

HOUSE BILL 491

52ND LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2015

INTRODUCED BY

Jason C. Harper

AN ACT

RELATING TO TAXATION; REDUCING THE RATE OF THE CORPORATE INCOME TAX, GROSS RECEIPTS TAX, GOVERNMENTAL GROSS RECEIPTS TAX, COMPENSATING TAX, MOTOR VEHICLE EXCISE TAX, LEASED VEHICLE GROSS RECEIPTS TAX, MUNICIPAL GROSS RECEIPTS TAX AND THE TAX ON BOATS; AMENDING, REPEALING AND ENACTING CERTAIN CREDITS, DEDUCTIONS AND EXEMPTIONS PURSUANT TO THE INCOME TAX ACT, THE CORPORATE INCOME AND FRANCHISE TAX ACT AND THE GROSS RECEIPTS AND COMPENSATING TAX ACT; REPEALING THE ESTATE TAX ACT, CERTAIN LOCAL OPTION GROSS RECEIPTS TAXES, THE SUPPLEMENTAL MUNICIPAL GROSS RECEIPTS TAX ACT, THE LOCAL HOSPITAL GROSS RECEIPTS TAX ACT, THE COUNTY CORRECTIONAL FACILITY GROSS RECEIPTS TAX ACT AND THE SPECIAL COUNTY HOSPITAL GASOLINE TAX ACT; REPLACING COUNTY OBLIGATIONS TO THE COUNTY-SUPPORTED MEDICAID FUND AND SAFETY NET CARE POOL FUND WITH STATE OBLIGATIONS; PROVIDING TEMPORARY AMNESTY FROM PENALTIES AND INTEREST ON TAXES NOT

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1 PAID; PROVIDING THAT THE REPEAL OF CERTAIN TAXES SHALL NOT
2 IMPAIR OUTSTANDING BONDS OR LOAN GUARANTEES; AMENDING,
3 REPEALING AND ENACTING SECTIONS OF THE NMSA 1978; MAKING AN
4 APPROPRIATION.

5
6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

7 SECTION 1. Section 3-31-1 NMSA 1978 (being Laws 1973,
8 Chapter 395, Section 3, as amended) is amended to read:

9 "3-31-1. REVENUE BONDS--AUTHORITY TO ISSUE--PLEDGE OF
10 REVENUES--LIMITATION ON TIME OF ISSUANCE.--

11 A. In addition to any other law and constitutional
12 home rule powers authorizing a municipality to issue revenue
13 bonds, a municipality may issue revenue bonds pursuant to
14 Chapter 3, Article 31 NMSA 1978 for the purposes specified in
15 this section. ~~[The term "pledged revenues", as used in Chapter~~
16 ~~3, Article 31 NMSA 1978, means the revenues, net income or net~~
17 ~~revenues authorized to be pledged to the payment of particular~~
18 ~~revenue bonds as specifically provided in Subsections A through~~
19 ~~J of this section.~~

20 A.] B. Utility revenue bonds may be issued for
21 acquiring, extending, enlarging, bettering, repairing or
22 otherwise improving a municipal utility or for any combination
23 of the foregoing purposes. The municipality may pledge
24 irrevocably any or all of the net revenues from the operation
25 of the municipal utility or of any one or more of other such

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1 municipal utilities for payment of the interest on and
2 principal of the revenue bonds. [~~These bonds are sometimes~~
3 ~~referred to in Chapter 3, Article 31 NMSA 1978 as "utility~~
4 ~~revenue bonds" or "utility bonds".~~

5 ~~B.]~~ C. Joint utility revenue bonds may be issued
6 for acquiring, extending, enlarging, bettering, repairing or
7 otherwise improving joint water facilities, sewer facilities,
8 gas facilities or electric facilities or for any combination of
9 the foregoing purposes. The municipality may pledge
10 irrevocably any or all of the net revenues from the operation
11 of these municipal utilities for the payment of the interest on
12 and principal of the bonds. [~~These bonds are sometimes~~
13 ~~referred to in Chapter 3, Article 31 NMSA 1978 as "joint~~
14 ~~utility revenue bonds" or "joint utility bonds".~~

15 ~~G.~~ ~~For the purposes of this subsection, "gross~~
16 ~~receipts tax revenue bonds" means gross receipts tax revenue~~
17 ~~bonds or sales tax revenue bonds.]~~

18 D. Gross receipts tax revenue bonds may be issued
19 for any [~~one or more of the following purposes:~~

20 ~~(1) constructing, purchasing, furnishing,~~
21 ~~equipping, rehabilitating, making additions to or making~~
22 ~~improvements to one or more public buildings or purchasing or~~
23 ~~improving any ground relating thereto, including but not~~
24 ~~necessarily limited to acquiring and improving parking lots, or~~
25 ~~any combination of the foregoing;~~

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1 ~~(2) acquiring or improving municipal or public~~
2 ~~parking lots, structures or facilities or any combination of~~
3 ~~the foregoing;~~

4 ~~(3) purchasing, acquiring or rehabilitating~~
5 ~~firefighting equipment or any combination of the foregoing;~~

6 ~~(4) acquiring, extending, enlarging,~~
7 ~~bettering, repairing, otherwise improving or maintaining storm~~
8 ~~sewers and other drainage improvements, sanitary sewers, sewage~~
9 ~~treatment plants or water utilities, including but not~~
10 ~~necessarily limited to the acquisition of rights of way and~~
11 ~~water and water rights, or any combination of the foregoing;~~

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

19 ~~(6) purchasing, acquiring, constructing,~~
20 ~~making additions to, enlarging, bettering, extending or~~
21 ~~equipping airport facilities or any combination of the~~
22 ~~foregoing, including without limitation the acquisition of~~
23 ~~land, easements or rights of way therefor;~~

24 ~~(7) purchasing or otherwise acquiring or~~
25 ~~clearing land or for purchasing, otherwise acquiring and~~

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1 ~~beautifying land for open space;~~

2 ~~(8) acquiring, constructing, purchasing,~~
3 ~~equipping, furnishing, making additions to, renovating,~~
4 ~~rehabilitating, beautifying or otherwise improving public~~
5 ~~parks, public recreational buildings or other public~~
6 ~~recreational facilities or any combination of the foregoing;~~

7 ~~(9) acquiring, constructing, extending,~~
8 ~~enlarging, bettering, repairing, otherwise improving or~~
9 ~~maintaining solid waste disposal equipment, equipment for~~
10 ~~operation and maintenance of sanitary landfills, sanitary~~
11 ~~landfills, solid waste facilities or any combination of the~~
12 ~~foregoing; and~~

13 ~~(10) acquiring, constructing, extending,~~
14 ~~bettering, repairing or otherwise improving a public transit~~
15 ~~system or regional transit systems or facilities.~~

16 The] municipal purpose. A municipality may pledge
17 irrevocably any or all of the gross receipts tax revenue
18 received by the municipality pursuant to Section [7-1-6.4 or]
19 7-1-6.12 NMSA 1978 to the payment of the interest on and
20 principal of the gross receipts tax revenue bonds [for any of
21 the purposes authorized in this section or for specific
22 purposes] or for any area of municipal government services
23 [including but not limited to those specified in Subsection C
24 of Section 7-19D-9 NMSA 1978, or for public purposes authorized
25 by municipalities having constitutional home rule charters. A

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1 ~~law that imposes or authorizes the imposition of a municipal~~
2 ~~gross receipts tax or that affects the municipal gross receipts~~
3 ~~tax, or a law supplemental thereto or otherwise appertaining~~
4 ~~thereto, shall not be repealed or amended or otherwise directly~~
5 ~~or indirectly modified in such a manner as to impair adversely~~
6 ~~any outstanding revenue bonds that may be secured by a pledge~~
7 ~~of such municipal gross receipts tax unless the outstanding~~
8 ~~revenue bonds have been discharged in full or provision has~~
9 ~~been fully made therefor]. Revenues in excess of the annual~~
10 ~~principal and interest due on gross receipts tax revenue bonds~~
11 ~~secured by a pledge of gross receipts tax revenue may be~~
12 ~~accumulated in a debt service reserve account. The governing~~
13 ~~body of the municipality may appoint a commercial bank trust~~
14 ~~department to act as trustee of the gross receipts tax revenue~~
15 ~~and to administer the payment of principal of and interest on~~
16 ~~the bonds.~~

17 ~~[D. As used in this section, the term "public~~
18 ~~building" includes but is not limited to fire stations, police~~
19 ~~buildings, municipal jails, regional jails or juvenile~~
20 ~~detention facilities, libraries, museums, auditoriums,~~
21 ~~convention halls, hospitals, buildings for administrative~~
22 ~~offices, city halls and garages for housing, repairing and~~
23 ~~maintaining city vehicles and equipment. As used in Chapter 3,~~
24 ~~Article 31 NMSA 1978, the term "gross receipts tax revenue~~
25 ~~bonds" means the bonds authorized in Subsection C of this~~

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1 ~~section, and the term "gross receipts tax revenue" means the~~
2 ~~amount of money distributed to the municipality as authorized~~
3 ~~by Section 7-1-6.4 NMSA 1978 or the amount of money transferred~~
4 ~~to the municipality as authorized by Section 7-1-6.12 NMSA 1978~~
5 ~~for any municipal gross receipts tax imposed pursuant to the~~
6 ~~Municipal Local Option Gross Receipts Taxes Act. As used in~~
7 ~~Chapter 3, Article 31 NMSA 1978, the term "bond" means any~~
8 ~~obligation of a municipality issued under Chapter 3, Article 31~~
9 ~~NMSA 1978, whether designated as a bond, note, loan, warrant,~~
10 ~~debenture, lease-purchase agreement or other instrument~~
11 ~~evidencing an obligation of a municipality to make payments.]~~

12 E. Gasoline tax revenue bonds may be issued for
13 laying off, opening, constructing, reconstructing, resurfacing,
14 maintaining, acquiring rights of way, repairing and otherwise
15 improving municipal buildings, alleys, streets, public roads
16 and bridges or any combination of the foregoing purposes. The
17 municipality may pledge irrevocably any or all of the gasoline
18 tax revenue received by the municipality to the payment of the
19 interest on and principal of the gasoline tax revenue bonds.

