of the ordinance imposing the
20 tax.

21 C. The governing body may reimpose a county
22 education gross receipts tax to be effective upon termination
23 of a previously imposed county education gross receipts tax by
24 following the procedures set forth in this section.

25 D. Upon a finding of need, the boards of every

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1 school district in a county that is either located wholly
2 within the exterior boundaries of the county or that has a
3 student membership no more than ten percent of whom reside
4 outside the exterior boundaries of the county may enter into a
5 joint agreement to submit a resolution to the governing body of
6 the county requiring the governing body to impose a county
7 education gross receipts tax and to issue county education
8 gross receipts tax revenue bonds for funding public school
9 capital projects and, if applicable, off-campus instruction
10 program capital projects. The boards must agree to provide at
11 least one-fourth of the bond proceeds for capital projects for
12 an off-campus instruction program, if one of the school
13 districts in the county has established such a program. The
14 remaining revenues shall be distributed proportionately to each
15 school district for public school capital outlay projects,
16 including capital projects at charter schools and state-
17 chartered charter schools within the school district, based on
18 the ratio that the population of each school district,
19 according to the 2010 federal decennial census, bears to the
20 population of all of the school districts in the county that
21 are parties to the agreement.

22 E. An ordinance imposing the county education gross
23 receipts tax shall not go into effect until after an election
24 is held and a majority of the voters in the county voting in
25 the election votes in favor of imposing the tax. The governing

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1 body shall adopt a resolution calling for an election within
2 sixty days of the date the ordinance is adopted on the question
3 of imposing the tax. The question shall be submitted to the
4 voters of the county as a separate question at a general
5 election or at a special election called for that purpose by
6 the governing body. A special election shall be called,
7 conducted and canvassed in substantially the same manner as
8 provided by law for general elections. If a majority of the
9 voters voting on the question approves the ordinance imposing
10 the county education gross receipts tax, then the ordinance
11 shall become effective in accordance with the provisions of the
12 County Local Option Gross Receipts Taxes Act. If the question
13 of imposing the county education gross receipts tax fails, a
14 resolution from the boards of school districts in the county
15 may not again be proposed to the governing body requesting
16 imposition of the tax for a period of one year from the date of
17 the election.

18 F. The proceeds from county education gross
19 receipts tax revenue bonds shall be administered by the
20 governing body and disbursed by the county treasurer to the
21 respective school districts in the amounts and for the purposes
22 authorized in this section and as set out in the resolution
23 submitted by the boards to the governing body.

24 G. As used in this section:

25 (1) "board" means the governing body of a

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1 school district;

2 (2) "capital projects" means the designing,
3 constructing and equipping of new buildings; the remodeling,
4 renovating or making additions to and equipping existing
5 buildings; or the improving or equipping of the grounds
6 surrounding buildings;

7 (3) "county" means:

8 (a) a class B county with a population
9 of less than twenty-five thousand according to the 1990 federal
10 decennial census and a net taxable value for property tax
11 purposes for the 1999 property tax year of more than five
12 hundred million dollars (\$500,000,000);

13 (b) a county that has imposed a local
14 hospital gross receipts tax pursuant to the Local Hospital
15 Gross Receipts Tax Act, which tax will expire on December 31,
16 2001; and

17 (c) a county that has previously imposed
18 a county education gross receipts tax; and

19 (4) "off-campus instruction program" means a
20 program established by a school district pursuant to the
21 Off-Campus Instruction Act."

22 SECTION 61. Section 7-20E-21 NMSA 1978 (being Laws 2001,
23 Chapter 172, Section 2, as amended) is amended to read:

24 "7-20E-21. COUNTY CAPITAL OUTLAY GROSS RECEIPTS TAX--
25 PURPOSES--REFERENDUM.--

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1 A. The majority of the members of the governing
2 body of a county may enact an ordinance imposing an excise tax
3 at a rate not to exceed [~~one-fourth of~~] one hundred twenty-five
4 thousandths percent of the gross receipts of any person
5 engaging in business in the county for the privilege of
6 engaging in business. The tax may be imposed in increments of
7 [~~one-sixteenth of one~~] five-thousandths percent not to exceed
8 an aggregate rate of [~~one-fourth of~~] one hundred twenty-five
9 thousandths percent.

10 B. The tax imposed pursuant to Subsection A of this
11 section may be referred to as the "county capital outlay gross
12 receipts tax".

13 C. The governing body, at the time of enacting an
14 ordinance imposing a rate of tax authorized in Subsection A of
15 this section, may dedicate the revenue for any county
16 infrastructure purpose, including:

17 (1) the design, construction, acquisition,
18 improvement, renovation, rehabilitation, equipping or
19 furnishing of public buildings or facilities, including parking
20 facilities, the acquisition of land for the public buildings or
21 facilities and the acquisition or improvement of the grounds
22 surrounding public buildings or facilities;

23 (2) acquisition, construction or improvement
24 of water, wastewater or solid waste systems or facilities and
25 related facilities, including water or sewer lines and storm

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1 sewers and other drainage improvements;

2 (3) design, construction, acquisition,
3 improvement or equipping of a county jail, juvenile detention
4 facility or other county correctional facility or multipurpose
5 regional adult jail or juvenile detention facility;

6 (4) construction, reconstruction or
7 improvement of roads, streets or bridges, including acquisition
8 of rights of way;

9 (5) design, construction, acquisition,
10 improvement or equipping of airport facilities, including
11 acquisition of land, easements or rights of way for airport
12 facilities;

13 (6) acquisition of land for open space, public
14 parks or public recreational facilities and the design,
15 acquisition, construction, improvement or equipping of parks
16 and recreational facilities; and

17 (7) payment of gross receipts tax revenue
18 bonds issued pursuant to Chapter 4, Article 62 NMSA 1978 for
19 infrastructure purposes.

20 D. An ordinance imposing the county capital outlay
21 gross receipts tax shall not go into effect until after an
22 election is held on the question of imposing the tax for the
23 purpose for which the revenue is dedicated and a majority of
24 the voters in the county voting in the election votes in favor
25 of imposing the tax. The governing body shall adopt a

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1 resolution calling for an election within seventy-five days of
2 the date the ordinance is adopted on the question of imposing
3 the tax. The question shall be submitted to the voters of the
4 county as a separate question at a general election or at a
5 special election called for that purpose by the governing body.
6 A special election shall be called, conducted and canvassed in
7 substantially the same manner as provided by law for general
8 elections. If a majority of the voters voting on the question
9 approves the question of imposing the county capital outlay
10 gross receipts tax, then the ordinance shall become effective
11 in accordance with the provisions of the County Local Option
12 Gross Receipts Taxes Act. If the question of imposing the
13 county capital outlay gross receipts tax fails, the governing
14 body shall not again propose the imposition of the tax for a
15 period of one year from the date of the election."

16 SECTION 62. Section 7-20E-22 NMSA 1978 (being Laws 2002,
17 Chapter 14, Section 1, as amended) is amended to read:

18 "7-20E-22. COUNTY EMERGENCY COMMUNICATIONS AND EMERGENCY
19 MEDICAL AND BEHAVIORAL HEALTH SERVICES TAX--AUTHORITY TO IMPOSE
20 COUNTYWIDE OR ONLY IN THE COUNTY AREA--ORDINANCE REQUIREMENTS--
21 USE OF REVENUE--ELECTION.--

22 A. The majority of the members of the governing
23 body of an eligible county that does not have in effect a tax
24 imposed pursuant to Subsection B of this section may enact an
25 ordinance imposing an excise tax at a rate not to exceed

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1 ~~[one-fourth]~~ one hundred twenty-five thousandths percent of the
2 gross receipts of a person engaging in business in the county
3 for the privilege of engaging in business. The tax imposed by
4 this subsection may be referred to as the "countywide emergency
5 communications and emergency medical and behavioral health
6 services tax".

7 B. The majority of the members of the governing
8 body of an eligible county that does not have in effect a tax
9 imposed pursuant to Subsection A of this section may enact an
10 ordinance imposing an excise tax at a rate not to exceed ~~[one-~~
11 ~~fourth]~~ one hundred twenty-five thousandths percent of the
12 gross receipts of a person engaging in business in the county
13 area for the privilege of engaging in business. The tax
14 imposed by this subsection may be referred to as the "county
15 area emergency communications and emergency medical and
16 behavioral health services tax".

17 C. The tax authorized in Subsections A and B of
18 this section may be imposed in ~~[one or more]~~ increments of
19 ~~[one-sixteenth]~~ five-thousandths percent not to exceed an
20 aggregate rate of ~~[one-fourth]~~ one hundred twenty-five
21 thousandths percent.

22 D. The governing body, at the time of enacting an
23 ordinance imposing a rate of tax authorized in Subsection A or
24 B of this section, shall dedicate the revenue to one or more of
25 the following purposes:

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1 (1) operation of an emergency communications
2 center that has been determined by the local government
3 division of the department of finance and administration to be
4 a consolidated public safety answering point;

5 (2) operation of emergency medical services
6 provided by the county; or

7 (3) provision of behavioral health services,
8 including alcohol abuse and substance abuse treatment.

9 E. An ordinance imposing any increment of the
10 countywide emergency communications and emergency medical and
11 behavioral health services tax or the county area emergency
12 communications and emergency medical and behavioral health
13 services tax shall not go into effect until after an election
14 is held and a majority of the voters voting in the election
15 votes in favor of imposing the tax. In the case of an
16 ordinance imposing an increment of the countywide emergency
17 communications and emergency medical and behavioral health
18 services tax, the election shall be conducted countywide. In
19 the case of an ordinance imposing the county area emergency
20 communications and emergency medical and behavioral health
21 services tax, the election shall be conducted only in the
22 county area. The governing body shall adopt a resolution
23 calling for an election within seventy-five days of the date
24 the ordinance is adopted on the question of imposing the tax.
25 The question may be submitted to the voters as a separate

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1 question at a general election or at a special election called
2 for that purpose by the governing body. A special election
3 shall be called, conducted and canvassed in substantially the
4 same manner as provided by law for general elections. In any
5 election held, the ballot shall clearly state the purpose to
6 which the revenue will be dedicated pursuant to Subsection D of
7 this section. If a majority of the voters voting on the
8 question approves the imposition of the countywide emergency
9 communications and emergency medical and behavioral health
10 services tax or the county area emergency communications and
11 emergency medical and behavioral health services tax, the
12 ordinance shall become effective in accordance with the
13 provisions of the County Local Option Gross Receipts Taxes Act.
14 If the question of imposing the tax fails, the governing body
15 shall not again propose the imposition of any increment of
16 either tax for a period of one year from the date of the
17 election.

