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AN ACT

RELATING TO TAXATION; CLARIFYING THE USE OF LOCAL LIQUOR
EXCISE TAX PROCEEDS; INCREASING THE LOCAL LIQUOR EXCISE TAX
RATE.

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

SECTION 1. Section 7-24-10 NMSA 1978 (being Laws 1989,
Chapter 326, Section 3) is amended to read:

"7-24-10. AUTHORIZATION TO IMPOSE LOCAL LIQUOR EXCISE
TAX--RATE--USE OF PROCEEDS--ELECTION REQUIRED.--

A. The majority of the members elected to the
governing body may enact an ordinance imposing on any
retailer an excise tax on the price paid by the retailer for
alcoholic beverages purchased by the retailer upon which the
tax imposed by this section has not been paid. The tax may
be imposed at a rate not to exceed six percent, provided that
any lower rate shall be an even multiple of one percent. The
tax imposed under this section may be referred to as the
"local liquor excise tax". Any tax imposed under this
section shall be for a period of not more than three years
from the effective date of the ordinance imposing the tax.

B. The governing body at the time of enacting an
ordinance imposing the tax authorized in Subsection A of this
section shall dedicate the revenue to fund educational
programs and prevention and treatment, including social

1 detoxification, of alcoholism and drug abuse within the
2 county and for no other purpose. After approval of the
3 imposition of a local liquor excise tax by the voters but
4 before the effective date of the ordinance, the governing
5 body shall hold a public meeting for the purpose of inviting
6 comment on and suggestions for the most appropriate programs
7 on which to expend the revenue produced by the tax. The
8 governing body shall invite representatives from the
9 appropriate Indian tribes, nations and pueblos to the
10 meeting. If the governing body awards any contract using
11 funds derived from the local liquor excise tax, it shall do
12 so only through a selection process requiring submission of
13 sealed bids or proposals after public notice of the
14 opportunity to submit the sealed bids or proposals.

15 C. The governing body enacting an ordinance
16 imposing the local liquor excise tax shall submit the
17 question of imposing the tax to the qualified voters of the
18 county at a regular or special election.

19 D. Only those voters who are registered within the
20 county shall be permitted to vote. The election shall be
21 called, conducted and canvassed in substantially the same
22 manner as provided by law for general elections.

23 E. If at an election called pursuant to this
24 section the majority of the voters voting on the question
25 vote in the affirmative on the question, then the ordinance

1 imposing the local liquor excise tax shall be approved. If
2 at such an election the majority of the voters voting on the
3 question fail to approve the question, then the ordinance
4 shall be disapproved and the question required to be
5 submitted by Subsection B of this section shall not be
6 submitted to the voters for a period of at least one year
7 from the date of the election.

8 F. Any ordinance enacted under the provisions of
9 this section that imposes a local liquor excise tax or
10 changes the rate of tax imposed shall include an effective
11 date that is the first day of any month that begins no
12 earlier than ninety days after the date of the election. A
13 certified copy of any ordinance imposing a local liquor
14 excise tax shall be mailed or personally delivered to the
15 department within five days after the ordinance is certified
16 to have been approved by the voters.

17 G. Any ordinance repealing the imposition of a tax
18 under the provisions of this section shall contain an
19 effective date that is the first day of any month beginning
20 no earlier than sixty days from the date the ordinance
21 repealing the tax is adopted by the governing body. A
22 certified copy of any ordinance repealing a local liquor
23 excise tax shall be mailed or personally delivered to the
24 department within five days of the date the ordinance is
25 adopted."

1 SECTION 2. Section 7-24-10.1 NMSA 1978 (being Laws
2 1992, Chapter 35, Section 1) is amended to read:

3 "7-24-10.1. USE OF TAX PROCEEDS--LOCAL LIQUOR EXCISE
4 TAX COMMITTEE--JOINT POWERS AGREEMENT--COMMUNITY
5 PARTICIPATION.--

6 A. Prior to an election on the question of
7 imposing a local liquor excise tax pursuant to the provisions
8 of the Local Liquor Excise Tax Act, the governing body of a
9 county shall enter into a joint powers agreement with the
10 governing body of the most populated municipality and the
11 governing bodies of any other municipalities in the county
12 that choose to be parties to the agreement to provide for the
13 use and administration of the tax proceeds. The agreement
14 shall provide for the establishment and appointment of a
15 local liquor excise tax committee to provide advice, assist
16 in preventing duplication and supplanting of program funding
17 and make recommendations to the governing body of the county
18 and the municipal governing bodies that are parties to the
19 agreement on the use of the tax proceeds. The agreement
20 shall:

21 (1) clearly specify the use of the proceeds
22 of the proposed local liquor excise tax, including the
23 identification of specific local programs, agencies or
24 entities that will be funded from the tax proceeds;

25 (2) determine the allocation of election

1 expenses among the parties to the agreement;

2 (3) clearly specify that the detoxification
3 center located within a municipality with a population of not
4 less than fifteen thousand and not more than thirty-five
5 thousand according to the most recent federal decennial
6 census providing social detoxification treatment with the
7 greatest numbers of adult clients shall receive the funding
8 necessary to provide social detoxification of alcohol and
9 drug treatment for adults;

10 (4) provide that the remaining proceeds of
11 the proposed local liquor excise tax shall be used to fund
12 social detoxification of alcohol and drugs for juveniles and
13 other prevention and treatment programs as recommended by the
14 local liquor excise tax committee; and

15 (5) clearly specify that each specific local
16 program, agency or entity that is funded from the tax
17 proceeds shall be audited at its own expense and provide
18 accountability reports to the governing body of the county
19 and municipal governing bodies that are parties to the
20 agreement within thirty days of the end of each quarter of
21 the calendar year, including an itemized breakdown of program
22 services and expenditures.

23 B. Prior to the agreement by the governing body of
24 a county and the municipal governing bodies for use of the
25 proposed local liquor excise tax proceeds, the local liquor

1 excise tax committee established pursuant to the provisions
2 of Subsection A of this section shall conduct a public
3 hearing for the purpose of inviting public comment on use of
4 the proposed local liquor excise tax proceeds. The committee
5 shall make every effort to provide public notice of the
6 hearing and to invite a broad cross-section of community
7 representatives and groups to comment on community needs.
8 Following the hearing, the committee shall make its funding
9 recommendations to the governing body of the county and the
10 municipal governing bodies.

11 C. On or before April 1 of each calendar year, the
12 governing body of a county or municipality that has entered
13 into an agreement pursuant to Subsection A of this section
14 shall submit to the department of finance and administration
15 a report itemizing the receipts, expenditures and number of
16 clients served pursuant to any such agreement for the
17 preceding calendar year. On or before July 1 of each year,
18 the department of finance and administration shall complete
19 an audit of the county's report submitted pursuant to this
20 section and shall report its findings to the appropriate
21 interim legislative committee before September 1 of that
22 year.

23 D. If a local program, agency or entity receiving
24 funds from local liquor excise tax proceeds fails to timely
25 submit an accountability report pursuant to Paragraph (5) of

1 Subsection A of this section, the county or municipality
2 shall be immediately prohibited from disbursing any further
3 funds to such local program, agency or entity until the
4 delinquent accountability report has been submitted to and
5 accepted by the governing board of the county and the
6 municipal governing bodies."

7 SECTION 3. EFFECTIVE DATE.--The effective date of the
8 provisions of this act is July 1, 2013. _____

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