20 ~~[As used in Chapter 3, Article 31 NMSA 1978, "gasoline tax~~
21 ~~revenue bonds" means the bonds authorized in this subsection,~~
22 ~~and "gasoline tax revenue" means all or portions of the amounts~~
23 ~~of tax revenues distributed to municipalities pursuant to~~
24 ~~Sections 7-1-6.9 and 7-1-6.27 NMSA 1978, as from time to time~~
25 ~~amended and supplemented.]~~

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1 F. Project revenue bonds may be issued for
2 acquiring, extending, enlarging, bettering, repairing,
3 improving, constructing, purchasing, furnishing, equipping and
4 rehabilitating any revenue-producing project, including, where
5 applicable, purchasing, otherwise acquiring or improving the
6 ground therefor, including but not necessarily limited to
7 acquiring and improving parking lots, or for any combination of
8 the foregoing purposes. The municipality may pledge
9 irrevocably any or all of the net revenues from the operation
10 of the revenue-producing project for which the particular
11 project revenue bonds are issued to the payment of the interest
12 on and principal of the project revenue bonds. The net
13 revenues of any revenue-producing project may not be pledged to
14 the project revenue bonds issued for a revenue-producing
15 project that clearly is unrelated in nature; but nothing in
16 this subsection shall prevent the pledge to such project
17 revenue bonds of any revenues received from existing, future or
18 disconnected facilities and equipment that are related to and
19 that may constitute a part of the particular revenue-producing
20 project. A general determination by the governing body that
21 any facilities or equipment is reasonably related to and
22 constitutes a part of a specified revenue-producing project
23 shall be conclusive if set forth in the proceedings authorizing
24 the project revenue bonds. ~~[As used in Chapter 3, Article 31~~
25 ~~NMSA 1978:~~

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1 ~~(1) "project revenue bonds" means the bonds~~
2 ~~authorized in this subsection; and~~

3 ~~(2) "project revenues" means the net revenues~~
4 ~~of revenue-producing projects that may be pledged to project~~
5 ~~revenue bonds pursuant to this subsection.]~~

6 G. Fire district revenue bonds may be issued for
7 acquiring, extending, enlarging, bettering, repairing,
8 improving, constructing, purchasing, furnishing, equipping and
9 rehabilitating any fire district project, including where
10 applicable purchasing, otherwise acquiring or improving the
11 ground therefor, or for any combination of the foregoing
12 purposes. The municipality may pledge irrevocably any or all
13 of the revenues received by the fire district from the fire
14 protection fund as provided in the Fire Protection Fund Law and
15 any or all of the revenues provided for the operation of the
16 fire district project for which the particular bonds are issued
17 to the payment of the interest on and principal of the bonds.
18 The revenues of any fire district project shall not be pledged
19 to the bonds issued for a fire district project that clearly is
20 unrelated in its purpose; but nothing in this section prevents
21 the pledge to such bonds of any revenues received from
22 existing, future or disconnected facilities and equipment that
23 are related to and that may constitute a part of the particular
24 fire district project. A general determination by the
25 governing body of the municipality that any facilities or

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1 equipment is reasonably related to and constitutes a part of a
2 specified fire district project shall be conclusive if set
3 forth in the proceedings authorizing the fire district bonds.

4 H. Law enforcement protection revenue bonds may be
5 issued for the repair and purchase of law enforcement apparatus
6 and equipment that meet nationally recognized standards. The
7 municipality may pledge irrevocably any or all of the revenues
8 received by the municipality from the law enforcement
9 protection fund distributions pursuant to the Law Enforcement
10 Protection Fund Act to the payment of the interest on and
11 principal of the law enforcement protection revenue bonds.

12 ~~[I. Economic development gross receipts tax revenue~~
13 ~~bonds may be issued for the purpose of furthering economic~~
14 ~~development projects as defined in the Local Economic~~
15 ~~Development Act. The municipality may pledge irrevocably any~~
16 ~~or all of the revenue received from the municipal~~
17 ~~infrastructure gross receipts tax to the payment of the~~
18 ~~interest on and principal of the economic development gross~~
19 ~~receipts tax revenue bonds for any of the purposes authorized~~
20 ~~in this subsection. A law that imposes or authorizes the~~
21 ~~imposition of a municipal infrastructure gross receipts tax or~~
22 ~~that affects the municipal infrastructure gross receipts tax,~~
23 ~~or a law supplemental to or otherwise pertaining to the tax,~~
24 ~~shall not be repealed or amended or otherwise directly or~~
25 ~~indirectly modified in such a manner as to impair adversely any~~

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1 ~~outstanding revenue bonds that may be secured by a pledge of~~
2 ~~the municipal infrastructure gross receipts tax unless the~~
3 ~~outstanding revenue bonds have been discharged in full or~~
4 ~~provision has been fully made for their discharge. As used in~~
5 ~~Chapter 3, Article 31 NMSA 1978, "economic development gross~~
6 ~~receipts tax revenue bonds" means the bonds authorized in this~~
7 ~~subsection, and "municipal infrastructure gross receipts tax~~
8 ~~revenue" means any or all of the revenue from the municipal~~
9 ~~infrastructure gross receipts tax transferred to the~~
10 ~~municipality pursuant to Section 7-1-6.12 NMSA 1978.~~

11 ~~J. Municipal higher education facilities gross~~
12 ~~receipts tax revenue bonds may be issued for the purpose of~~
13 ~~acquisition, construction, renovation or improvement of~~
14 ~~facilities of a four-year post-secondary public educational~~
15 ~~institution located in the municipality and acquisition of or~~
16 ~~improvements to land for those facilities. The municipality~~
17 ~~may pledge irrevocably any or all of the revenue received from~~
18 ~~the municipal higher education facilities gross receipts tax to~~
19 ~~the payment of the interest on and principal of the municipal~~
20 ~~higher education facilities gross receipts tax revenue bonds.~~
21 ~~A law that imposes or authorizes the imposition of a municipal~~
22 ~~higher education facilities gross receipts tax or that affects~~
23 ~~the municipal higher education facilities gross receipts tax,~~
24 ~~or a law supplemental to or otherwise pertaining to the tax,~~
25 ~~shall not be repealed or amended or otherwise directly or~~

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1 ~~indirectly modified in such a manner as to impair adversely any~~
2 ~~outstanding revenue bonds that may be secured by a pledge of~~
3 ~~the municipal higher education facilities gross receipts tax~~
4 ~~unless the outstanding revenue bonds have been discharged in~~
5 ~~full or provision has been fully made for their discharge. As~~
6 ~~used in Chapter 3, Article 31 NMSA 1978, "municipal higher~~
7 ~~education facilities gross receipts tax revenue bonds" means~~
8 ~~the bonds authorized in this subsection and "municipal higher~~
9 ~~education facilities gross receipts tax revenue" means any or~~
10 ~~all of the revenue from the municipal higher education~~
11 ~~facilities gross receipts tax transferred to the municipality~~
12 ~~pursuant to Section 7-1-6.12 NMSA 1978.~~

13 ~~K.]~~ I. Except for the purpose of refunding previous
14 revenue bond issues, no municipality may sell revenue bonds
15 payable from pledged revenues after the expiration of two years
16 from the date of the ordinance authorizing the issuance of the
17 bonds or, for bonds to be issued and sold to the New Mexico
18 finance authority as authorized in Subsection C of Section
19 3-31-4 NMSA 1978, after the expiration of two years from the
20 date of the resolution authorizing the issuance of the bonds.
21 However, any period of time during which a particular revenue
22 bond issue is in litigation shall not be counted in determining
23 the expiration date of that issue."

24 **SECTION 2.** A new section of Chapter 3, Article 31 NMSA
25 1978 is enacted to read:

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1 "[NEW MATERIAL] DEFINITIONS.--As used in Chapter 3,
2 Article 31 NMSA 1978:

3 A. "bond" means any obligation of a municipality
4 issued under Chapter 3, Article 31 NMSA 1978, whether
5 designated as a bond, note, loan, warrant, debenture, lease-
6 purchase agreement or other instrument evidencing an obligation
7 of a municipality to make payments;

8 B. "gasoline tax revenue" means all or portions of
9 the amounts of tax revenues distributed to municipalities
10 pursuant to Sections 7-1-6.9 and 7-1-6.27 NMSA 1978;

11 C. "gasoline tax revenue bonds" means the bonds
12 authorized by Subsection E of Section 3-31-3 NMSA 1978;

13 D. "gross receipts tax revenue" means the amount of
14 money transferred to the municipality as authorized by Section
15 7-1-6.12 NMSA 1978 for any municipal gross receipts tax imposed
16 pursuant to the Municipal Local Option Gross Receipts Tax Act;

17 E. "gross receipts tax revenue bonds" means the
18 bonds authorized by Subsection D of Section 3-31-3 NMSA 1978;

19 F. "joint utility revenue bonds" or "joint utility
20 bonds" means the bonds authorized by Subsection C of Section
21 3-31-3 NMSA 1978;

22 G. "pledged revenues" means the revenues, net
23 income or net revenues authorized to be pledged to the payment
24 of revenue bonds as specifically provided in Chapter 3, Article
25 31 NMSA 1978;

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1 H. "project revenue bonds" means the bonds
2 authorized by Subsection F of Section 3-13-31 NMSA 1978;

3 I. "project revenues" means the net revenues of
4 revenue-producing projects that may be pledged to project
5 revenue bonds; and

6 J. "utility revenue bonds" or "utility bonds" means
7 the bonds authorized by Subsection B of Section 3-31-3 NMSA
8 1978."

9 **SECTION 3.** Section 3-37A-2 NMSA 1978 (being Laws 1979,
10 Chapter 284, Section 2, as amended) is amended to read:

11 "3-37A-2. DEFINITIONS.--As used in the Small Cities
12 Assistance Act:

13 A. "municipality" means an incorporated city, town
14 or village, whether incorporated under general act, special act
15 or special charter, and incorporated counties and H-class
16 counties;

17 B. "municipal share" means one and thirty-five one-
18 hundredths percent of the taxable gross receipts as defined in
19 the Gross Receipts and Compensating Tax Act reported annually
20 for each municipality to the taxation and revenue department
21 during a twelve-month period ending June 30;

22 C. "total municipal share" means the sum of all
23 municipal shares;

24 D. "statewide per capita average" means the
25 quotient of the total municipal share divided by the total

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1 population in all municipalities;

2 E. "municipal per capita average" means the
3 quotient of the municipal share divided by the municipality's
4 population;

5 F. "population" means the most recent official
6 census or estimate determined by the United States census
7 bureau [~~of the census~~], or, if neither is available,
8 "population" means an estimate as determined by the local
9 government division of the department of finance and
10 administration;

11 G. "local tax effort" means the amount produced by
12 a [~~one-fourth of one~~] one-tenth percent municipal gross
13 receipts tax in the previous fiscal year;

14 H. "qualifying municipality" means a municipality
15 with a population of less than ten thousand that has enacted on
16 or before the last day of the preceding fiscal year an
17 ordinance or ordinances imposing a municipal gross receipts tax
18 pursuant to Section 7-19D-9 NMSA 1978 at a rate of [~~one-fourth~~
19 ~~of one~~] one-tenth percent or more;

20 I. "enacted" means adopted by a majority of the
21 members of the governing body of the municipality pursuant to
22 Section 7-19D-9 NMSA 1978 and:

23 (1) for which no election has been called in
24 the manner and within the time provided by Section 7-19D-9 NMSA
25 1978; or

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1 (2) that has been approved by a majority of
2 the registered voters voting on the question pursuant to
3 Section 7-19D-9 NMSA 1978; and

4 J. "minimum amount" means an amount equal to ninety
5 thousand dollars (\$90,000)."

6 SECTION 4. Section 3-51-32 NMSA 1978 (being Laws 1971,
7 Chapter 173, Section 17) is amended to read:

8 "3-51-32. POWER TO ISSUE BONDS.--

9 A. A city shall have power to issue bonds from time
10 to time in its discretion for the purpose of financing in whole
11 or in part the cost of any project.