18 F. For the purposes of this section, "eligible
19 county" means:

20 (1) a county that operates or, pursuant to a
21 joint powers agreement, is served by an emergency
22 communications center that has been determined by the local
23 government division of the department of finance and
24 administration to be a consolidated public safety answering
25 point; or

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1 (2) in the case of a county imposing the tax
2 for the purposes provided in Paragraph (3) of Subsection D of
3 this section, a county that operates or contracts for the
4 operation of a behavioral health services facility providing
5 alcohol abuse, substance abuse and inpatient and outpatient
6 behavioral health treatment."

7 SECTION 63. Section 7-20E-23 NMSA 1978 (being Laws 2004,
8 Chapter 17, Section 2, as amended) is amended to read:

9 "7-20E-23. COUNTY REGIONAL TRANSIT GROSS RECEIPTS TAX--
10 AUTHORITY TO IMPOSE--RATE--ELECTION REQUIRED.--

11 A. Upon a request by resolution of the board of
12 directors of a regional transit district, a majority of the
13 members of the governing body of each county that is within the
14 district shall impose by identical ordinances an excise tax at
15 the rate specified in the resolution, but not to exceed [~~one-~~
16 ~~half~~] twenty-five hundredths percent of the gross receipts of
17 any person engaging in business in the district for the
18 privilege of engaging in business. A tax imposed pursuant to
19 this section may be imposed by one or more ordinances, each
20 imposing any number of tax rate increments, but an increment
21 shall not be less than [~~one-sixteenth~~] five-thousandths percent
22 of the gross receipts of any person engaging in business in the
23 district and the aggregate of all rates shall not exceed [~~one-~~
24 ~~half~~] twenty-five hundredths percent of the gross receipts of
25 any person engaging in business in the district. The tax may

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1 be referred to as the "county regional transit gross receipts
2 tax".

3 B. Each governing body, at the time of enacting an
4 ordinance imposing the tax authorized in Subsection A of this
5 section, shall dedicate the revenue for the purposes authorized
6 by the Regional Transit District Act.

7 C. An ordinance imposing a county regional transit
8 gross receipts tax shall not go into effect until after a joint
9 election is held by all counties within the district and a
10 majority of the voters of the district voting in the election
11 votes in favor of imposing the tax. Each governing body shall
12 adopt an ordinance calling for a joint election within seventy-
13 five days of the date the resolution is adopted on the question
14 of imposing the tax. The question shall be submitted to the
15 voters of the district as a separate question at a general
16 election or at a joint special election called for that purpose
17 by each governing body. A joint special election shall be
18 called, conducted and canvassed substantially in the same
19 manner as provided by law for general elections. If a majority
20 of the voters in the district voting on the question approves
21 the ordinance imposing the county regional transit gross
22 receipts tax, the ordinance shall become effective in
23 accordance with the provisions of the County Local Option Gross
24 Receipts Taxes Act. If the question of imposing the county
25 regional transit gross receipts tax fails, the governing bodies

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1 shall not again propose the imposition of any increment of the
2 tax for a period of one year from the date of the election.

3 D. The governing body of a county imposing a county
4 regional transit gross receipts tax shall transfer all proceeds
5 from the tax to the regional transit district for the purposes
6 specified in the ordinance and in accordance with the
7 provisions of the Regional Transit District Act.

8 E. As used in this section, "county within the
9 district" means a county within which lies any portion of a
10 regional transit district."

11 SECTION 64. Section 7-20E-24 NMSA 1978 (being Laws 2005,
12 Chapter 212, Section 1) is amended to read:

13 "7-20E-24. QUALITY OF LIFE GROSS RECEIPTS TAX--AUTHORITY
14 TO IMPOSE--ORDINANCE REQUIREMENTS--USE OF REVENUE--ELECTION.--

15 A. Prior to January 1, 2016, the majority of the
16 members of the governing body of a county may enact an
17 ordinance imposing an excise tax at a rate not to exceed [~~one-~~
18 ~~fourth~~] one hundred twenty-five thousandths percent of the
19 gross receipts of a person engaging in business in the county
20 area for the privilege of engaging in business. The tax may be
21 imposed in [~~one or more~~] increments of [~~one-sixteenth~~] five-
22 thousandths percent not to exceed an aggregate rate of [~~one-~~
23 ~~fourth~~] one hundred twenty-five thousandths percent. The tax
24 shall be imposed for a period of not more than ten years from
25 the effective date of the ordinance imposing the tax. Having

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1 enacted an ordinance imposing the tax prior to January 1, 2016
2 pursuant to the provisions of this section, the governing body
3 may enact subsequent ordinances for succeeding periods of not
4 more than ten years; provided that each ordinance meets the
5 requirements of this section and of the County Local Option
6 Gross Receipts Taxes Act. The tax imposed pursuant to the
7 provisions of this section may be referred to as the "quality
8 of life gross receipts tax".

9 B. The governing body, at the time of enacting an
10 ordinance imposing the quality of life gross receipts tax,
11 shall dedicate the revenue to cultural programs and activities
12 provided by a local government and to cultural programs, events
13 and activities provided by contract or operating agreement with
14 nonprofit or publicly owned cultural organizations and
15 institutions.

16 C. The governing body of a class A county with a
17 population of more than two hundred fifty thousand according to
18 the most recent federal decennial census, when dedicating
19 revenue pursuant to Subsection B of this section, shall specify
20 that:

21 (1) the revenue may not be used for capital
22 expenditures, endowments or fundraising;

23 (2) at least one percent but not more than
24 three percent of the revenue shall be used for public education
25 on the use of the revenue;

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1 (3) at least three percent but not more than
2 five percent of the revenue shall be dedicated to
3 administration of the revenue; and

4 (4) at least one percent but not more than
5 three percent of the revenue shall be used for implementation
6 of the goals of the cultural plan for the county and the
7 largest municipality located within the exterior boundaries of
8 the county.

9 D. An ordinance imposing any increment of the
10 quality of life gross receipts tax shall not go into effect
11 until after an election is held and a majority of the voters in
12 the county voting in the election vote in favor of imposing the
13 tax. The governing body shall adopt a resolution calling for
14 an election within ninety days of the date the ordinance is
15 adopted on the question of imposing the tax. The question may
16 be submitted to the voters as a separate question at a general
17 election or at a special election called for that purpose by
18 the governing body. A special election shall be called,
19 conducted and canvassed in substantially the same manner as
20 provided by law for general elections. In any election held,
21 the ballot shall clearly state the purpose to which the revenue
22 will be dedicated pursuant to this section. If a majority of
23 the voters voting on the question approves the ordinance
24 imposing the quality of life gross receipts tax, the ordinance
25 shall become effective in accordance with the provisions of the

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1 County Local Option Gross Receipts Taxes Act. If the question
2 of imposing the quality of life gross receipts tax fails, the
3 governing body shall not again propose the imposition of the
4 tax for a period of one year from the date of the election.

5 E. The quality of life gross receipts tax revenue
6 shall be used to meet the following goals: promoting and
7 preserving cultural diversity; enhancing the quality of
8 cultural programs and activities; fostering greater access to
9 cultural opportunities; promoting culture in order to further
10 economic development within the county; and supporting
11 programs, events and organizations with direct, identifiable
12 and measurable public benefit to residents of the county. It
13 is the objective of the quality of life gross receipts tax that
14 the revenue from the tax be used to expand and sustain existing
15 programs and to develop new programs, events and activities,
16 rather than to replace other funding sources for existing
17 programs, events and activities.

18 F. The governing body of a county that imposes the
19 quality of life gross receipts tax shall, within sixty days of
20 the election approving the imposition of the tax, appoint a
21 county cultural advisory board consisting of between nine and
22 fifteen members. Persons appointed to the board shall be
23 residents of the county who are knowledgeable about the
24 activities eligible for quality of life tax funding. At least
25 one member of the board shall be appointed by the governing

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1 body of the most populous municipality within the county. The
2 members of the board shall be appointed for fixed terms and
3 shall not be removed during their terms except for malfeasance.
4 The terms of the initial board members shall be staggered so
5 that one-third of the members are appointed for one-year terms,
6 one-third are appointed for two-year terms and one-third are
7 appointed for three-year terms. Subsequent appointments to the
8 board shall be for three-year terms. If a vacancy on the board
9 occurs, the governing body shall appoint a replacement member
10 for the remainder of the unexpired term. A board member shall
11 not serve for more than two consecutive terms.

12 G. The county cultural advisory board shall have
13 the responsibility of overseeing the distribution of the
14 quality of life gross receipts tax revenue for the goals listed
15 in Subsection E of this section. The board shall:

16 (1) biennially submit recommendations to the
17 governing body for expenditures of revenue from the quality of
18 life gross receipts tax that are allocated pursuant to this
19 section through contracts for services with appropriate
20 organizations and institutions;

21 (2) establish and publicize the necessary
22 qualifications for organizations and institutions to receive
23 quality of life gross receipts tax funding; and

24 (3) develop guidelines and procedures for
25 applying for funding through a request for proposals process

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1 and the criteria by which contracts will be awarded. The
2 evaluation process shall include a public review component.

3 H. The cultural advisory board shall establish
4 reporting requirements for recipients of the quality of life
5 gross receipts tax revenue. The board shall provide to the
6 governing body an annual evaluation of the use of revenue from
7 the quality of life gross receipts tax to ensure that it is
8 meeting the goals listed in Subsection E of this section.

9 I. If the quality of life gross receipts tax is
10 enacted in a class A county with a population of more than two
11 hundred fifty thousand according to the most recent federal
12 decennial census, the net revenue from the tax remaining after
13 distributions pursuant to Subsection C of this section shall be
14 distributed as follows subject to the recommendations of the
15 county cultural advisory board pursuant to Subsection G of this
16 section:

17 (1) for the purpose of enhancing cultural
18 programs and activities, sixty-five percent to a municipality
19 for cultural programs and activities within the exterior
20 boundaries of the county and five percent to the county for
21 cultural programs and activities within the unincorporated
22 areas of the county; provided that:

23 (a) the funds are distributed according
24 to a plan that takes into consideration progress indicators
25 that include current budgets, fiscal responsibility and

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1 attendance;

2 (b) educational institutions serving
3 kindergarten through twelfth grade are not eligible for
4 distributions pursuant to this paragraph; and

5 (c) a portion of the funds may be
6 expended by the municipality pursuant to an operating agreement
7 with an organization that operates a facility owned by the
8 municipality;

9 (2) for the purpose of providing cultural
10 programs and services to the residents of the county, sixteen
11 percent may be distributed through contracts for services with
12 private nonprofit organizations with an annual operating budget
13 of more than one hundred thousand dollars (\$100,000) and two
14 percent may be distributed through contracts for services with
15 private nonprofit organizations with an annual operating budget
16 of one hundred thousand dollars (\$100,000) or less. To be
17 eligible for a distribution pursuant to this paragraph, an
18 organization shall have:

19 (a) been granted for the prior three
20 consecutive years exemption from the federal income tax by the
21 United States commissioner of the internal revenue as an
22 organization described in Section 501(c)(3) of the Internal
23 Revenue Code of 1986;

24 (b) as its primary purpose cultural
25 programs; and

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1 (c) its principal office located within
2 the exterior boundaries of the county; and

3 (3) for the purpose of providing cultural
4 programs to residents of the county, twelve percent to:

5 (a) organizations that have a strong
6 cultural program but do not have culture as their primary
7 purpose; or

8 (b) foundations that are affiliated with
9 state or federally owned institutions and that do not otherwise
10 qualify for funding pursuant to this section but that offer
11 cultural programs to the general public.