12 B. A city shall also have the power to issue
13 refunding bonds from time to time for the purpose of refunding,
14 paying and retiring:

15 [~~(1)~~] any bonds issued by it pursuant to the
16 ~~Greater Municipality Parking Law or pursuant to Laws 1963,~~
17 ~~Chapter 313, as amended and supplemented;~~

18 ~~(2)]~~ (1) any bonds authorized for parking
19 facilities and payable from the revenues of any parking
20 facilities;

21 [~~(3)]~~ (2) any bonds authorized for parking
22 facilities and payable from any parking meter revenues;

23 [~~(4)]~~ (3) any [~~sales~~] gross receipts tax
24 revenue bonds authorized for the purpose of any public building
25 to be used for parking facilities and pursuant to Subsection D

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1 of Section [~~14-30-1C NMSA 1953~~] 3-31-1 NMSA 1978;

2 [~~(5)~~] (4) any gasoline tax revenue bonds
3 authorized for the purpose of any public building to be used
4 for parking facilities and pursuant to Subsection E of Section
5 [~~14-30-1D NMSA 1953~~] 3-31-1 NMSA 1978;

6 [~~(6)~~] (5) any bonds authorized for parking
7 facilities and payable from any combination of the income and
8 revenue pledged to the bonds described in Paragraphs (1)
9 through [~~(5)~~] (4) of this subsection [~~B~~]; or

10 [~~(7)~~] (6) any bonds [~~which~~] that have refunded
11 the bonds described in Paragraphs (1) through [~~(6)~~] (5) of this
12 subsection [~~B~~].

13 C. A city shall also have the power to issue bonds
14 for any combination of the purposes described in this section."

15 SECTION 5. Section 3-65-8 NMSA 1978 (being Laws 2001,
16 Chapter 231, Section 8) is amended to read:

17 "3-65-8. AUTHORIZATION OF PROJECT.--

18 A. Pursuant to the provisions of Section 6-21-6
19 NMSA 1978, the legislature authorizes the authority to make a
20 loan from the public project revolving fund to a municipality
21 to acquire land for and to design, purchase, construct,
22 remodel, renovate, rehabilitate, improve, equip or furnish a
23 minor league baseball stadium on terms and conditions
24 established by the authority.

25 B. Prior to receiving the loan, the governing body

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1 shall approve the loan and related documents by an ordinance to
2 be adopted by a majority of the members of the governing body.
3 The ordinance shall pledge the stadium surcharge receipts to
4 make the loan payments. In addition to pledging stadium
5 surcharge receipts for making loan payments, the ordinance
6 shall pledge legally available gross receipts tax revenues
7 distributed to a municipality pursuant to Section [~~7-1-6.4 or~~
8 7-1-6.12 NMSA 1978 in an amount satisfactory to the authority
9 and in an amount at least sufficient to make the loan payments.
10 No action shall be brought questioning the legality of the
11 pledge of receipts and revenues, the ordinance, the loan, the
12 proceedings, the stadium surcharge or any other matter
13 concerning the loan after thirty days from the date of
14 publication of the ordinance approving the loan and related
15 documents and pledging stadium surcharge receipts and gross
16 receipts tax revenues of the municipality to make the loan
17 payments.

18 C. The legislature or a municipality shall not
19 repeal, amend or otherwise modify any law or ordinance that
20 adversely affects or impairs the stadium surcharge or any loan
21 from the authority secured by a pledge of the stadium surcharge
22 and gross receipts tax revenues, unless the loan has been paid
23 in full or provisions have been made for full payment."

24 SECTION 6. Section 3-66-8 NMSA 1978 (being Laws 2005,
25 Chapter 351, Section 10) is amended to read:

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1 "3-66-8. ISSUANCE OF BONDS.--

2 A. A municipality may issue revenue bonds, in
3 accordance with the procedures set forth in Sections 3-31-3
4 through 3-31-7 NMSA 1978, to acquire land for and to design,
5 purchase, construct, remodel, renovate, rehabilitate, improve,
6 equip or furnish a municipal event center.

7 B. Revenue bonds issued by a municipality may be
8 secured by event center revenues, event center surcharge
9 receipts or gross receipts tax revenues distributed to that
10 municipality pursuant to Section [~~7-1-6.4 or~~] 7-1-6.12 NMSA
11 1978.

12 C. An action shall not be brought questioning the
13 legality of the pledge of event center revenues, event center
14 surcharge receipts or gross receipts tax revenues, bonds issued
15 pursuant to the Municipal Event Center Funding Act, issuance of
16 those bonds, an event center surcharge included in a vendor
17 contract or any other matter concerning the bonds after thirty
18 days from the date of publication of the ordinance authorizing
19 issuance of the bonds and the pledging of event center
20 receipts, event center surcharge receipts or gross receipts tax
21 revenues of a municipality to make debt service payments.

22 D. The legislature or a municipality shall not
23 repeal, amend or otherwise modify any law or ordinance that
24 adversely affects or impairs the event center surcharge or any
25 bonds secured by a pledge of the event center revenues, event

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1 center surcharge receipts or gross receipts tax revenues,
2 unless the bonds have been paid in full or provisions have been
3 made for full payment."

4 SECTION 7. Section 4-48B-12 NMSA 1978 (being Laws 1981,
5 Chapter 83, Section 12, as amended) is amended to read:

6 "4-48B-12. TAX LEVIES AUTHORIZED.--

7 A. The county commissioners are authorized to
8 impose a mill levy and collect annual assessments against the
9 net taxable value of the property in a county to pay the cost
10 of operating and maintaining county hospitals or to pay to
11 contracting hospitals in accordance with a health care
12 facilities contract [~~and in class A counties to pay for the~~
13 ~~county's transfer to the county-supported medicaid fund~~
14 ~~pursuant to Section 27-10-4 NMSA 1978]~~ as follows:

15 (1) in class A counties as defined in Section
16 4-44-1 NMSA 1978, the mill levy shall not exceed a rate of six
17 dollars fifty cents (\$6.50), or any lower maximum amount
18 required by operation of the rate limitation provisions of
19 Section 7-37-7.1 NMSA 1978 upon a mill levy imposed pursuant to
20 this paragraph, on each one thousand dollars (\$1,000) of net
21 taxable value of property allocated to the county; [~~however, if~~
22 ~~the county uses any portion, not to exceed one dollar fifty~~
23 ~~cents (\$1.50), of the rate authorized by this paragraph to meet~~
24 ~~the requirement of Section 27-10-4 NMSA 1978, the provisions of~~
25 ~~Section 7-37-7.1 NMSA 1978 do not apply to the portion of the~~

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1 ~~rate necessary to produce the revenues required, provided that~~
2 ~~the portion of the rate does not exceed one dollar fifty cents~~
3 ~~(\$1.50)] and~~

4 (2) in other counties, the mill levy shall not
5 exceed four dollars twenty-five cents (\$4.25), or any lower
6 maximum amount required by operation of the rate limitation
7 provisions of Section 7-37-7.1 NMSA 1978 upon a mill levy
8 imposed pursuant to this paragraph, on each one thousand
9 dollars (\$1,000) of net taxable value of property allocated to
10 the county.

11 B. The mill levies provided in Paragraphs (1) and
12 (2) of Subsection A of this section shall be made at the
13 direction of the county commissioners, but only to the extent
14 that the county commissioners deem it necessary to operate and
15 maintain county hospitals and to pay the amounts required in
16 the performance of any health care facilities contracts made
17 pursuant to the Hospital Funding Act [~~and to provide for a~~
18 ~~class A county's transfer to the county-supported medicaid fund~~
19 ~~pursuant to Section 27-10-4 NMSA 1978]~~.

20 C. In the event that the mill levy provided for in
21 Paragraph (1) of Subsection A of this section is not authorized
22 by the electorate or the resulting mill levy proceeds are not
23 remitted to the entity operating the hospital within a
24 reasonable time period, any lease for operation of the hospital
25 between a county and a state educational institution named in

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1 Article 12, Section 11 of the constitution of New Mexico may,
2 at the option of the state educational institution, be
3 terminated immediately. [~~Except as provided in Subsection D of~~
4 ~~this section~~] In the event that the mill levy provided for in
5 Paragraph (1) of Subsection A of this section is authorized, an
6 amount not less than the amount that would be produced by a
7 mill levy at the rate of four dollars (\$4.00), or any lower
8 amount that would be required by operation of the rate
9 limitation provisions of Section 7-37-7.1 NMSA 1978 upon this
10 rate, on each one thousand dollars (\$1,000) of net taxable
11 value of property allocated to the county shall be provided
12 from the proceeds of the mill levy to the state educational
13 institution operating the hospital for hospital purposes unless
14 the institution determines that the amount is not necessary.

15 [~~D. A class A county imposing the mill levy~~
16 ~~provided for in Paragraph (1) of Subsection A of this section~~
17 ~~may enter into a mutual agreement with a state educational~~
18 ~~institution named in Article 12, Section 11 of the constitution~~
19 ~~of New Mexico operating the hospital permitting the transfer to~~
20 ~~the county-supported medicaid fund by the county pursuant to~~
21 ~~Section 27-10-4 NMSA 1978 of not to exceed the amount that~~
22 ~~would be produced by a mill levy at a rate of one dollar fifty~~
23 ~~cents (\$1.50) applied to the net taxable value of property~~
24 ~~allocated to the county for the prior property tax year and~~
25 ~~also not to exceed the amount that would be produced by~~

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1 ~~imposition of the county health care gross receipts tax.~~

2 E.] D. The distribution of the mill levy authorized
3 at the rates specified in Subsection A of this section shall be
4 made to county and contracting hospitals as authorized in the
5 Hospital Funding Act."