12 J. Every four years, the cultural advisory board
13 shall review and revise as necessary:

14 (1) the guidelines and procedures for applying
15 for funding;

16 (2) the criteria by which applications for
17 funding will be evaluated; and

18 (3) the percentages specified in Paragraph (1)
19 of Subsection I of this section for distribution of net revenue
20 to municipally owned or county-owned institutions.

21 K. As used in this section:

22 (1) "county area" means that portion of a
23 county located outside the boundaries of any municipality,
24 except that for H class counties and class A counties with a
25 population in excess of two hundred fifty thousand, according

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1 to the most recent federal decennial census, "county area"
2 means the entire county; and

3 (2) "cultural organizations and institutions"
4 means organizations and institutions that have as a primary
5 purpose the advancement or preservation of zoology, museums,
6 library sciences, art, music, theater, dance, literature or the
7 humanities."

8 SECTION 65. Section 7-20E-25 NMSA 1978 (being Laws 2006,
9 Chapter 15, Section 15) is amended to read:

10 "7-20E-25. COUNTY REGIONAL SPACEPORT GROSS RECEIPTS TAX--
11 AUTHORITY TO IMPOSE--RATE--ELECTION REQUIRED.--

12 A. A majority of the members of the governing body
13 of a county that desires to become a member of a regional
14 spaceport district pursuant to the Regional Spaceport District
15 Act shall impose by ordinance an excise tax at a rate not to
16 exceed [~~one-half~~] twenty-five hundredths percent of the gross
17 receipts of a person engaging in business in the district area
18 of the county for the privilege of engaging in business. A tax
19 imposed pursuant to this section may be imposed by one or more
20 ordinances, each imposing any number of tax rate increments,
21 but an increment shall not be less than [~~one-sixteenth~~] five-
22 thousandths percent of the gross receipts of a person engaging
23 in business in the district area of the county, and the
24 aggregate of all rates shall not exceed [~~one-half~~] twenty-five
25 hundredths percent of the gross receipts of a person engaging

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1 in business in the district area of the county. The tax may be
2 referred to as the "county regional spaceport gross receipts
3 tax".

4 B. A governing body, at the time of enacting an
5 ordinance imposing the tax authorized in Subsection A of this
6 section, shall dedicate a minimum of seventy-five percent of
7 the proceeds of the revenue to the regional spaceport district
8 for the financing, planning, designing and engineering and
9 construction of a spaceport or for projects or services of the
10 district pursuant to the Regional Spaceport District Act and
11 may dedicate no more than twenty-five percent of the revenue
12 for spaceport-related projects as approved by resolution of the
13 governing body of the county.

14 C. An ordinance imposing a county regional
15 spaceport gross receipts tax shall not go into effect until
16 after an election is held and a majority of the voters of the
17 district area of the county voting in the election votes in
18 favor of imposing the tax. The governing body shall adopt an
19 ordinance calling for an election within seventy-five days of
20 the date the resolution is adopted on the question of imposing
21 the tax. The question shall be submitted to the voters of the
22 district area of the county as a separate question at a general
23 election or at a special election called for that purpose by
24 the governing body. A special election shall be called,
25 conducted and canvassed substantially in the same manner as

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1 provided by law for general elections. If a majority of the
2 voters voting on the question approves the ordinance imposing
3 the county regional spaceport gross receipts tax, the ordinance
4 shall become effective in accordance with the provisions of the
5 County Local Option Gross Receipts Taxes Act. If the question
6 of imposing the county regional spaceport gross receipts tax
7 fails, the governing body shall not again propose the
8 imposition of an increment of the tax for a period of one year
9 from the date of the election.

10 D. The governing body of a county imposing a county
11 regional spaceport gross receipts tax shall transfer a minimum
12 of seventy-five percent of all proceeds from the tax to the
13 regional spaceport district of which it is a member for the
14 purposes in accordance with the provisions of the Regional
15 Spaceport District Act. The governing body of a county
16 imposing a county regional spaceport gross receipts tax may
17 retain no more than twenty-five percent of the county regional
18 spaceport gross receipts tax for spaceport-related projects as
19 approved by the resolution of the governing body of the county.

20 E. As used in this section, "district area of the
21 county" means that portion of a county that is outside the
22 boundaries of a municipality and that is within the boundaries
23 of a regional spaceport district of which the county is a
24 member; provided that if no municipality within the county has
25 imposed a municipal regional spaceport gross receipts tax,

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1 "district area of the county" may mean the area within the
2 boundaries of the county that is within the boundaries of a
3 regional spaceport district of which the county is a member."

4 SECTION 66. Section 7-20E-26 NMSA 1978 (being Laws 2007,
5 Chapter 346, Section 1) is amended to read:

6 "7-20E-26. WATER AND SANITATION GROSS RECEIPTS TAX--
7 AUTHORITY TO IMPOSE--RATE--ELECTION--USE OF REVENUE.--

8 A. An excise tax imposed by a governing body
9 pursuant to this section may be referred to as the "water and
10 sanitation gross receipts tax". The water and sanitation gross
11 receipts tax shall be imposed by a governing body as set forth
12 in this section, contingent upon a majority of the voters
13 voting in an election on the question of whether to impose a
14 water and sanitation gross receipts tax voting in favor of the
15 imposition.

16 B. Upon receipt of a resolution adopted and
17 submitted by the board of directors of a water and sanitation
18 district that requests the governing body to impose a water and
19 sanitation gross receipts tax on behalf of the water and
20 sanitation district, a governing body shall enact an ordinance
21 imposing a water and sanitation gross receipts tax in that
22 water and sanitation district. The ordinance shall impose the
23 tax at a rate [~~of one-fourth~~] not to exceed one hundred twenty-
24 five thousandths percent on a person engaging in business
25 within the area of the county located within the water and

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1 sanitation district for the privilege of engaging in business
2 within that water and sanitation district within the county.
3 The tax may be imposed in increments of five-thousandths
4 percent not to exceed an aggregate rate of one hundred twenty-
5 five thousandths percent.

6 C. The governing body, at the time of enacting an
7 ordinance imposing a water and sanitation gross receipts tax
8 authorized pursuant to Subsection A of this section, shall
9 dedicate the revenue only for the operation of the water and
10 sanitation district for which the tax is imposed. The tax
11 shall be imposed for six years from the date on which the water
12 and sanitation gross receipts tax goes into effect.

13 D. Within sixty days of the date the ordinance is
14 adopted by the governing body, the governing body shall adopt a
15 resolution calling for an election on the question of whether
16 to impose a water and sanitation gross receipts tax. The
17 question shall be submitted to the voters of the water and
18 sanitation district requesting the county to impose the tax. A
19 special election shall be called, conducted and canvassed in
20 substantially the same manner as provided by law for general
21 elections. If a majority of the voters voting on the question
22 approves the ordinance imposing the water and sanitation gross
23 receipts tax, then the ordinance shall become effective in
24 accordance with the provisions of the County Local Option Gross
25 Receipts Taxes Act on either January 1 or July 1 following the

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1 election approving the imposition of the tax. If the question
2 of imposing the water and sanitation gross receipts tax fails,
3 a resolution from the board of directors of the water and
4 sanitation district initiating the request to the county to
5 impose a water and sanitation gross receipts tax may not again
6 be submitted to the governing body for a period of one year
7 from the date of the election.

8 E. The proceeds from the water and sanitation gross
9 receipts tax shall be administered by the governing body and
10 disbursed by the county treasurer to the appropriate water and
11 sanitation district in amounts and for the purposes authorized
12 in this section and as set out in the resolution submitted by
13 the board of directors to the governing body. An agreement
14 shall be entered into between the water and sanitation district
15 and the governing body that sets out the responsibilities of
16 both parties regarding administration, distribution and use of
17 the revenue from the water and sanitation gross receipts tax."

18 SECTION 67. Section 7-20E-27 NMSA 1978 (being Laws 2010,
19 Chapter 31, Section 1) is amended to read:

20 "7-20E-27. COUNTY BUSINESS RETENTION GROSS RECEIPTS TAX--
21 IMPOSITION--RATE.--

22 A. A majority of the members of a governing body
23 may enact an ordinance imposing an excise tax on a person
24 engaging in business in the county for the privilege of
25 engaging in business in the county to provide funds to retain

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1 local businesses in the county. The maximum rate of the tax
2 shall be [~~one-fourth~~] one hundred twenty-five thousandths
3 percent of the gross receipts of the person engaging in
4 business. The tax may be imposed in its entirety or in
5 increments of [~~one-sixteenth~~] five-thousandths percent not to
6 exceed an aggregate rate of [~~one-fourth~~] one hundred twenty-
7 five thousandths percent.

8 B. The tax imposed pursuant to this section may be
9 referred to as the "county business retention gross receipts
10 tax".

11 C. An ordinance imposing the county business
12 retention gross receipts tax shall not go into effect until
13 after an election is held and a majority of the voters in the
14 county voting in the election [~~vote~~] votes in favor of imposing
15 the tax. The governing body shall adopt a resolution calling
16 for an election within seventy-five days of the date the
17 ordinance is adopted on the question of imposing the tax. The
18 question may be submitted to the voters of the county as a
19 separate question at a general election or at a special
20 election called for that purpose by the governing body. A
21 special election shall be called, conducted and canvassed in
22 substantially the same manner as provided by law for general
23 elections. If a majority of the voters voting on the question
24 approves the ordinance imposing the county business retention
25 gross receipts tax, then the ordinance shall become effective

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1 in accordance with the provisions of the County Local Option
2 Gross Receipts Taxes Act. If the question of imposing the
3 county business retention gross receipts tax fails, the
4 governing body shall not again propose the imposition of the
5 tax for a period of one year from the date of the election.

6 D. The governing body shall include in the
7 ordinance that:

8 (1) an amount not to exceed seven hundred
9 fifty thousand dollars (\$750,000) of the money from the county
10 business retention gross receipts tax shall be distributed to
11 the state to reduce the impact to the general fund of gaming
12 tax lost to the state from the county from reduced gaming tax
13 revenue due to decreased economic activity in the county; and

14 (2) the remainder of the revenue from the
15 county business retention gross receipts tax shall be
16 distributed back to the county for use for promotion or
17 administration of the county, instructional or general purposes
18 for a public post-secondary educational institution in the
19 county, capital outlay to expand or relocate a public post-
20 secondary educational institution in the county or funding
21 professional services contracts related to implementing an
22 economic development plan adopted by the governing body that
23 shall be updated on an annual basis during the period in which
24 the tax is imposed.