6 **SECTION 8.** Section 4-61-2 NMSA 1978 (being Laws 1982,
7 Chapter 44, Section 2, as amended) is amended to read:

8 "4-61-2. DEFINITIONS.--As used in the Small Counties
9 Assistance Act:

10 A. "adjustment factor" means a fraction, the
11 numerator of which is the net taxable value of the state for
12 the property tax year prior to the year in which the amount of
13 small counties assistance is being determined and the
14 denominator of which is the net taxable value for property tax
15 year 2002; the adjustment factor shall be calculated without
16 reference to assessed value determined pursuant to the Oil and
17 Gas Ad Valorem Production Tax Act, assessed value determined
18 pursuant to the Oil and Gas Production Equipment Ad Valorem Tax
19 Act or taxable value determined pursuant to the Copper
20 Production Ad Valorem Tax Act;

21 B. "ceiling valuation" means:

22 (1) for the 2002 property tax year, one
23 billion four hundred million dollars (\$1,400,000,000); and

24 (2) for each subsequent property tax year, an
25 amount equal to the product obtained by multiplying one billion

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1 four hundred million dollars (\$1,400,000,000) by the adjustment
2 factor for the year;

3 C. "demographer" means the bureau of business and
4 economic research at the university of New Mexico;

5 D. "inflation factor" means a fraction whose
6 numerator is the annual implicit price deflator index for state
7 and local government purchases of goods and services, as
8 published in the United States department of commerce monthly
9 publication entitled "Survey of Current Business" or any
10 successor publication prepared by an agency of the United
11 States and adopted by the department of finance and
12 administration, for the calendar year one year prior to the
13 year in which the distribution is to be made and whose
14 denominator is the annual index for calendar year 2004;
15 provided that, if the inflation factor is calculated to have a
16 value less than one, it shall be deemed to have a value of one;

17 E. "population" means the official population shown
18 by the most recent federal decennial census, or, if there is a
19 change in boundaries after the date of the census, "population"
20 for each affected unit shall be the most current estimated
21 population for that unit provided in writing by the
22 demographer; provided that after five years from the first day
23 of the calendar year of the most recent federal decennial
24 census, that census shall not be used, and "population" for the
25 period from that date until the date when the next following

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1 official final decennial census population data are available
2 shall be the most current estimated population provided in
3 writing by the demographer;

4 F. "qualifying county" means a county that has:

5 (1) for the property tax year in which any
6 distribution under the Small Counties Assistance Act is made to
7 the county, imposed a property tax rate for general county
8 purposes pursuant to Paragraph (1) of Subsection B of Section
9 7-37-7 NMSA 1978 as limited by Section 7-37-7.1 NMSA 1978 of at
10 least eight dollars eighty-five cents (\$8.85) per one thousand
11 dollars (\$1,000) of net taxable value;

12 (2) by July 1 of the property tax year in
13 which any distribution under the Small Counties Assistance Act
14 is made to the county, received a written certification from
15 the director of the property tax division of the taxation and
16 revenue department that the county assessor of that county has
17 implemented an acceptable program of maintaining current and
18 correct property values for property taxation purposes as
19 required by Section 7-36-16 NMSA 1978 or has submitted to the
20 director an acceptable plan for the implementation of such a
21 program;

22 (3) on July 1 of the year in which any
23 distribution under the Small Counties Assistance Act is made to
24 the county, a population of not more than forty-eight thousand;

25 (4) imposed county gross receipts tax

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1 increments authorized pursuant to Section 7-20E-9 NMSA 1978
2 totaling at least [~~three-eighths~~] four thousand three hundred
3 seventy-five ten thousandths percent and has those increments
4 in effect on July 1 of the year in which a distribution is
5 made; provided that this paragraph does not apply to a county
6 if the county's valuation for property taxation purposes does
7 not exceed the product of two hundred thirty million dollars
8 (\$230,000,000) multiplied by the adjustment factor for the
9 year; and

10 (5) a total valuation for the property tax
11 year preceding the year in which a distribution pursuant to the
12 Small Counties Assistance Act for that county is to be made
13 that is no greater than the ceiling valuation for that property
14 tax year;

15 G. "tax rate factor" means a fraction, the
16 numerator of which is the average rate imposed in Section 7-9-7
17 NMSA 1978 for the fiscal year one year prior to the fiscal year
18 in which the distribution is to be made and the denominator of
19 which is five percent; and

20 H. "total valuation" means the sum for a
21 jurisdiction for a property tax year of the net taxable value
22 determined pursuant to the Property Tax Code, the assessed
23 value determined pursuant to the Oil and Gas Ad Valorem
24 Production Tax Act, the assessed value determined pursuant to
25 the Oil and Gas Production Equipment Ad Valorem Tax Act and the

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1 taxable value determined pursuant to the Copper Production Ad
2 Valorem Tax Act."

3 SECTION 9. Section 4-61-3 NMSA 1978 (being Laws 1982,
4 Chapter 44, Section 3, as amended) is amended to read:

5 "4-61-3. SMALL COUNTIES ASSISTANCE FUND--
6 DISTRIBUTION.--

7 A. The "small counties assistance fund" is created
8 within the state treasury.

9 B. On or before September 1, 2003 and on or before
10 September 1 of each subsequent year, the demographer shall
11 certify in writing to the department of finance and
12 administration the population of the state and of each county
13 as of June 30 of the year.

14 C. On or before September 15, 2003 and on or before
15 September 15 of each subsequent year, the secretary of finance
16 and administration shall certify to the state treasurer with
17 respect to each qualifying county:

- 18 (1) its population as certified by the
19 demographer;
- 20 (2) its total valuation for the preceding
21 property tax year; and
- 22 (3) the distribution amount calculated for it.

23 D. The distribution amount for each qualifying
24 county shall be determined for 2003 and each subsequent year
25 in accordance with the following table; provided that the

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1 bracket amounts in the first two columns of the table shall
2 be adjusted annually after 2003 by the adjustment factor.
3 The bracket amounts in the last column shall be adjusted
4 annually after 2005 by the inflation factor and in 2011 and
5 subsequent years, shall be adjusted by the tax rate factor.
6 The department of finance and administration may round the
7 results of the adjustments made pursuant to this subsection
8 to the nearest one thousand dollars (\$1,000).

9 If the county's total valuation for the preceding
10 property tax year is:

11	at least:	but less	and the county	then the distribution
12		than:	population is:	amount is:
13	\$ 0	\$100,000,000	under 1,000	\$515,000
14	\$ 0	\$100,000,000	at least 1,000	
15			but under 4,000	\$370,000
16	\$ 0	\$100,000,000	at least 4,000	\$285,000
17	\$100,000,000	\$230,000,000	under 12,000	\$200,000
18	\$100,000,000	\$230,000,000	at least 12,000	\$145,000
19	\$230,000,000	\$1,400,000,000	under 48,000	\$85,000.

20 ~~[E. If the balance in the small counties~~
21 ~~assistance fund as of the preceding August 31 exceeds the sum~~
22 ~~of the distributions to be made to qualifying counties~~
23 ~~pursuant to the provisions of Subsection D of this section,~~
24 ~~the department of finance and administration shall increase~~
25 ~~the distribution amount for each county receiving a~~

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1 ~~distribution amount pursuant to the provisions of Subsection~~
2 ~~D of this section by:~~

3 ~~(1) fifty thousand dollars (\$50,000) if the~~
4 ~~county has imposed and has in effect on July 1 of the year in~~
5 ~~which the distribution is to be made a county correctional~~
6 ~~facility gross receipts tax at a rate of at least one-eighth~~
7 ~~percent;~~

8 ~~(2) twenty thousand dollars (\$20,000) if the~~
9 ~~county has imposed and has in effect on July 1 of the year in~~
10 ~~which the distribution is to be made a county gross receipts~~
11 ~~tax increment of one-sixteenth percent; or~~

12 ~~(3) seventy thousand dollars (\$70,000) if~~
13 ~~the county has met the requirements of Paragraphs (1) and (2)~~
14 ~~of this subsection.~~

15 ~~F. If the balance in the small counties~~
16 ~~assistance fund as of the preceding August 31 is less than~~
17 ~~the sum of the distributions determined pursuant to~~
18 ~~Subsection D of this section plus the distribution increases~~
19 ~~authorized pursuant to Subsection E of this section, the~~
20 ~~distribution increases pursuant to Subsection E of this~~
21 ~~section shall be proportionately reduced.~~

22 ~~G.] E.~~ If the balance in the small counties
23 assistance fund as of the preceding August 31 is less than
24 the sum of the distributions to be made to qualifying
25 counties, the department of finance and administration shall

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1 reduce each qualifying county's calculated distribution by a
2 percentage computed by dividing the amount by which the fund
3 is insufficient by the sum of all the calculated
4 distributions and shall certify the reduced amounts as the
5 qualifying counties' distributions.

6 [~~H.~~] F. Any interest accruing from the temporary
7 investment of the small counties assistance fund shall be
8 credited to the general fund.

9 [~~F.~~] G. On or before September 30, 2003 and on or
10 before September 30 of each subsequent year, the state
11 treasurer shall distribute to each county for [~~whom~~] which a
12 distribution has been certified for that year the amount
13 certified for that county for that year. If the balance in
14 the fund as of the preceding August 31 exceeds the sum of
15 certified amounts distributed, the difference shall revert to
16 the general fund.

17 [~~J.~~] H. If any date specified in Subsection B, C
18 or [~~F.~~] G. of this section falls on a Saturday, Sunday or legal
19 holiday, any action required to be performed as provided in
20 those subsections is timely if performed on the next day that
21 is not a Saturday, Sunday or legal holiday."

22 **SECTION 10.** Section 4-62-1 NMSA 1978 (being Laws 1992,
23 Chapter 95, Section 1, as amended) is amended to read:

24 "4-62-1. REVENUE BONDS--AUTHORITY TO ISSUE--PLEDGE OF
25 REVENUES--LIMITATION ON TIME OF ISSUANCE.--

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1 A. In addition to any other law authorizing a
2 county to issue revenue bonds, a county may issue revenue
3 bonds pursuant to Chapter 4, Article 62 NMSA 1978 for the
4 purposes specified in this section. [~~The term "pledged~~
5 ~~revenues", as used in Chapter 4, Article 62 NMSA 1978, means~~
6 ~~the revenues, net income or net revenues authorized to be~~
7 ~~pledged to the payment of particular revenue bonds as~~
8 ~~specifically provided in Subsections B through M of this~~
9 ~~section.~~]

10 B. Gross receipts tax revenue bonds may be issued
11 for [~~one or more of the following purposes:~~

12 ~~(1) constructing, purchasing, furnishing,~~
13 ~~equipping, rehabilitating, making additions to or making~~
14 ~~improvements to one or more public buildings or purchasing or~~
15 ~~improving ground relating thereto, including but not~~
16 ~~necessarily limited to acquiring and improving parking lots,~~
17 ~~or any combination of the foregoing;~~

18 ~~(2) acquiring or improving county or public~~
19 ~~parking lots, structures or facilities or any combination of~~
20 ~~the foregoing;~~

21 ~~(3) purchasing, acquiring or rehabilitating~~
22 ~~firefighting equipment or any combination of the foregoing;~~

23 ~~(4) acquiring, extending, enlarging,~~
24 ~~bettering, repairing or otherwise improving or maintaining~~
25 ~~storm sewers and other drainage improvements, sanitary~~

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1 ~~sewers, sewage treatment plants, water utilities or other~~
2 ~~water, wastewater or related facilities, including but not~~
3 ~~limited to the acquisition of rights of way and water and~~
4 ~~water rights, or any combination of the foregoing;~~

5 ~~(5) reconstructing, resurfacing,~~
6 ~~maintaining, repairing or otherwise improving existing~~
7 ~~alleys, streets, roads or bridges or any combination of the~~
8 ~~foregoing or laying off, opening, constructing or otherwise~~
9 ~~acquiring new alleys, streets, roads or bridges or any~~
10 ~~combination of the foregoing; provided that any of the~~
11 ~~foregoing improvements may include the acquisition of rights~~
12 ~~of way;~~

13 ~~(6) purchasing, acquiring, constructing,~~
14 ~~making additions to, enlarging, bettering, extending or~~
15 ~~equipping airport facilities or any combination of the~~
16 ~~foregoing, including without limitation the acquisition of~~
17 ~~land, easements or rights of way;~~

18 ~~(7) purchasing or otherwise acquiring or~~
19 ~~clearing land or purchasing, otherwise acquiring and~~
20 ~~beautifying land for open space;~~

21 ~~(8) acquiring, constructing, purchasing,~~
22 ~~equipping, furnishing, making additions to, renovating,~~
23 ~~rehabilitating, beautifying or otherwise improving public~~
24 ~~parks, public recreational buildings or other public~~
25 ~~recreational facilities or any combination of the foregoing;~~

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1 ~~(9) acquiring, constructing, extending,~~
2 ~~enlarging, bettering, repairing or otherwise improving or~~
3 ~~maintaining solid waste disposal equipment, equipment for~~
4 ~~operation and maintenance of sanitary landfills, sanitary~~
5 ~~landfills, solid waste facilities or any combination of the~~
6 ~~foregoing; or~~

7 ~~(10) acquiring, constructing, extending,~~
8 ~~bettering, repairing or otherwise improving public transit~~
9 ~~systems or any regional transit systems or facilities] any~~
10 county purpose. A county may pledge irrevocably any or all
11 of the revenue [~~from the first one-eighth increment, the~~
12 ~~third one-eighth increment and the one-sixteenth increment of~~
13 ~~the county gross receipts tax and any increment of the county~~
14 ~~infrastructure gross receipts tax and county capital outlay~~
15 ~~gross receipts tax] received by the county pursuant to~~
16 Section 7-1-6.13 NMSA 1978 for payment of principal and
17 interest due in connection with, and other expenses related
18 to, gross receipts tax revenue bonds [~~for any of the purposes~~
19 ~~authorized in this section or specific purposes or] for any~~
20 area of county government services. If the revenue [~~from the~~
21 ~~first one-eighth increment, the third one-eighth increment or~~
22 ~~the one-sixteenth increment of the county gross receipts tax~~
23 ~~or any increment of the county infrastructure gross receipts~~
24 ~~tax or county capital outlay gross receipts tax] is pledged
25 for payment of principal and interest as authorized by this~~

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1 subsection, the pledge shall require the revenues received
2 [~~from that increment of the county gross receipts tax or any~~
3 ~~increment of the county infrastructure gross receipts tax or~~
4 ~~county capital outlay gross receipts tax]~~ to be deposited
5 into a special bond fund for payment of the principal,
6 interest and expenses. At the end of each fiscal year, money
7 remaining in the special bond fund after the annual
8 obligations for the bonds are fully met may be transferred to
9 any other fund of the county. Revenues in excess of the
10 annual principal and interest due on gross receipts tax
11 revenue bonds secured by a pledge of gross receipts tax
12 revenue may be accumulated in a debt service reserve account.
13 The governing body of the county may appoint a commercial
14 bank trust department to act as trustee of the proceeds of
15 the tax and to administer the payment of principal of and
16 interest on the bonds.

17 ~~[G. Fire protection revenue bonds may be issued~~
18 ~~for acquiring, extending, enlarging, bettering, repairing,~~
19 ~~improving, constructing, purchasing, furnishing, equipping or~~
20 ~~rehabilitating any independent fire district project or~~
21 ~~facilities, including where applicable purchasing, otherwise~~
22 ~~acquiring or improving the ground for the project, or any~~
23 ~~combination of such purposes. A county may pledge~~
24 ~~irrevocably any or all of the county fire protection excise~~
25 ~~tax revenue for payment of principal and interest due in~~

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1 ~~connection with, and other expenses related to, fire~~
2 ~~protection revenue bonds. These bonds may be referred to in~~
3 ~~Chapter 4, Article 62 NMSA 1978 as "fire protection revenue~~
4 ~~bonds".~~

5 ~~D. Environmental revenue bonds may be issued for~~
6 ~~the acquisition and construction of solid waste facilities,~~
7 ~~water facilities, wastewater facilities, sewer systems and~~
8 ~~related facilities. A county may pledge irrevocably any or~~
9 ~~all of the county environmental services gross receipts tax~~
10 ~~revenue for payment of principal and interest due in~~
11 ~~connection with, and other expenses related to, environmental~~
12 ~~revenue bonds. These bonds may be referred to in Chapter 4,~~
13 ~~Article 62 NMSA 1978 as "environmental revenue bonds".~~

14 ~~E.]~~ C. Gasoline tax revenue bonds may be issued
15 for the acquisition of rights of way for and the
16 construction, reconstruction, resurfacing, maintenance,
17 repair or other improvement of county roads and bridges. A
18 county may pledge irrevocably any or all of the county
19 gasoline tax revenue for payment of principal and interest
20 due in connection with, and other expenses related to, county
21 gasoline tax revenue bonds. [~~These bonds may be referred to~~
22 ~~in Chapter 4, Article 62 NMSA 1978 as "gasoline tax revenue~~
23 ~~bonds".~~

24 ~~F.]~~ D. Utility revenue bonds or joint utility
25 revenue bonds may be issued for acquiring, extending,

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1 enlarging, bettering, repairing or otherwise improving water
2 facilities, sewer facilities, gas facilities or electric
3 facilities or for any combination of the foregoing purposes.
4 A county may pledge irrevocably any or all of the net
5 revenues from the operation of the utility or joint utility
6 for which the particular utility or joint utility bonds are
7 issued to the payment of principal and interest due in
8 connection with, and other expenses related to, utility or
9 joint utility revenue bonds. [~~These bonds may be referred to~~
10 ~~in Chapter 4, Article 62 NMSA 1978 as "utility revenue bonds"~~
11 ~~or "joint utility revenue bonds"~~.

12 G.] E. Project revenue bonds may be issued for
13 acquiring, extending, enlarging, bettering, repairing,
14 improving, constructing, purchasing, furnishing, equipping or
15 rehabilitating any revenue-producing project, including as
16 applicable purchasing, otherwise acquiring or improving the
17 ground therefor and including but not limited to acquiring
18 and improving parking lots, or may be issued for any
19 combination of the foregoing purposes. The county may pledge
20 irrevocably any or all of the net revenues from the operation
21 of the revenue-producing project for which the particular
22 project revenue bonds are issued to the payment of the
23 interest on and principal of the project revenue bonds. The
24 net revenues of any revenue-producing project shall not be
25 pledged to the project revenue bonds issued for any other

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1 revenue-producing project that is clearly unrelated in
2 nature; but nothing in this subsection prevents the pledge to
3 any of the project revenue bonds of the revenues received
4 from existing, future or disconnected facilities and
5 equipment that are related to and that may constitute a part
6 of the particular revenue-producing project. A general
7 determination by the governing body that facilities or
8 equipment is reasonably related to and constitutes a part of
9 a specified revenue-producing project shall be conclusive if
10 set forth in the proceedings authorizing the project revenue
11 bonds. ~~[As used in Chapter 4, Article 62 NMSA 1978:~~

12 ~~(1) "project revenue bonds" means the bonds~~
13 ~~authorized in this subsection; and~~

14 ~~(2) "project revenues" means the net~~
15 ~~revenues of revenue-producing projects that may be pledged to~~
16 ~~project revenue bonds pursuant to this subsection.~~

17 H.] F. Fire district revenue bonds may be issued
18 for acquiring, extending, enlarging, bettering, repairing,
19 improving, constructing, purchasing, furnishing, equipping
20 and rehabilitating any fire district project, including where
21 applicable purchasing, otherwise acquiring or improving the
22 ground therefor, or for any combination of the foregoing
23 purposes. The county may pledge irrevocably any or all of
24 the revenues received by the fire district from the fire
25 protection fund as provided in the Fire Protection Fund Law

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1 and any or all of the revenues provided for the operation of
2 the fire district project for which the particular bonds are
3 issued to the payment of the interest on and principal of the
4 bonds. The revenues of a fire district project shall not be
5 pledged to the bonds issued for a fire district project that
6 clearly is unrelated in its purpose; but nothing in this
7 section prevents the pledge to such bonds of revenues
8 received from existing, future or disconnected facilities and
9 equipment that are related to and that may constitute a part
10 of the particular fire district project. A general
11 determination by the governing body of the county that
12 facilities or equipment is reasonably related to and
13 constitutes a part of a specified fire district project shall
14 be conclusive if set forth in the proceedings authorizing the
15 fire district revenue bonds.