25 E. The county shall notify the department within

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1 thirty days of adopting an ordinance and inform the department
2 of the date on which the tax will be imposed for collection
3 purposes.

4 F. The governing body of a county that has imposed
5 a county business retention gross receipts tax pursuant to this
6 section may adopt by a majority vote an ordinance repealing
7 that tax as of either July 1 or January 1, as stated in the
8 ordinance. If the county business retention gross receipts tax
9 is repealed, the governing body shall notify the department
10 within thirty days of the repeal and of the date on which the
11 repeal becomes effective.

12 G. An ordinance enacted pursuant to the provisions
13 of this section shall include an effective date of either July
14 1 or January 1 as required by the County Local Option Gross
15 Receipts Taxes Act.

16 H. A county business retention gross receipts tax
17 imposed pursuant to this section shall be in effect for no more
18 than five years from the effective date of the tax as stated in
19 the county ordinance.

20 I. As used in this section, "county" means a county
21 containing gaming operator licensees that are racetracks."

22 SECTION 68. Section 7-20F-3 NMSA 1978 (being Laws 1993,
23 Chapter 303, Section 3, as amended) is amended to read:

24 "7-20F-3. COUNTY CORRECTIONAL FACILITY GROSS RECEIPTS
25 TAX--AUTHORITY TO IMPOSE--RATE--ORDINANCE REQUIREMENTS--

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1 REFERENDUM.--

2 A. Prior to July 1, 2013, the majority of the
3 members elected to the county board may enact an ordinance
4 imposing on a countywide basis an excise tax not to exceed a
5 rate of [~~one-eighth~~] sixty-five thousandths percent of the
6 gross receipts of any person engaging in business in the
7 county, including all municipalities within the county.

8 B. The tax imposed pursuant to Subsection A of this
9 section may be referred to as the "county correctional facility
10 gross receipts tax".

11 C. Any ordinance imposing a county correctional
12 facility gross receipts tax pursuant to this section shall:

13 (1) impose the tax in any number of increments
14 of [~~one-sixteenth~~] five-thousandths percent not to exceed an
15 aggregate amount of [~~one-eighth~~] sixty-five thousandths
16 percent;

17 (2) specify that the imposition of the tax
18 will begin on either July 1 or January 1, whichever occurs
19 first after the expiration of at least three months from the
20 date that the department is notified personally or by mail by
21 the county of adoption of the ordinance; and

22 (3) dedicate the revenue from the county
23 correctional facility gross receipts tax:

24 (a) for the purpose of operating,
25 maintaining, constructing, purchasing, furnishing, equipping,

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1 rehabilitating, expanding or improving a judicial-correctional
2 or a county correctional facility or the grounds of a judicial-
3 correctional or county correctional facility, including
4 acquiring and improving parking lots, landscaping or any
5 combination of the foregoing;

6 (b) for the purpose of transporting or
7 extraditing prisoners; or

8 (c) to payment of principal and interest
9 on revenue bonds or refunding bonds issued pursuant to the
10 provisions of the County Correctional Facility Gross Receipts
11 Tax Act.

12 D. An ordinance imposing a county correctional
13 facility gross receipts tax pursuant to this section shall be
14 subject to optional referendum selection by the governing body,
15 as provided in Subsection A of Section 7-20E-3 NMSA 1978.

16 E. If the county has pledged the revenue from
17 imposition of the county correctional ~~[facilities]~~ facility
18 gross receipts tax to the repayment of bonds or other
19 indebtedness, revenue produced by the imposition of a county
20 correctional facility gross receipts tax that is in excess of
21 the annual principal and interest due on bonds secured by a
22 pledge of the county correctional facility gross receipts tax
23 may be accumulated in a debt service reserve account until an
24 amount equal to the maximum amount permitted pursuant to the
25 provisions of the United States treasury regulations is

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1 accumulated in the debt service reserve account. After the
2 debt service reserve account requirements have been met, the
3 excess revenue shall be accumulated in an extraordinary
4 mandatory redemption fund and annually used to redeem the bonds
5 prior to their stated maturity date.

6 F. If the county has pledged the revenue from
7 imposition of the county correctional [~~facilities~~] facility
8 gross receipts tax to the repayment of bonds or other
9 indebtedness, when all outstanding bonds have been paid,
10 whether from the debt service reserve, the redemption fund or
11 maturity, the ordinance shall be repealed if the county
12 correctional facility gross receipts tax revenue is no longer
13 required for the purposes for which it may be used pursuant to
14 the provisions of the County Correctional Facility Gross
15 Receipts Tax Act.

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

21 SECTION 69. Section 7-36-21.3 NMSA 1978 (being Laws 2000,
22 Chapter 21, Section 1, as amended) is amended to read:

23 "7-36-21.3. LIMITATION ON INCREASE IN VALUE FOR
24 SINGLE-FAMILY DWELLINGS OCCUPIED BY LOW-INCOME OWNERS
25 SIXTY-FIVE YEARS OF AGE OR OLDER OR DISABLED.--

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1 A. For the 2001 and subsequent tax years, the
2 valuation for property taxation purposes of a single-family
3 dwelling owned and occupied by a person who is sixty-five years
4 of age or older and whose ~~[modified gross income, as defined in~~
5 ~~the Income Tax Act]~~ federal adjusted gross income for the prior
6 taxable year did not exceed the greater of eighteen thousand
7 dollars (\$18,000) or the amount calculated pursuant to
8 Subsection F of this section shall not be greater than the
9 valuation of the property for property taxation purposes in
10 the:

11 (1) 2001 tax year;

12 (2) year in which the owner's sixty-fifth
13 birthday occurs, if that is after 2001; or

14 (3) tax year following the tax year in which
15 an owner who turns sixty-five or is sixty-five years of age or
16 older first owns and occupies the property, if that is after
17 2001.

18 B. For the 2009 and subsequent tax years, the
19 valuation for property taxation purposes of a single-family
20 dwelling owned and occupied by a person who is sixty-five years
21 of age or older or disabled and whose ~~[modified gross income,~~
22 ~~as defined in the Income Tax Act]~~ federal adjusted gross income
23 for the prior taxable year did not exceed the greater of
24 thirty-two thousand dollars (\$32,000) or the amount calculated
25 pursuant to Subsection F of this section shall not be greater

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1 than the valuation of the property for property taxation
2 purposes in:

3 (1) the 2009 tax year, if the person owns and
4 occupies the property in the 2009 tax year;

5 (2) the tax year in which the owner's sixty-
6 fifth birthday occurs, if that is after 2009; or

7 (3) the tax year following the tax year in
8 which an owner who is sixty-five years of age or older first
9 owns and occupies the property, if that is after 2009.

10 C. For the 2003 and subsequent tax years, the
11 valuation for property taxation purposes of a single-family
12 dwelling owned and occupied by a person who is disabled and
13 whose ~~[modified gross income, as defined in the Income Tax Act]~~
14 federal adjusted gross income for the prior taxable year did
15 not exceed the greater of eighteen thousand dollars (\$18,000)
16 or the amount calculated pursuant to Subsection F of this
17 section shall not be greater than the valuation of the property
18 for property taxation purposes in the:

19 (1) 2003 tax year;

20 (2) year in which the owner is determined to
21 be disabled, if that is after 2003; or

22 (3) tax year following the tax year in which
23 an owner who is disabled or who is determined in that year to
24 be disabled first owns and occupies the property, if that is
25 after 2003.

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1 D. An owner who is entitled to a limitation in
2 valuation pursuant to more than one subsection of this section
3 may designate the subsection pursuant to which the limitation
4 shall be applied.

5 E. The limitation of value specified in Subsections
6 A, B and C of this section shall be applied in a tax year in
7 which the owner claiming entitlement files with the county
8 assessor an application for the limitation on a form furnished
9 to the owner by the assessor. The application form shall be
10 designed by the department and shall provide for proof of age
11 or disability, occupancy and income eligibility for the tax
12 year for which application is made.

13 F. For the 2002 tax year and each subsequent tax
14 year, the maximum amount of [~~modified~~] federal adjusted gross
15 income in Subsections A, B and C of this section shall be
16 adjusted to account for inflation. The department shall make
17 the adjustment by multiplying the maximum amount for tax year
18 2000 by a fraction, the numerator of which is the consumer
19 price index ending during the prior tax year and the
20 denominator of which is the consumer price index ending in tax
21 year 2000. The result of the multiplication shall be rounded
22 down to the nearest one hundred dollars (\$100), except that if
23 the result would be an amount less than the corresponding
24 amount for the preceding tax year, then no adjustment shall be
25 made. For purposes of this subsection, "consumer price index"

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1 means the consumer price index for all urban consumers
2 published by the United States department of labor for the
3 month ending September 30. The department shall publish
4 annually the amount determined by the calculation and
5 distribute it to each county assessor no later than December 1
6 of each tax year.

7 G. The limitation of value specified in Subsections
8 A, B and C of this section does not apply to:

9 (1) a change in valuation resulting from any
10 physical improvements made to the property during the year
11 immediately prior to the tax year or a change in the permitted
12 use or zoning of the property during the year immediately prior
13 to the tax year; or

14 (2) a residential property in the first tax
15 year that is valued for property taxation purposes.

16 H. As used in this section, "disabled" means a
17 person who has been determined to be blind or permanently
18 disabled with medical improvement not expected pursuant to
19 42 USCA 421 for purposes of the federal Social Security Act or
20 is determined to have a permanent total disability pursuant to
21 the Workers' Compensation Act."

22 SECTION 70. Section 7-37-7.1 NMSA 1978 (being Laws 1979,
23 Chapter 268, Section 1, as amended) is amended to read:

24 "7-37-7.1. ADDITIONAL LIMITATIONS ON PROPERTY TAX
25 RATES.--

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1 A. Except as provided in Subsections D and E of
2 this section, in setting the general property tax rates for
3 residential and nonresidential property authorized in
4 Subsection B of Section 7-37-7 NMSA 1978, the other rates and
5 impositions authorized in Paragraphs (2) and (3) of Subsection
6 C of Section 7-37-7 NMSA 1978, except the portion of the rate
7 authorized in Paragraph (1) of Subsection A of Section 4-48B-12
8 NMSA 1978 used to meet the requirements of Section 27-10-4 NMSA
9 1978, and benefit assessments authorized by law to be levied
10 upon net taxable value of property, assessed value or a similar
11 term, neither the department of finance and administration nor
12 any other entity authorized to set or impose a rate or
13 assessment shall set a rate or impose a tax or assessment that
14 will produce revenue from either residential or nonresidential
15 property in a particular governmental unit in excess of the sum
16 of a dollar amount derived by multiplying the appropriate
17 growth control factor by the revenue due from the imposition on
18 residential or nonresidential property, as appropriate, for the
19 prior property tax year in the governmental unit of the rate,
20 imposition or assessment for the specified purpose plus, for
21 the calculation for the rate authorized for county operating
22 purposes by Subsection B of Section 7-37-7 NMSA 1978 with
23 respect to residential property, any applicable tax rebate
24 adjustment. The calculation described in this subsection shall
25 be separately made for residential and nonresidential property.

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1 Except as provided in Subsections D and E of this section, no
2 tax rate or benefit assessment that will produce revenue from
3 either class of property in a particular governmental unit in
4 excess of the dollar amount allowed by the calculation shall be
5 set or imposed. The rates imposed pursuant to Sections 7-32-4
6 and 7-34-4 NMSA 1978 shall be the rates for nonresidential
7 property that would have been imposed but for the limitations
8 in this section. As used in this section, "growth control
9 factor" is a percentage equal to the sum of "percent change I"
10 plus V where:

11 (1) $V = \frac{\text{base year value} + \text{net new value}}{\text{base year value}}$,
12

13 expressed as a percentage, but if the percentage calculated is
14 less than one hundred percent, then V shall be set and used as
15 one hundred percent;

16 (2) "base year value" means the value for
17 property taxation purposes of all residential or nonresidential
18 property, as appropriate, subject to valuation under the
19 Property Tax Code in the governmental unit for the specified
20 purpose in the prior property tax year;

21 (3) "net new value" means the additional value
22 of residential or nonresidential property, as appropriate, for
23 property taxation purposes placed on the property tax schedule
24 in the current year resulting from the elements in
25 Subparagraphs (a) through (d) of this paragraph reduced by the

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1 value of residential or nonresidential property, as
2 appropriate, removed from the property tax schedule in the
3 current year and, if applicable, the reductions described in
4 Subparagraph (e) of this paragraph:

5 (a) residential or nonresidential
6 property, as appropriate, valued in the current year that was
7 not valued at all in the prior year;

8 (b) improvements to existing residential
9 or nonresidential property, as appropriate;

10 (c) additions to residential or
11 nonresidential property, as appropriate, or values that were
12 omitted from previous years' property tax schedules even if
13 part or all of the property was included on the schedule, but
14 no additions of values attributable to valuation maintenance
15 programs or reappraisal programs shall be included;

16 (d) additions to nonresidential property
17 due to increases in annual net production values of mineral
18 property valued in accordance with Section 7-36-23 or 7-36-25
19 NMSA 1978 or due to increases in market value of mineral
20 property valued in accordance with Section 7-36-24 NMSA 1978;
21 and

22 (e) reductions to nonresidential
23 property due to decreases in annual net production values of
24 mineral property valued in accordance with Section 7-36-23 or
25 7-36-25 NMSA 1978 or due to decreases in market value of

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1 mineral property valued in accordance with Section 7-36-24 NMSA
2 1978; and

3 (4) "percent change I" means a percent not in
4 excess of five percent that is derived by dividing the annual
5 implicit price deflator index for state and local government
6 purchases of goods and services, as published in the United
7 States department of commerce monthly publication entitled
8 "survey of current business" or any successor publication, for
9 the calendar year next preceding the prior calendar year into
10 the difference between the prior year's comparable annual index
11 and that next preceding year's annual index if that difference
12 is an increase, and if the difference is a decrease, the
13 "percent change I" is zero. In the event that the annual
14 implicit price deflator index for state and local government
15 purchases of goods and services is no longer prepared or
16 published by the United States department of commerce, the
17 department shall adopt by regulation the use of any comparable
18 index prepared by any agency of the United States.

19 B. If, as a result of the application of the
20 limitation imposed under Subsection A of this section, a
21 property tax rate for residential or nonresidential property,
22 as appropriate, authorized in Subsection B of Section 7-37-7
23 NMSA 1978 is reduced below the maximum rate authorized in that
24 subsection, no governmental unit or entity authorized to impose
25 a tax rate under Paragraph (2) of Subsection C of Section

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1 7-37-7 NMSA 1978 shall impose any portion of the rate
2 representing the difference between a maximum rate authorized
3 under Subsection B of Section 7-37-7 NMSA 1978 and the reduced
4 rate resulting from the application of the limitation imposed
5 under Subsection A of this section.

6 C. If the net new values necessary to make the
7 computation required under Subsection A of this section are not
8 available for any governmental unit at the time the calculation
9 must be made, the department of finance and administration
10 shall use a zero amount for net new values when making the
11 computation for the governmental unit.

12 D. Any part of the maximum tax rate authorized for
13 each governmental unit for residential and nonresidential
14 property by Subsection B of Section 7-37-7 NMSA 1978 that is
15 not imposed for a governmental unit for any property tax year
16 for reasons other than the limitation required under Subsection
17 A of this section may be authorized by the department of
18 finance and administration to be imposed for that governmental
19 unit for residential and nonresidential property for the
20 following tax year subject to the restriction of Subsection D
21 of Section 7-38-33 NMSA 1978.

22 E. If the base year value necessary to make the
23 computation required under Subsection A of this section is not
24 available for any governmental unit at the time the calculation
25 must be made, the department of finance and administration

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1 shall set a rate for residential and nonresidential property
2 that will produce in that governmental unit a dollar amount
3 that is not in excess of the property tax revenue due for all
4 property for the prior property tax year for the specified
5 purpose of that rate in that governmental unit.

6 F. For the purposes of this section, [~~(1)~~]
7 "nonresidential property" does not include any property upon
8 which taxes are imposed pursuant to the Oil and Gas Ad Valorem
9 Production Tax Act, the Oil and Gas Production Equipment Ad
10 Valorem Tax Act or the Copper Production Ad Valorem Tax Act
11 [~~and~~

12 ~~(2) "tax rebate adjustment" means, for those~~
13 ~~counties that have an ordinance in effect providing the~~
14 ~~property tax rebate pursuant to the Income Tax Act for the~~
15 ~~property tax year and that have not imposed for the property~~
16 ~~tax year either a property tax, the revenue from which is~~
17 ~~pledged for payment of the income tax revenue reduction~~
18 ~~resulting from the provision of the property tax rebate, or a~~
19 ~~property transfer tax, the estimated amount of the property tax~~
20 ~~rebate to be allowed with respect to the property tax year, and~~
21 ~~for any other governmental unit or purpose, zero; provided that~~
22 ~~any estimate of property tax rebate to be allowed is subject to~~
23 ~~review for appropriateness and approval by the department of~~
24 ~~finance and administration]."~~

25 SECTION 71. Section 10-7-18 NMSA 1978 (being Laws 1987,

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1 Chapter 289, Section 5) is amended to read:

2 "10-7-18. STATUS OF SALARY REDUCTION.--

3 A. The amount by which an eligible public
4 employee's salary is reduced pursuant to a salary reduction
5 agreement shall continue to be included as compensation for the
6 purpose of computing retirement benefits under the Public
7 Employees Retirement Act, the Educational Retirement Act and
8 the Judicial Retirement Act; provided this inclusion does not
9 conflict with federal law, including federal regulations,
10 pertaining to the Federal Insurance Contributions Act or to
11 Internal Revenue Code, Section 125 pertaining to cafeteria
12 plans.

13 B. The amount by which an eligible public
14 employee's salary is reduced pursuant to a salary reduction
15 agreement shall not be considered as gross income for purposes
16 of computing [~~New Mexico income tax~~] state unemployment tax,
17 [~~and~~] state [~~worker's~~] workers' compensation and federal income
18 taxes to be withheld and paid on behalf of the employee."

19 SECTION 72. Section 20-1-8 NMSA 1978 (being Laws 2003,
20 Chapter 136, Section 1, as amended) is amended to read:

21 "20-1-8. STATE BENEFITS FOR MEMBERS OF ARMED FORCES
22 CALLED TO ACTIVE DUTY AND DEPLOYED--BENEFITS FOR SURVIVING
23 CHILDREN OF A MEMBER KILLED IN THE LINE OF DUTY.--

24 A. A New Mexico resident who is a member of the New
25 Mexico national guard or of a branch of the federal armed

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1 forces and who is called to active duty and is deployed and
2 serves during the period beginning on [~~the effective date of~~
3 ~~this section~~] April 1, 2012 and ending on the date the
4 president of the United States declares that the emergency
5 requiring the call-up is terminated is entitled to the
6 following benefits, notwithstanding any provision of law to the
7 contrary:

8 (1) a free game hunting and fishing license
9 for the year following the year of the member's deactivation
10 and return to the state;

11 (2) an extension of one year after the return
12 of the member to the state of the date the member is required
13 to file a [~~state personal income~~] tax return required to be
14 filed pursuant to the Tax Administration Act if the filing date
15 occurs while the member is on active duty and deployed;

16 (3) an extension for one month after the
17 member's return to the state of the date to renew a driver's
18 license if the renewal date occurs while the member is on
19 active duty and deployed; and

20 (4) a refund or credit of tuition paid to a
21 state post-secondary educational institution for attendance
22 during a period when the attendance of the member was
23 interrupted by activation and deployment.

24 B. The surviving children of a New Mexico resident
25 who was a member of the New Mexico national guard or of a

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1 branch of the federal armed forces and who was killed in the
2 line of duty after being called to active duty and deployed
3 during the period beginning on April 3, 2003 and ending on the
4 date the president of the United States declares that the
5 emergency requiring the call-up is terminated are entitled to
6 waivers of tuition for four consecutive years at a state post-
7 secondary educational institution, notwithstanding any
8 provision of law to the contrary."

9 SECTION 73. Section 27-2-10 NMSA 1978 (being Laws 1973,
10 Chapter 376, Section 14, as amended) is amended to read:

11 "27-2-10. FOOD STAMP PROGRAM.--The income support
12 division of the human services department:

13 A. is authorized to establish a [~~food stamp~~]
14 supplemental nutrition assistance program to carry out the
15 federal [~~Food Stamp Act~~] Food and Nutrition Act of 2008, as may
16 be amended from time to time, and regulations issued pursuant
17 to that act, subject to the continuation of the federal [~~food~~
18 ~~stamp~~] supplemental nutrition assistance program and the
19 availability of federal funds; and

20 B. shall by January 30 of each calendar year notify
21 the taxation and revenue department of the location of [~~food~~
22 ~~stamp~~] supplemental nutrition assistance program offices in New
23 Mexico for inclusion in a notice sent [~~with an income tax~~
24 ~~refund or other notice~~] to a taxpayer whose income for federal
25 purposes is within one hundred thirty percent of federal

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1 poverty guidelines pursuant to Section 7-1-4.4 NMSA 1978."