16 [~~F.~~] G. Law enforcement protection revenue bonds
17 may be issued for the repair and purchase of law enforcement
18 apparatus and equipment that meet nationally recognized
19 standards. The county may pledge irrevocably any or all of
20 the revenues received by the county from the law enforcement
21 protection fund distributions pursuant to the Law Enforcement
22 Protection Fund Act to the payment of the interest on and
23 principal of the law enforcement protection revenue bonds.

24 [~~J. Hospital emergency gross receipts tax revenue~~
25 ~~bonds may be issued for acquiring, equipping, remodeling or~~

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1 ~~improving a county hospital or county health facility. A~~
2 ~~county may pledge irrevocably to the payment of the interest~~
3 ~~on and principal of the hospital emergency gross receipts tax~~
4 ~~revenue bonds any or all of the revenues received by the~~
5 ~~county from a county hospital emergency gross receipts tax~~
6 ~~imposed pursuant to Section 7-20E-12.1 NMSA 1978 and~~
7 ~~dedicated to payment of bonds or a loan for acquiring,~~
8 ~~equipping, remodeling or improving a county hospital or~~
9 ~~county health facility.~~

10 ~~K. Economic development gross receipts tax~~
11 ~~revenue bonds may be issued for the purpose of furthering~~
12 ~~economic development projects as defined in the Local~~
13 ~~Economic Development Act. A county may pledge irrevocably~~
14 ~~any or all of the county infrastructure gross receipts tax to~~
15 ~~the payment of the interest on and principal of the economic~~
16 ~~development gross receipts tax revenue bonds for the purpose~~
17 ~~authorized in this subsection.~~

18 ~~L. County education gross receipts tax revenue~~
19 ~~bonds may be issued for public school or off-campus~~
20 ~~instruction program capital projects as authorized in Section~~
21 ~~7-20E-20 NMSA 1978. A county may pledge irrevocably any or~~
22 ~~all of the county education gross receipts tax revenue to the~~
23 ~~payment of interest on and principal of the county education~~
24 ~~gross receipts tax revenue bonds for the purpose authorized~~
25 ~~in this section.~~

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1 ~~M.~~ H. PILT revenue bonds may be issued by a
2 county to repay all or part of the principal and interest of
3 an outstanding loan owed by the county to the New Mexico
4 finance authority. A county may pledge irrevocably all or
5 part of PILT revenue to the payment of principal of and
6 interest on new loans or preexisting loans provided by the
7 New Mexico finance authority to finance a public project as
8 "public project" is defined in Subsection E of Section 6-21-3
9 NMSA 1978.

10 ~~N.~~ I. Except for the purpose of refunding
11 previous revenue bond issues, no county may sell revenue
12 bonds payable from pledged revenue after the expiration of
13 two years from the date of the ordinance authorizing the
14 issuance of the bonds or, for bonds to be issued and sold to
15 the New Mexico finance authority as authorized in Subsection
16 C of Section 4-62-4 NMSA 1978, after the expiration of two
17 years from the date of the resolution authorizing the
18 issuance of the bonds. However, any period of time during
19 which a particular revenue bond issue is in litigation shall
20 not be counted in determining the expiration date of that
21 issue.

22 ~~Ø.~~ J. No bonds may be issued by a county, other
23 than an H class county, a class B county as defined in
24 Section 4-36-8 NMSA 1978 or a class A county as described in
25 Section 4-36-10 NMSA 1978, to acquire, equip, extend,

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1 enlarge, better, repair or construct a utility unless the
2 utility is regulated by the public regulation commission
3 pursuant to the Public Utility Act and the issuance of the
4 bonds is approved by the commission. For purposes of Chapter
5 4, Article 62 NMSA 1978, a "utility" includes but is not
6 limited to a water, wastewater, sewer, gas or electric
7 utility or joint utility serving the public. H class
8 counties shall obtain public regulation commission approvals
9 required by Section 3-23-3 NMSA 1978.

10 [P-] K. Any law that imposes or authorizes the
11 imposition of a county gross receipts tax, [~~a county~~
12 ~~environmental services gross receipts tax, a county fire~~
13 ~~protection excise tax, a county infrastructure gross receipts~~
14 ~~tax, the county education gross receipts tax, a county~~
15 ~~capital outlay gross receipts tax, the gasoline tax or the~~
16 ~~county hospital emergency gross receipts tax]~~ or that affects
17 [~~any of those taxes~~] that tax, shall not be repealed or
18 amended in such a manner as to impair outstanding revenue
19 bonds that are issued pursuant to Chapter 4, Article 62 NMSA
20 1978 and that may be secured by a pledge of [~~those taxes~~]
21 that tax unless the outstanding revenue bonds have been
22 discharged in full or provision has been fully made therefor.

23 [~~Q. As used in this section:~~

24 [~~(1) "county infrastructure gross receipts~~
25 ~~tax revenue" means the revenue from the county infrastructure~~

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1 ~~gross receipts tax transferred to the county pursuant to~~
2 ~~Section 7-1-6.13 NMSA 1978;~~

3 ~~(2) "county capital outlay gross receipts~~
4 ~~tax revenue" means the revenue from the county capital outlay~~
5 ~~gross receipts tax transferred to the county pursuant to~~
6 ~~Section 7-1-6.13 NMSA 1978;~~

7 ~~(3) "county education gross receipts tax~~
8 ~~revenue" means the revenue from the county education gross~~
9 ~~receipts tax transferred to the county pursuant to Section~~
10 ~~7-1-6.13 NMSA 1978;~~

11 ~~(4) "county environmental services gross~~
12 ~~receipts tax revenue" means the revenue from the county~~
13 ~~environmental services gross receipts tax transferred to the~~
14 ~~county pursuant to Section 7-1-6.13 NMSA 1978;~~

15 ~~(5) "county fire protection excise tax~~
16 ~~revenue" means the revenue from the county fire protection~~
17 ~~excise tax transferred to the county pursuant to Section~~
18 ~~7-1-6.13 NMSA 1978;~~

19 ~~(6) "county gross receipts tax revenue"~~
20 ~~means the revenue attributable to the first one-eighth~~
21 ~~increment, the third one-eighth increment and the one-~~
22 ~~sixteenth increment of the county gross receipts tax~~
23 ~~transferred to the county pursuant to Section 7-1-6.13 NMSA~~
24 ~~1978 and any distribution related to the first one-eighth~~
25 ~~increment made pursuant to Section 7-1-6.16 NMSA 1978;~~

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1 ~~(7) "gasoline tax revenue" means the revenue~~
2 ~~from that portion of the gasoline tax distributed to the~~
3 ~~county pursuant to Sections 7-1-6.9 and 7-1-6.26 NMSA 1978;~~

4 ~~(8) "PILT revenue" means revenue received by~~
5 ~~the county from the federal government as payments in lieu of~~
6 ~~taxes; and~~

7 ~~(9) "public building" includes but is not~~
8 ~~limited to fire stations, police buildings, county or~~
9 ~~regional jails, county or regional juvenile detention~~
10 ~~facilities, libraries, museums, auditoriums, convention~~
11 ~~halls, hospitals, buildings for administrative offices,~~
12 ~~courthouses and garages for housing, repairing and~~
13 ~~maintaining county vehicles and equipment.~~

14 ~~R. As used in Chapter 4, Article 62 NMSA 1978,~~
15 ~~the term "bond" means any obligation of a county issued under~~
16 ~~Chapter 4, Article 62 NMSA 1978, whether designated as a~~
17 ~~bond, note, loan, warrant, debenture, lease-purchase~~
18 ~~agreement or other instrument evidencing an obligation of a~~
19 ~~county to make payments.]"~~

20 SECTION 11. A new section of Chapter 4, Article 62 NMSA
21 1978 is enacted to read:

22 "[NEW MATERIAL] DEFINITIONS.--As used in Chapter 4,
23 Article 62 NMSA 1978:

24 A. "bond" means any obligation of a county issued
25 under Chapter 4, Article 62 NMSA 1978, whether designated as

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1 a bond, note, loan, warrant, debenture, lease-purchase
2 agreement or other instrument evidencing an obligation of a
3 county to make payments;

4 B. "county gross receipts tax revenue" means the
5 revenue attributable to the county gross receipts tax
6 transferred to the county pursuant to Section 7-1-6.13 NMSA
7 1978 and any distribution made pursuant to Section 7-1-6.16
8 NMSA 1978;

9 C. "gasoline tax revenue bonds" means the bonds
10 authorized by Subsection C of Section 4-62-1 NMSA 1978;

11 D. "PILT revenue" means revenue received by the
12 county from the federal government as payments in lieu of
13 taxes;

14 E. "pledged revenues" means the revenues, net
15 income or net revenues authorized to be pledged to the
16 payment of particular revenue bonds as specifically provided
17 in Section 4-62-1 NMSA 1978;

18 F. "project revenue bonds" means the bonds
19 authorized by Subsection E of Section 4-62-1 NMSA 1978;

20 G. "project revenues" means the net revenues of
21 revenue-producing projects that may be pledged to project
22 revenue bonds; and

23 H. "utility revenue bonds" or "joint utility
24 revenue bonds" means the bonds authorized by Subsection D of
25 Section 4-62-1 NMSA 1978."