2 SECTION 74. Section 38-5-3 NMSA 1978 (being Laws 1991,
3 Chapter 71, Section 2, as amended) is amended to read:

4 "38-5-3. SOURCE FOR JUROR SELECTION.--

5 A. Each county clerk shall make available to the
6 secretary of state a database of registered voters of the
7 clerk's county. The secretary of state shall preserve and make
8 available to the department of information technology, by
9 electronic media, a database of New Mexico registered voters,
10 by county, which shall be updated every six months. The
11 director of the motor vehicle division of the taxation and
12 revenue department shall make available by electronic media to
13 the department of information technology a database of driver's
14 license holders in each county, which shall be updated every
15 six months. The secretary of taxation and revenue shall make
16 available to the department of information technology, by
17 electronic media, a database of New Mexico [~~personal income~~
18 gross receipts tax filers by county, which shall be updated
19 every six months. The updates shall occur in June and
20 December.

21 B. The department of information technology shall
22 program the merger of the registered voter, driver's license
23 and [~~personal income~~ gross receipts tax filer databases from
24 each county to form a master jury database and write a computer
25 program so that a random selection of jurors can be made. A

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1 discrimination shall not be exercised except for the
2 elimination of persons who are not eligible for jury service.
3 The administrative office of the courts shall provide
4 specifications for the merging of the registered voter,
5 driver's license and [~~personal income~~] gross receipts tax filer
6 databases to form the master jury database. The master jury
7 database shall be the database that produces the random jury
8 list for the selection of petit or grand jurors for the state
9 courts.

10 C. The secretary of veterans' services and the
11 adjutant general of the department of military affairs shall
12 make available, by electronic media, to the administrative
13 office of the courts a database of service members who were
14 killed or missing in action during military service, which
15 shall be updated every six months. The administrative office
16 of the courts shall remove the names of service members who
17 were killed or missing in action during military service from
18 the master jury database that produces the random jury list for
19 the state courts.

20 D. The court shall, by order, designate the number
21 of potential jurors to be selected and the date on which the
22 jurors are to report for empaneling. Within fifteen days after
23 receipt of a copy of the order, the administrative office of
24 the courts shall provide the random jury list to the court.
25 The department of information technology shall print the random

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1 jury list and jury summons mailer forms within ten days after
2 receiving the request from the administrative office of the
3 courts. Upon issuance of the order, the department of
4 information technology shall draw from the most current
5 registered voter, driver's license and [~~personal income~~] gross
6 receipts tax filer databases to create the random jury list.

7 E. The department of information technology may
8 transfer the master jury database to a court that has
9 compatible equipment to accept such a transfer. The court
10 accepting the master jury database shall transfer the
11 information to a programmed computer used for the random
12 selection of petit or grand jurors."

13 SECTION 75. Section 53-19-19 NMSA 1978 (being Laws 1993,
14 Chapter 280, Section 19) is amended to read:

15 "53-19-19. RECORDS AND INFORMATION.--

16 A. A limited liability company shall keep at its
17 principal place of business, and notify all of its members of
18 the location of such place, the following:

19 (1) a list containing the full name and last
20 known mailing address of all current and former members and
21 managers;

22 (2) a copy of the articles of organization and
23 all amendments or restatements of the articles, together with
24 executed copies of any powers of attorney pursuant to which any
25 articles, amendments or restatements have been executed;

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1 (3) a copy of each of the limited liability
2 company's federal, state and local ~~[income]~~ tax returns and
3 financial statements for the three most recent years or, if
4 such returns or statements were not prepared for any reason,
5 copies of the information and statements necessary to enable
6 the members to prepare their own federal, state and local tax
7 returns for such periods;

8 (4) a copy of every current and prior
9 operating agreement and every amendment to each of those
10 operating agreements;

11 (5) unless the following statements are
12 included in the articles of organization or an operating
13 agreement:

14 (a) a current statement of the capital
15 contributions made by each member specifying the amount of cash
16 and the agreed value of other property received by the limited
17 liability company and the agreed value of services as a capital
18 contribution that each member has rendered to the limited
19 liability company;

20 (b) a statement of the cash, property
21 and services that each member has agreed to contribute or
22 render to the limited liability company in the future, and of
23 the principal balance outstanding under any promissory note
24 payable in respect of a capital contribution, and of the amount
25 of the capital contribution with which each such member shall

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1 be credited upon receipt of such cash, property or services, or
2 any part thereof, by the limited liability company; and

3 (c) a statement of the times at which,
4 or the events on the happening of which, any additional
5 contributions to or withdrawals from capital to which the
6 members have agreed are to occur; and

7 (6) documents or any other writings required
8 to be made available to members by the articles of organization
9 or operating agreement.

10 B. A member or [~~his~~] the member's representative
11 may, at the member's expense, inspect and copy any limited
12 liability company record, wherever such record is located, upon
13 reasonable request during ordinary business hours.

14 C. Managers or members in whom the articles of
15 organization or an operating agreement vest a particular
16 management responsibility for one or more material matters
17 shall, if requested by a member, the personal representative of
18 a deceased member or the legal representative of a member under
19 a legal disability, render to that member or representative, to
20 the extent the circumstances render it reasonable to do so,
21 true and full information on all such material matters
22 affecting the requesting member in [~~his~~] the member's capacity
23 as a member.

24 D. Failure of the limited liability company to keep
25 or maintain any of the records or information required pursuant

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1 to this section shall not be grounds for imposing liability on
2 any person for the debts and obligations of the limited
3 liability company."

4 SECTION 76. Section 54-2A-111 NMSA 1978 (being Laws 2007,
5 Chapter 129, Section 111) is amended to read:

6 "54-2A-111. REQUIRED INFORMATION.--A limited partnership
7 shall maintain at its designated office the following
8 information:

9 A. a current list showing the full name and last
10 known street and mailing address of each partner, separately
11 identifying the general partners, in alphabetical order, and
12 the limited partners, in alphabetical order;

13 B. a copy of the initial certificate of limited
14 partnership and all amendments to and restatements of the
15 certificate, together with signed copies of any powers of
16 attorney under which any certificate, amendment or restatement
17 has been signed;

18 C. a copy of any filed articles of conversion or
19 merger;

20 D. a copy of the limited partnership's federal,
21 state and local [~~income~~] tax returns and reports, if any, for
22 the three most recent years;

23 E. a copy of any partnership agreement made in a
24 record and any amendment made in a record to any partnership
25 agreement;

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1 F. a copy of any financial statement of the limited
2 partnership for the three most recent years;

3 G. a copy of any record made by the limited
4 partnership during the past three years of any consent given by
5 or vote taken of any partner pursuant to the Uniform Revised
6 Limited Partnership Act or the partnership agreement; and

7 H. unless contained in a partnership agreement made
8 in a record, a record stating:

9 (1) the amount of cash, and a description and
10 statement of the agreed value of the other benefits,
11 contributed and agreed to be contributed by each partner;

12 (2) the times at which, or events on the
13 happening of which, any additional contributions agreed to be
14 made by each partner are to be made;

15 (3) for any person that is both a general
16 partner and a limited partner, a specification of what
17 transferable interest the person owns in each capacity; and

18 (4) any events upon the happening of which the
19 limited partnership is to be dissolved and its activities wound
20 up."

21 SECTION 77. Section 59A-23D-4 NMSA 1978 (being Laws 1995,
22 Chapter 93, Section 4, as amended) is amended to read:

23 "59A-23D-4. MEDICAL CARE SAVINGS ACCOUNT PROGRAM.--

24 A. Except as otherwise provided by statute,
25 contract or collective bargaining agreement, an employer may

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1 establish a medical care savings account program for [~~his~~]
2 employees.

3 B. In establishing the program, the employer shall:

4 (1) provide a qualified higher deductible
5 health plan for the benefit of [~~his~~] the employees;

6 (2) contribute to medical care savings
7 accounts for the employees; and

8 (3) appoint an account administrator to
9 administer the savings accounts.

10 [~~G. Principal contributed to and interest earned on~~
11 ~~a medical care savings account and money paid for eligible~~
12 ~~medical expenses are exempt from taxation under the Income Tax~~
13 ~~Act.~~

14 ~~D.]~~ C. Before establishing a program, the employer
15 shall notify all employees in writing of the federal tax status
16 of the program. [~~and how federal income taxation affects New~~
17 ~~Mexico income taxes.~~

18 ~~E.]~~ D. Any compensation required by the account
19 administrator to administer the program shall be paid by the
20 employer, and the employer shall not require the employee to
21 contribute to such compensation while the employee participates
22 in the program. If the employee ceases to participate in the
23 program, [~~he~~] the employee shall be responsible for costs
24 associated with [~~his~~] the employee's account.

25 [~~F.]~~ E. Nothing in the Medical Care Savings Account

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1 Act prohibits the employer from requiring the employee to
2 contribute to the qualified higher deductible health plan or
3 the medical care savings account.

4 ~~[G.]~~ F. Nothing in the Medical Care Savings Account
5 Act requires an employee to participate in a program. The
6 employer shall offer the program to all employees on a
7 nondiscriminatory basis."

8 **SECTION 78.** Section 59A-23D-5 NMSA 1978 (being Laws 1995,
9 Chapter 93, Section 5, as amended) is amended to read:

10 "59A-23D-5. ACCOUNT ADMINISTRATOR--EMPLOYER AND EMPLOYEE
11 RESPONSIBILITIES.--

12 A. An employer, in conjunction with an account
13 administrator, shall provide a current written statement to
14 employees that details how money in their medical care savings
15 accounts is or will be invested and the rate of return
16 employees may reasonably anticipate on the investment of the
17 savings accounts. The account administrator shall file the
18 statement with the department.

19 B. Except as provided in Section 59A-23D-6 NMSA
20 1978, money in a savings account shall be used solely for the
21 purpose of paying the eligible medical expenses of an employee
22 and ~~[his]~~ the employee's dependents.

23 C. Payments may be made by the employee directly to
24 a health care provider through the use of a debit card or check
25 that accesses the employee's medical savings account. If the

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1 account administrator determines that the employee paid for
2 goods or services that do not qualify as eligible medical
3 expenses, the employee shall be required to reimburse ~~[his]~~ the
4 employee's medical savings account, and ~~[he]~~ the employee shall
5 be liable for any federal and state taxes and penalties. If
6 the employee chooses to be reimbursed for eligible medical
7 expenses, the account administrator shall reimburse the
8 employee from the employee's medical care savings account.
9 When seeking reimbursement, the employee shall submit
10 documentation of eligible medical expenses paid by the
11 employee.