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1 SECTION 12. Section 5-10-3 NMSA 1978 (being Laws 1993,
2 Chapter 297, Section 3, as amended) is amended to read:

3 "5-10-3. DEFINITIONS.--As used in the Local Economic
4 Development Act:

5 A. "arts and cultural district" means a developed
6 district of public and private uses that is created pursuant
7 to the Arts and Cultural District Act;

8 B. "cultural facility" means a facility that is
9 owned by the state, a county, a municipality or a qualifying
10 entity that serves the public through preserving, educating
11 and promoting the arts and culture of a particular locale,
12 including theaters, museums, libraries, galleries, cultural
13 compounds, educational organizations, performing arts venues
14 and organizations, fine arts organizations, studios and media
15 laboratories and live-work housing facilities;

16 C. "department" means the economic development
17 department;

18 D. "economic development project" or "project"
19 means the provision of direct or indirect assistance to a
20 qualifying entity by a local or regional government and
21 includes the purchase, lease, grant, construction,
22 reconstruction, improvement or other acquisition or
23 conveyance of land, buildings or other infrastructure; public
24 works improvements essential to the location or expansion of
25 a qualifying entity; payments for professional services

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1 contracts necessary for local or regional governments to
2 implement a plan or project; the provision of direct loans or
3 grants for land, buildings or infrastructure; technical
4 assistance to cultural facilities; loan guarantees securing
5 the cost of land, buildings or infrastructure in an amount
6 not to exceed the revenue that may be derived from an
7 increment of the municipal [~~infrastructure~~] gross receipts
8 tax or the county [~~infrastructure~~] gross receipts tax that is
9 dedicated by the governing body of the municipality or county
10 for furthering or implementing economic development plans or
11 projects pursuant to the Local Economic Development Act or
12 projects pursuant to the Statewide Economic Development
13 Finance Act; grants for public works infrastructure
14 improvements essential to the location or expansion of a
15 qualifying entity; grants or subsidies to cultural
16 facilities; purchase of land for a publicly held industrial
17 park or a publicly owned cultural facility; and the
18 construction of a building for use by a qualifying entity;

19 E. "governing body" means the city council, city
20 commission or board of trustees of a municipality or the
21 board of county commissioners of a county;

22 F. "local government" means a municipality or
23 county;

24 G. "municipality" means an incorporated city,
25 town or village;

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~~[bracketed material] = delete~~

1 H. "person" means an individual, corporation,
2 association, partnership or other legal entity;

3 I. "qualifying entity" means a corporation,
4 limited liability company, partnership, joint venture,
5 syndicate, association or other person that is one or a
6 combination of two or more of the following:

7 (1) an industry for the manufacturing,
8 processing or assembling of agricultural or manufactured
9 products;

10 (2) a commercial enterprise for storing,
11 warehousing, distributing or selling products of agriculture,
12 mining or industry, but, other than as provided in Paragraph
13 (5), (6) or (9) of this subsection, not including any
14 enterprise for sale of goods or commodities at retail or for
15 distribution to the public of electricity, gas, water or
16 telephone or other services commonly classified as public
17 utilities;

18 (3) a business in which all or part of the
19 activities of the business involves the supplying of services
20 to the general public or to governmental agencies or to a
21 specific industry or customer, but, other than as provided in
22 Paragraph (5) or (9) of this subsection, not including
23 businesses primarily engaged in the sale of goods or
24 commodities at retail;

25 (4) an Indian nation, tribe or pueblo or a

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1 federally chartered tribal corporation;

2 (5) a telecommunications sales enterprise
3 that makes the majority of its sales to persons outside
4 New Mexico;

5 (6) a facility for the direct sales by
6 growers of agricultural products, commonly known as farmers'
7 markets;

8 (7) a business that is the developer of a
9 metropolitan redevelopment project;

10 (8) a cultural facility; and

11 (9) a retail business;

12 J. "regional government" means any combination of
13 municipalities and counties that enter into a joint powers
14 agreement to provide for economic development projects
15 pursuant to a plan adopted by all parties to the joint powers
16 agreement; and

17 K. "retail business" means a business that is
18 primarily engaged in the sale of goods or commodities at
19 retail and that is located in a municipality with a
20 population of ten thousand or less."

21 SECTION 13. Section 5-10-4 NMSA 1978 (being Laws 1993,
22 Chapter 297, Section 4, as amended) is amended to read:

23 "5-10-4. ECONOMIC DEVELOPMENT PROJECTS--RESTRICTIONS ON
24 PUBLIC EXPENDITURES OR PLEDGES OF CREDIT.--

25 A. No local or regional government shall provide

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1 public support for economic development projects as permitted
2 pursuant to Article 9, Section 14 of the constitution of
3 New Mexico except as provided in the Local Economic
4 Development Act or as otherwise permitted by law.

5 B. The total amount of public money expended and
6 the value of credit pledged in the fiscal year in which that
7 money is expended by a local government for economic
8 development projects pursuant to Article 9, Section 14 of the
9 constitution of New Mexico and the Local Economic Development
10 Act shall not exceed ten percent of the annual general fund
11 expenditures of the local government in that fiscal year.

12 The limits of this subsection shall not apply to:

13 (1) the value of any land or building
14 contributed to any project pursuant to a project
15 participation agreement;

16 (2) revenue generated through the imposition
17 of an increment of the municipal [~~infrastructure~~] gross
18 receipts tax [~~pursuant to the Municipal Local Option Gross~~
19 ~~Receipts Taxes Act~~] for furthering or implementing economic
20 development plans and projects as defined in the Local
21 Economic Development Act or projects as defined in the
22 Statewide Economic Development Finance Act; provided that no
23 more than the greater of fifty thousand dollars (\$50,000) or
24 ten percent of the revenue collected shall be used for
25 promotion and administration of or professional services

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1 contracts related to the implementation of any such economic
2 development plan adopted by the governing body;

3 (3) revenue generated through the imposition
4 of an increment of a county [~~infrastructure~~] gross receipts
5 tax [~~pursuant to the County Local Option Gross Receipts Taxes~~
6 ~~Act~~] for furthering or implementing economic development
7 plans and projects as defined in the Local Economic
8 Development Act or projects as defined in the Statewide
9 Economic Development Finance Act; provided that no more than
10 the greater of fifty thousand dollars (\$50,000) or ten
11 percent of the revenue collected shall be used for promotion
12 and administration of or professional services contracts
13 related to the implementation of any such economic
14 development plan adopted by the governing body;

15 (4) the proceeds of a revenue bond issue to
16 which municipal [~~infrastructure~~] gross receipts tax revenue
17 is pledged;

18 (5) the proceeds of a revenue bond issue to
19 which county [~~infrastructure~~] gross receipts tax revenue is
20 pledged; or

21 (6) funds donated by private entities to be
22 used for defraying the cost of a project.

23 C. A regional or local government that generates
24 revenue for economic development projects to which the limits
25 of Subsection B of this section do not apply shall create an

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1 economic development fund into which such revenues shall be
2 deposited. The economic development fund and income from the
3 economic development fund shall be deposited as provided by
4 law. Money in the economic development fund may be expended
5 only as provided in the Local Economic Development Act or the
6 Statewide Economic Development Finance Act.

7 D. In order to expend money from an economic
8 development fund for arts and cultural district purposes,
9 cultural facilities or retail businesses, the governing body
10 of a municipality or county that has imposed [~~a~~] an increment
11 of the municipal or county [~~local option infrastructure~~]
12 gross receipts tax and dedicated the revenue from such taxes
13 for furthering or implementing economic development plans and
14 projects, as defined in the Local Economic Development Act,
15 or projects, as defined in the Statewide Economic Development
16 Finance Act, by referendum of the majority of the voters
17 voting on the question approving the ordinance imposing the
18 municipal or county [~~infrastructure~~] gross receipts tax
19 before [~~July 1, 2013~~] January 1, 2016 shall be required to
20 adopt a resolution. The resolution shall call for an
21 election to approve arts and cultural districts as a
22 qualifying purpose and cultural facilities or retail
23 businesses as a qualifying entity before any revenue
24 generated by the municipal or county local option gross
25 receipts tax for furthering or implementing economic

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1 development plans and projects, as defined in the Local
2 Economic Development Act, or projects, as defined in the
3 Statewide Economic Development Finance Act, can be expended
4 from the economic development fund for arts and cultural
5 district purposes, cultural facilities or retail businesses.

6 E. The governing body shall adopt a resolution
7 calling for an election within seventy-five days of the date
8 the ordinance is adopted on the question of approving arts
9 and cultural districts as a qualifying purpose and cultural
10 facilities or retail businesses as a qualifying entity
11 eligible to utilize revenue generated by the Municipal Local
12 Option Gross Receipts [~~Taxes~~] Tax Act or the County Local
13 Option Gross Receipts [~~Taxes~~] Tax Act for furthering or
14 implementing economic development plans and projects as
15 defined in the Local Economic Development Act or projects as
16 defined in the Statewide Economic Development Finance Act.

17 F. The question shall be submitted to the voters
18 of the municipality or county as a separate question at a
19 regular municipal or county election or at a special election
20 called for that purpose by the governing body. A special
21 municipal election shall be called, conducted and canvassed
22 as provided in the Municipal Election Code. A special county
23 election shall be called, conducted and canvassed in
24 substantially the same manner as provided by law for general
25 elections.

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1 G. If a majority of the voters voting on the
2 question approves the ordinance adding arts and cultural
3 districts and cultural facilities or retail businesses as an
4 approved use of the [~~local option~~] municipal or county
5 [~~economic development infrastructure~~] gross receipts tax,
6 [~~fund~~] the ordinance shall become effective on July 1 or
7 January 1, whichever date occurs first after the expiration
8 of three months from the date of the adopted ordinance. The
9 ordinance shall include the effective date."

10 **SECTION 14.** Section 5-15-15 NMSA 1978 (being Laws 2006,
11 Chapter 75, Section 15, as amended) is amended to read:

12 "5-15-15. TAX INCREMENT FINANCING--GROSS RECEIPTS TAX
13 INCREMENT.--

14 A. Notwithstanding any law to the contrary, but
15 in accordance with the provisions of the Tax Increment for
16 Development Act, a tax increment development plan, as
17 originally approved or as later modified, may contain a
18 provision that a portion of certain gross receipts tax
19 increments collected within the tax increment development
20 area after the effective date of approval of the tax
21 increment development plan may be dedicated for the purpose
22 of securing gross receipts tax increment bonds pursuant to
23 the Tax Increment for Development Act.

24 B. As to a district formed by a municipality, a
25 portion of any of the following gross receipts tax increments

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1 may be paid by the state directly into a special fund of the
2 district to pay the principal of, the interest on and any
3 premium due in connection with the bonds of, loans or
4 advances to, or any indebtedness incurred by, whether funded,
5 refunded, assumed or otherwise, the authority for financing
6 or refinancing, in whole or in part, a tax increment
7 development project within the tax increment development
8 area:

9 (1) municipal gross receipts tax authorized
10 pursuant to the Municipal Local Option Gross Receipts [Taxes]
11 Tax Act;

12 [~~(2) municipal environmental services gross~~
13 ~~receipts tax authorized pursuant to the Municipal Local~~
14 ~~Option Gross Receipts Taxes Act;~~

15 [~~(3) municipal infrastructure gross receipts~~
16 ~~tax authorized pursuant to the Municipal Local Option Gross~~
17 ~~Receipts Taxes Act;~~

18 [~~(4) municipal capital outlay gross receipts~~
19 ~~tax authorized pursuant to the Municipal Local Option Gross~~
20 ~~Receipts Taxes Act;~~

21 [~~(5) municipal regional transit gross~~
22 ~~receipts tax authorized pursuant to the Municipal Local~~
23 ~~Option Gross Receipts Taxes Act;~~

24 [~~(6) an amount distributed to municipalities~~
25 ~~pursuant to Sections 7-1-6.4 and 7-1-6.46 NMSA 1978;]~~ and

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1 [~~(7)~~] (2) the state gross receipts tax.