12 D. If an employer makes contributions to a program
13 on a periodic installment basis, the employer may advance to an
14 employee, interest free, an amount necessary to cover eligible
15 medical expenses incurred that exceed the amount in the
16 employee's savings account if the employee agrees to repay the
17 advance from future installments or when ~~[he]~~ the employee
18 ceases to be an employee of the employer or a participant in
19 the program. ~~[Such advances shall be exempt from taxation~~
20 ~~under the Income Tax Act.]"~~

21 SECTION 79. Section 66-3-7 NMSA 1978 (being Laws 1978,
22 Chapter 35, Section 27, as amended) is amended to read:

23 "66-3-7. GROUNDS FOR REFUSING, SUSPENDING OR REVOKING
24 REGISTRATION OR CERTIFICATE OF TITLE.--The division may refuse,
25 suspend or revoke registration or issuance of a certificate of

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1 title or a transfer of registration upon the [~~ground~~] grounds
2 that:

3 A. the application contains a false or fraudulent
4 statement or that the applicant failed to furnish the required
5 information or reasonable additional information requested by
6 the division or that the applicant is not entitled to the
7 issuance of a certificate of title or registration of the
8 vehicle under the Motor Vehicle Code;

9 B. the vehicle is mechanically unfit or unsafe to
10 be operated or moved upon the highways;

11 C. a commercial motor vehicle is operated by a
12 commercial motor carrier that is prohibited from operating the
13 vehicle by order of a state or federal agency;

14 D. the division has [~~a~~] reasonable [~~ground~~] grounds
15 to believe that the vehicle is a stolen or embezzled vehicle or
16 that the granting of registration or the issuance of a
17 certificate of title would constitute a fraud against the
18 rightful owner or other person having valid lien upon the
19 vehicle;

20 E. the registration of the vehicle stands suspended
21 or revoked for any reason as provided in the motor vehicle laws
22 of this state;

23 F. the required fee has not been paid;

24 G. the motor vehicle excise tax has not been paid
25 with respect to that tax imposed on or before the effective

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1 date of the repeal of the motor vehicle excise tax;

2 H. the weight distance tax has not been paid;

3 I. international fuel tax agreement taxes have not
4 been paid;

5 J. if the vehicle is a mobile home, the property
6 tax has not been paid;

7 K. the owner's address, as shown in the records of
8 the division, is within a class A county or within a
9 municipality that has a vehicle emission inspection and
10 maintenance program and the applicant has applied at an office
11 outside the designated county or municipality; or

12 L. the owner is required to but has failed to
13 provide proof of compliance with a vehicle emission inspection
14 and maintenance program, if required in the county or
15 municipality in which the owner resides."

16 **SECTION 80.** Section 66-3-401 NMSA 1978 (being Laws 1978,
17 Chapter 35, Section 80, as amended) is amended to read:

18 "66-3-401. OPERATION OF VEHICLES UNDER DEALER PLATES.--

19 A. Any vehicle that is required to be registered
20 pursuant to the Motor Vehicle Code and that is included in the
21 inventory of a dealer may be operated or moved upon the
22 highways for any purpose, provided that the vehicle display in
23 the manner prescribed in Section 66-3-18 NMSA 1978 a unique
24 plate issued to the dealer as provided in Section 66-3-402 NMSA
25 1978. This subsection shall not be construed as limiting the

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1 use of temporary registration permits issued to dealers
2 pursuant to Section 66-3-6 NMSA 1978. Each dealer plate shall
3 be issued for a specific vehicle in a dealer's inventory. If a
4 dealer wishes to use the plate on a different vehicle, the
5 dealer must reregister that plate to the different vehicle.

6 B. The provisions of this section do not apply to
7 work or service vehicles used by a dealer. For the purposes of
8 this subsection, "work or service vehicle" includes any vehicle
9 used substantially as a:

- 10 (1) parts or delivery vehicle;
- 11 (2) vehicle used to tow another vehicle;
- 12 (3) courtesy shuttle; or
- 13 (4) vehicle loaned to customers for their
14 convenience.

15 C. Each vehicle included in a dealer's inventory
16 required to be registered pursuant to the provisions of
17 Subsection A of this section must conform to the registration
18 provisions of the Motor Vehicle Code, but is not required to be
19 titled pursuant to the provisions of that code. [~~When a
20 vehicle is no longer included in a dealer's inventory, and is
21 not sold or leased to an unrelated entity, the dealer must
22 title the vehicle and pay the motor vehicle excise tax that
23 would have been due when the vehicle was first registered by
24 the dealer.~~]

25 D. In lieu of the use of dealer plates pursuant to
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1 this section, a dealer may register and title a vehicle
2 included in a dealer's inventory in the name of the dealer upon
3 payment of the registration fee applicable to that vehicle [~~but~~
4 ~~without payment of the motor vehicle excise tax, provided the~~
5 ~~vehicle is subsequently sold or leased in the ordinary course~~
6 ~~of business in a transaction subject to the motor vehicle~~
7 ~~excise tax or the leased vehicle gross receipts tax]."~~

8 SECTION 81. Section 66-3-1006 NMSA 1978 (being Laws 1978,
9 Chapter 35, Section 202, as amended) is amended to read:

10 "66-3-1006. GROUNDS FOR REFUSING REGISTRATION OR
11 CERTIFICATE OF TITLE.--The division may refuse registration or
12 issuance of a certificate of title or any transfer of a
13 registration certificate if:

14 A. the division has reasonable grounds to believe
15 that the application contains any false or fraudulent statement
16 or that the applicant has failed to furnish the required
17 information or reasonable additional information requested by
18 the division or that the applicant is not entitled to the
19 issuance of a certificate of title or registration certificate
20 of the off-highway motor vehicle under the Motor Vehicle Code
21 or laws of this state;

22 B. the division has reasonable grounds to believe
23 that the off-highway motor vehicle is stolen or embezzled or
24 that the granting of a registration certificate or the issuance
25 of a certificate of title would constitute a fraud against the

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1 rightful owner or other person having a valid lien upon the
2 off-highway motor vehicle;

3 C. the division has reasonable grounds to believe
4 that a nonresident applicant is not entitled to registration
5 issuance under the laws of the nonresident applicant's state of
6 residence;

7 D. the required fees have not been paid; or

8 E. the motor vehicle excise tax has not been paid
9 pursuant to Chapter 7, Article 14 NMSA 1978 with respect to
10 that tax imposed on or before the effective date of the repeal
11 of the motor vehicle excise tax."

12 **SECTION 82. REPEAL.--**

13 A. Sections 3-65-1 through 3-65-10 NMSA 1978 (being
14 Laws 2001, Chapter 231, Sections 1 through 10) are repealed.

15 B. Sections 3-66-1 through 3-66-11 NMSA 1978 (being
16 Laws 2005, Chapter 351, Sections 3 through 13) are repealed.

17 C. Sections 7-1-6.6, 7-1-6.18, 7-1-6.24, 7-1-6.33,
18 through 7-1-6.35, 7-1-6.46 through 7-1-6.52, 7-1-6.57 and
19 7-1-6.59 NMSA 1978 (being Laws 1983, Chapter 211, Section 11,
20 Laws 1987, Chapter 257, Section 1, Laws 1987, Chapter 265,
21 Section 3, Laws 1991, Chapter 212, Section 15, Laws 1992,
22 Chapter 108, Section 3, Laws 1992, Chapter 108, Section 2, Laws
23 2004, Chapter 116, Sections 1 and 2, Laws 2005, Chapter 56,
24 Section 1, Laws 2005, Chapter 87, Section 1, Laws 2005, Chapter
25 220, Section 1, Laws 2005, Chapter 351, Section 1, Laws 2005,

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1 Chapter 104, Section 1, Laws 2007, Chapter 361, Section 1 and
2 Laws 2009, Chapter 175, Section 1, as amended) are repealed.

3 D. Sections 7-2-1 through 7-2-36 NMSA 1978 (being
4 Laws 1965, Chapter 202, Section 1, Laws 1986, Chapter 20,
5 Section 26, Laws 1965, Chapter 202, Sections 3 and 4, Laws
6 1985, Chapter 114, Section 1, Laws 1995, Chapter 42, Section 1,
7 Laws 1995, Chapter 93, Section 8, Laws 2002, Chapter 58,
8 Section 1, Laws 2005, Chapter 104, Sections 5 and 6, Laws 2006,
9 Chapter 50, Section 1, Laws 2007, Chapter 45, Section 11, Laws
10 2005, Chapter 104, Section 4, Laws 1980, Chapter 102, Section
11 1, Laws 2005 (1st S.S.), Chapter 3, Sections 3 and 4, Laws
12 1965, Chapter 202, Sections 7 through 10, Laws 1990, Chapter
13 23, Section 1, Laws 1996, Chapter 17, Section 1, Laws 1965,
14 Chapter 202, Section 11, Laws 1972, Chapter 20, Section 2, Laws
15 1994, Chapter 111, Sections 1 through 3, Laws 1977, Chapter
16 196, Section 1, Laws 1981, Chapter 170, Section 1, Laws 1984,
17 Chapter 34, Section 1, Laws 1994, Chapter 115, Section 1, Laws
18 1998, Chapter 97, Section 2, Laws 2000, Chapter 64, Section 1
19 and also Laws 2000, Chapter 78, Section 1, Laws 2001, Chapter
20 73, Section 1, Laws 2003, Chapter 331, Section 7, Laws 2003,
21 Chapter 400, Section 1, Laws 2005, Chapter 267, Section 1, Laws
22 2006, Chapter 93, Section 1, Laws 2007, Chapter 45, Sections 9
23 and 10, Laws 2007, Chapter 172, Section 1, Laws 2007, Chapter
24 204, Sections 2, 3, 5 and 7, Laws 2007, Chapter 361, Section 2,
25 Laws 2008 (2nd S.S.), Chapter 3, Section 1, Laws 2009, Chapter
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1 271, Section 1, Laws 2009, Chapter 279, Section 1, Laws 2010,
2 Chapter 84, Section 1, Laws 2011, Chapter 89, Section 1, Laws
3 2012, Chapter 55, Section 1, Laws 1965, Chapter 202, Sections
4 13 and 14, Laws 1981, Chapter 37, Section 32, Laws 1965,
5 Chapter 202, Section 18, Laws 1981, Chapter 343, Sections 1 and
6 2, Laws 1992, Chapter 108, Section 4, Laws 1987, Chapter 257,
7 Sections 2 and 3, Laws 2011, Chapter 42, Section 1, Laws 1987,
8 Chapter 265, Sections 1 and 2, Laws 2005, Chapter 56, Section
9 2, Laws 2005, Chapter 87, Section 2, Laws 2005, Chapter 220,
10 Section 2, Laws 2009, Chapter 175, Section 2, Laws 2012,
11 Chapter 7, Section 1, Laws 2012, Chapter 57, Section 1, Laws
12 1992, Chapter 108, Section 1, Laws 1999, Chapter 47, Section 5,
13 Laws 1997, Chapter 259, Section 8, Laws 1999, Chapter 205,
14 Section 1, Laws 2000 (2nd S.S.), Chapter 7, Section 1 and Laws
15 2005, Chapter 113, Section 1, as amended) are repealed.

16 E. Sections 7-2A-1 through 7-2A-27 NMSA 1978 (being
17 Laws 1981, Chapter 37, Section 34, Laws 1986, Chapter 20,
18 Section 33, Laws 1981, Chapter 37, Sections 36 through 38, Laws
19 1986, Chapter 20, Section 37, Laws 1981, Chapter 37, Sections
20 39 through 41, Laws 1983, Chapter 213, Sections 12 and 13, Laws
21 1984, Chapter 34, Section 2, Laws 1998, Chapter 97, Section 3,
22 Laws 2003, Chapter 331, Section 8, Laws 1981, Chapter 37,
23 Section 42, Laws 1986, Chapter 5, Section 1, Laws 1990, Chapter
24 23, Section 2, Laws 1981, Chapter 37, Sections 43 through 46,
25 Laws 1983, Chapter 218, Section 1, Laws 1994, Chapter 115,

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1 Section 2, Laws 1997, Chapter 58, Section 1, Laws 2003, Chapter
2 400, Section 2, Laws 2001, Chapter 73, Section 2, Laws 2002,
3 Chapter 59, Section 1, Laws 2007, Chapter 204, Sections 4, 6
4 and 8, Laws 2009, Chapter 271, Section 2, Laws 2009, Chapter
5 279, Section 2, Laws 2010, Chapter 84, Section 2 and Laws 2012,
6 Chapter 55, Section 2, as amended) are repealed.

7 F. Sections 7-2D-1 through 7-2D-14 NMSA 1978 (being
8 Laws 1993, Chapter 313, Sections 1, 2 and 4 through 8, Laws
9 1995, Chapter 89, Section 8 and Laws 1993, Chapter 313,
10 Sections 9 through 14, as amended) are repealed.

11 G. Section 7-2E-1.1 NMSA 1978 (being Laws 2007,
12 Chapter 172, Section 2) is repealed.

13 H. Sections 7-2F-1 through 7-2F-4 NMSA 1978 (being
14 Laws 2002, Chapter 36, Section 1, Laws 2011, Chapter 165,
15 Section 2 and also Laws 2011, Chapter 177, Section 3, Laws
16 2003, Chapter 127, Section 2 and Laws 2011, Chapter 165,
17 Sections 4 and 5, as amended) are repealed.

18 I. Sections 7-3A-1 through 7-3A-9 NMSA 1978 (being
19 Laws 2003, Chapter 86, Sections 5 through 12, as amended) are
20 repealed.

21 J. Sections 7-4-1 through 7-4-21 NMSA 1978 (being
22 Laws 1965, Chapter 203, Sections 1 through 9, Laws 1993,
23 Chapter 153, Section 1 and Laws 1965, Chapter 203, Sections 11
24 through 21, as amended) are repealed.

25 K. Sections 7-7-1 through 7-7-20 NMSA 1978 (being

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1 Laws 1973, Chapter 345, Sections 1 through 12 and Laws 1983
2 Chapter 209, Sections 1 through 6, as amended) are repealed.
3 L. Sections 7-9-7.1, 7-9-13.1, 7-9-13.3 through
4 7-9-13.5, 7-9-15 through 7-9-18, 7-9-19, 7-9-22 through
5 7-9-23.1, 7-9-25, 7-9-26.1, 7-9-29, 7-9-32, 7-9-40 through
6 7-9-41.2, 7-9-41.4, 7-9-46, 7-9-48 through 7-9-51, 7-9-52
7 through 7-9-53, 7-9-54.1 through 7-9-54.5, 7-9-56.1 through
8 7-9-56.3, 7-9-57.2 through 7-9-61.1, 7-9-62 through 7-9-66,
9 7-9-71, 7-9-73 through 7-9-78.1, 7-9-79.2 through 7-9-86,
10 7-9-90, 7-9-92 through 7-9-109 and 7-9-110.1 through 7-9-114
11 NMSA 1978 (being Laws 1993, Chapter 45, Section 1, Laws 1989,
12 Chapter 262, Section 4, Laws 2001, Chapter 231, Section 12,
13 Laws 2002, Chapter 20, Section 1, Laws 2005, Chapter 351,
14 Section 2, Laws 1970, Chapter 12, Section 1, Laws 1969, Chapter
15 144, Sections 9 through 12 and 15, Laws 1987, Chapter 247,
16 Section 1, Laws 1969, Chapter 144, Section 16, Laws 1987,
17 Chapter 247, Section 2, Laws 1969, Chapter 144, Section 18,
18 Laws 2003, Chapter 62, Section 1, Laws 1970, Chapter 12,
19 Section 3, Laws 1969, Chapter 144, Section 25, Laws 1970,
20 Chapter 60, Section 2, Laws 1972, Chapter 61, Section 2, Laws
21 2007, Chapter 117, Section 1, Laws 2007, Chapter 172, Section
22 13, Laws 2009, Chapter 62, Section 1, Laws 1969, Chapter 144,
23 Sections 36 and 38 through 42, Laws 2012, Chapter 5, Section 6,
24 Laws 1969, Chapter 144, Section 43, Laws 1992, Chapter 40,
25 Section 1, Laws 1995, Chapter 183, Section 2, Laws 2002,

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1 Chapter 37, Section 8, Laws 2003, Chapter 62, Section 4, Laws
2 2004, Chapter 16, Section 3, Laws 1998, Chapter 92, Sections 1
3 and 2, Laws 2003, Chapter 232, Section 1, Laws 2002, Chapter
4 10, Section 1, Laws 1969, Chapter 144, Sections 48 and 49, Laws
5 1970, Chapter 12, Section 4, Laws 1981, Chapter 37, Section 52,
6 Laws 1969, Chapter 144, Section 52, Laws 2000 (2nd S.S.),
7 Chapter 4, Section 2, Laws 1969, Chapter 144, Sections 53, 54,
8 56 and 57, Laws 1969, Chapter 144, Section 63, Laws 1970,
9 Chapter 78, Section 2, Laws 1991, Chapter 8, Section 3, Laws
10 1998, Chapter 95, Section 2 and also Laws 1998, Chapter 99,
11 Section 4, Laws 1971, Chapter 217, Section 2, Laws 1972,
12 Chapter 39, Section 2, Laws 1977, Chapter 288, Section 2, Laws
13 1979, Chapter 338, Section 7, Laws 1984, Chapter 2, Section 6,
14 Laws 1966, Chapter 47, Section 15, Laws 1998, Chapter 96,
15 Section 1, Laws 1969, Chapter 144, Section 65, Laws 1999,
16 Chapter 231, Section 4, Laws 2007, Chapter 204, Section 9, Laws
17 1993, Chapter 364, Sections 1 and 2, Laws 1994, Chapter 43,
18 Section 1, Laws 1995, Chapter 80, Section 1, Laws 1999, Chapter
19 231, Section 3, Laws 2004, Chapter 116, Sections 5 and 6, Laws
20 2005, Chapter 104, Sections 23, 25 and 26, Laws 2007, Chapter
21 361, Sections 7 and 8, Laws 2005, Chapter 169, Section 1, Laws
22 2005, Chapter 179, Section 1, Laws 2006, Chapter 35, Sections 1
23 and 2, Laws 2007, Chapter 3, Sections 16 through 18, Laws 2012,
24 Chapter 12, Sections 2 and 3, Laws 2007, Chapter 33, Section 1,
25 Laws 2007, Chapter 45, Section 6, Laws 2007, Chapter 172,

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1 Sections 8 through 11, Laws 2011, Chapter 60, Section 1 and
2 also Laws 2011, Chapter 61, Section 1, Laws 2011, Chapter 60,
3 Section 2 and also Laws 2011, Chapter 61, Section 2, Laws 2011,
4 Chapter 60, Section 3 and also Laws 2011, Chapter 61, Section
5 3, Laws 2007, Chapter 361, Section 6, Laws 2007, Chapter 204,
6 Section 10, Laws 2009, Chapter 99, Section 1 and Laws 2010,
7 Chapter 77, Section 1 and also Laws 2010, Chapter 78, Section
8 1, as amended) are repealed.

9 M. Sections 7-9A-1 through 7-9A-11 NMSA 1978 (being
10 Laws 1979, Chapter 347, Sections 1 and 2, Laws 2001, Chapter
11 57, Section 2 and also Laws 2001, Chapter 337, Section 2, Laws
12 1979, Chapter 347, Sections 3 through 7, Laws 1983, Chapter
13 206, Section 6, Laws 1979, Chapter 347, Sections 8 and 9 and
14 Laws 1997, Chapter 62, Section 2, as amended) are repealed.

15 N. Sections 7-9E-1 through 7-9E-11 NMSA 1978 (being
16 Laws 2000 (2nd S.S.), Chapter 20, Sections 1 through 9 and Laws
17 2007, Chapter 172, Sections 19 and 20, as amended) are
18 repealed.

19 O. Sections 7-9F-1 through 7-9F-12 NMSA 1978 (being
20 Laws 2000 (2nd S.S.), Chapter 22, Sections 1 through 12) are
21 repealed.

22 P. Sections 7-9G-1 and 7-9G-2 NMSA 1978 (being Laws
23 2004, Chapter 15, Section 1 and Laws 2007, Chapter 229, Section
24 1, as amended) are repealed.

25 Q. Sections 7-9H-1 through 7-9H-6 NMSA 1978 (being

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1 Laws 2005, Chapter 104, Sections 11 through 16, as amended) are
2 repealed.

3 R. Sections 7-9I-1 through 7-9I-6 NMSA 1978 (being
4 Laws 2005, Chapter 104, Sections 17 through 22, as amended) are
5 repealed.

6 S. Sections 7-9J-1 through 7-9J-8 NMSA 1978 (being
7 Laws 2007, Chapter 204, Sections 11 through 18, as amended) are
8 repealed.

9 T. Sections 7-11-1 through 7-11-6 NMSA 1978 (being
10 Laws 1982, Chapter 18, Sections 17 through 22, as amended) are
11 repealed.

12 U. Sections 7-14-1 through 7-14-11 NMSA 1978 (being
13 Laws 1988, Chapter 73, Sections 11 through 17, Laws 1991,
14 Chapter 197, Section 4, Laws 1988, Chapter 73, Sections 18 and
15 19, Laws 1993, Chapter 347, Sections 4 and 5 and Laws 1988,
16 Chapter 73, Sections 20 and 21, as amended) are repealed.

17 V. Sections 7-14A-1 through 7-14A-11 NMSA 1978
18 (being Laws 1991, Chapter 197, Sections 5 through 7, Laws 1993,
19 Chapter 359, Section 1 and Laws 1991, Chapter 197, Sections 8
20 through 15, as amended) are repealed.

21 W. Sections 21-30-1 through 21-30-10 NMSA 1978
22 (being Laws 2007, Chapter 117, Sections 2 through 11) are
23 repealed.

24 X. Section 66-12-6.1 NMSA 1978 (being Laws 1987,
25 Chapter 247, Section 9) is repealed.

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SECTION 83. EFFECTIVE DATE.--The effective date of the provisions of:

A. Sections 37, 48 and 68 of this act is July 1, 2013; and

B. Sections 1 through 36, 38 through 47, 49 through 67 and 69 through 82 of this act is January 1, 2014.