2 C. As to a district formed by a county, all or a
3 portion of any of the following gross receipts tax increments
4 may be paid by the state directly into a special fund of the
5 district to pay the principal of, the interest on and any
6 premium due in connection with the bonds of, loans or
7 advances to or any indebtedness incurred by, whether funded,
8 refunded, assumed or otherwise, the district for financing or
9 refinancing, in whole or in part, a tax increment development
10 project within the tax increment development area:

11 (1) county gross receipts tax authorized
12 pursuant to the County Local Option Gross Receipts [~~Taxes~~]
13 Tax Act;

14 [~~(2)~~] ~~county environmental services gross~~
15 ~~receipts tax authorized pursuant to the County Local Option~~
16 ~~Gross Receipts Taxes Act;~~

17 [~~(3)~~] ~~county infrastructure gross receipts tax~~
18 ~~authorized pursuant to the County Local Option Gross Receipts~~
19 ~~Taxes Act;~~

20 [~~(4)~~] ~~county capital outlay gross receipts tax~~
21 ~~authorized pursuant to the County Local Option Gross Receipts~~
22 ~~Taxes Act;~~

23 [~~(5)~~] ~~county regional transit gross receipts~~
24 ~~tax authorized pursuant to the County Local Option Gross~~
25 ~~Receipts Taxes Act;~~

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1 ~~(6) the amount distributed to counties~~
2 ~~pursuant to Section 7-1-6.47 NMSA 1978;~~ and

3 ~~(7)~~ (2) the state gross receipts tax.

4 D. The gross receipts tax increment generated by
5 the imposition of municipal or county ~~[local option]~~ gross
6 receipts taxes ~~[specified by statute for particular purposes]~~
7 may ~~[nonetheless]~~ be dedicated for the purposes of the Tax
8 Increment for Development Act if intent to do so is set forth
9 in the tax increment development plan approved by the
10 governing body ~~[if the purpose for which the increment is~~
11 ~~intended to be used is consistent with the purposes set forth~~
12 ~~in the statute authorizing the municipal or county local~~
13 ~~option gross receipts tax].~~

14 E. An imposition of a gross receipts tax
15 increment attributable to the imposition of a gross receipts
16 tax by a taxing entity may be dedicated for the purpose of
17 securing gross receipts tax increment bonds with the
18 agreement of the taxing entity, evidenced by a resolution
19 adopted by a majority vote of that taxing entity. A taxing
20 entity shall not agree to dedicate for the purposes of
21 securing gross receipts tax increment bonds more than
22 seventy-five percent of its gross receipts tax increment
23 attributable to the imposition of gross receipts taxes by the
24 taxing entity. A resolution of the taxing entity to dedicate
25 a gross receipts tax increment or to increase the dedication

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underscoring material = new
~~[bracketed material] = delete~~

1 of a gross receipts tax increment shall become effective only
2 on January 1 or July 1 of the calendar year.

3 F. An imposition of a gross receipts tax
4 increment attributable to the imposition of the state gross
5 receipts tax within a district [~~less the distributions made~~
6 ~~pursuant to Section 7-1-6.4 NMSA 1978~~] may be dedicated for
7 the purpose of securing gross receipts tax increment bonds
8 with the agreement of the state board of finance, evidenced
9 by a resolution adopted by a majority vote of the state board
10 of finance. The state board of finance shall not agree to
11 dedicate more than seventy-five percent of the gross receipts
12 tax increment attributable to the imposition of the state
13 gross receipts tax within the district. The resolution of
14 the state board of finance shall become effective only on
15 January 1 or July 1 of the calendar year and shall find that:

16 (1) the state board of finance has reviewed
17 the request for the use of the state gross receipts tax;

18 (2) based upon review by the state board of
19 finance of the applicable tax increment development plan, the
20 dedication by the state board of finance of a portion of the
21 gross receipts tax increment attributable to the imposition
22 of the state gross receipts tax within the district for use
23 in meeting the required goals of the tax increment plan is
24 reasonable and in the best interest of the state; and

25 (3) the use of the state gross receipts tax

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1 is likely to stimulate the creation of jobs, economic
2 opportunities and general revenue for the state through the
3 addition of new businesses to the state and the expansion of
4 existing businesses within the state.

5 G. The governing body of the jurisdiction in
6 which a tax increment development district has been
7 established shall timely notify the assessor of the county in
8 which the district has been established, the taxation and
9 revenue department and the local government division of the
10 department of finance and administration when:

11 (1) a tax increment development plan has
12 been approved that contains a provision for the allocation of
13 a gross receipts tax increment;

14 (2) any outstanding bonds of the district
15 have been paid off; and

16 (3) the purposes of the district have
17 otherwise been achieved."

18 SECTION 15. Section 5-16-3 NMSA 1978 (being Laws 2006,
19 Chapter 15, Section 3) is amended to read:

20 "5-16-3. DEFINITIONS.--As used in the Regional
21 Spaceport District Act:

22 A. "authority" means the spaceport authority
23 created pursuant to the Spaceport Development Act;

24 B. "board" means the board of directors of a
25 district;

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1 C. "bond" means a revenue bond issued by the
2 authority on behalf of a district;

3 D. "combination" means two or more governmental
4 units that exercise joint authority;

5 E. "district" means a regional spaceport district
6 that is a political subdivision of the state created pursuant
7 to the Regional Spaceport District Act;

8 F. "governmental unit" means the state, a county
9 or a municipality of the state or an Indian nation, tribe or
10 pueblo located within the boundaries of the state;

11 G. "project" means any land, building or other
12 improvements acquired as part of a spaceport or associated
13 with a spaceport or to aid commerce in connection with a
14 spaceport and all real and personal property deemed necessary
15 in connection with the spaceport;

16 H. "revenues" means municipal [~~regional~~
17 ~~spaceport~~] gross receipts tax revenues and county [~~regional~~
18 ~~spaceport~~] gross receipts tax revenues dedicated by
19 resolution of the governing body of a municipality or county
20 and transferred to a district; and

21 I. "spaceport" means any facility in New Mexico
22 at which space vehicles may be launched or landed, including
23 all facilities and support infrastructure related to launch,
24 landing or payload processing."

25 SECTION 16. Section 6-14-2 NMSA 1978 (being Laws 1970,
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1 Chapter 10, Section 2, as amended) is amended to read:

2 "6-14-2. DEFINITIONS.--As used in the Public Securities
3 Act:

4 A. "net effective interest rate" means the
5 interest rate of public securities, compounded semiannually,
6 necessary to discount the scheduled debt service payments of
7 principal and interest to the date of the public securities
8 and to the price paid to the public body for the public
9 securities, excluding any interest accrued to the date of
10 delivery and based upon a year with the same number of days
11 as the number of days for which interest is computed on the
12 public securities;

13 B. "public body" means this state or any
14 department, board, agency or instrumentality of the state,
15 any county, city, town, village, school district, other
16 district, educational institution or any other governmental
17 agency or political subdivision of the state; and

18 C. "public securities" means any bonds, notes,
19 warrants or other obligations now or hereafter authorized to
20 be issued by any public body pursuant to the provisions of
21 any general or special law enacted by the legislature, but
22 does not include bonds, notes, warrants or other obligations
23 issued pursuant to:

- 24 (1) the Industrial Revenue Bond Act;
- 25 (2) the County Improvement District Act;

underscored material = new
[bracketed material] = delete

- 1 (3) [~~Sections 3-33-1 through 3-33-43]~~
- 2 Chapter 3, Article 33 NMSA 1978;
- 3 (4) the Pollution Control Revenue Bond Act;
- 4 (5) the County Pollution Control Revenue
- 5 Bond Act;
- 6 (6) the County Industrial Revenue Bond Act;
- 7 (7) the Metropolitan Redevelopment Code;
- 8 [~~(8) the Supplemental Municipal Gross~~
- 9 ~~Receipts Tax Act;~~
- 10 ~~(9)~~ (8) the Hospital Equipment Loan Act; or
- 11 [~~(10)~~] (9) the New Mexico Finance Authority
- 12 Act."

13 SECTION 17. Section 6-22-2 NMSA 1978 (being Laws 1992,
14 Chapter 105, Section 2) is amended to read:

15 "6-22-2. DEFINITIONS.--As used in the State Aid
16 Intercept Act:

17 A. "default" means the actual nonpayment of
18 principal or interest on a local revenue bond when payment is
19 scheduled by the indenture relating the local revenue bond;

20 B. "local government" means a municipality or
21 county;

22 C. "local revenue bond" means a bond issued after
23 July 1, 1992 pursuant to [~~Sections 3-33-1 through 3-33-43]~~
24 Chapter 3, Article 33 NMSA 1978 or Chapter 4, Article 62 NMSA
25 1978;

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1 D. "qualified local revenue bond" means a local
2 revenue bond for which a state distributions intercept
3 authorization has been granted pursuant to this section;

4 E. "secretary" means the secretary of finance and
5 administration; and

6 F. "state distributions" means any or all of the
7 funds distributed to local governments pursuant to Section
8 ~~[7-1-6.4]~~ 7-1-6.9 ~~[and Subsection B of Section 7-1-6.11]~~ NMSA
9 1978."

10 SECTION 18. Section 6-23-8 NMSA 1978 (being Laws 1993,
11 Chapter 231, Section 8, as amended) is amended to read:

12 "6-23-8. MUNICIPALITIES--USE OF CERTAIN REVENUES
13 AUTHORIZED.--Upon adoption of an ordinance or resolution by
14 an affirmative vote of a majority of the members of the
15 governing body at any regular or special meeting of the
16 governing body called for this purpose, a municipality may
17 pledge utility cost savings, conservation-related cost
18 savings or any or all revenues not otherwise pledged or
19 obligated from gross receipts taxes received by the
20 municipality pursuant to ~~[Section 7-1-6.4 NMSA 1978 and]~~
21 Section 7-1-6.12 NMSA 1978 for payments pursuant to a
22 guaranteed utility savings contract with a qualified provider
23 and any installment payment contract or lease-purchase
24 agreement pursuant to that guaranteed utility savings
25 contract. The ordinance or resolution shall declare the

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1 necessity for the guaranteed utility savings contract and
2 related contracts or agreements and shall designate the
3 source of the pledged revenues. Any revenues pledged for
4 such contract payments shall be deposited in a special fund,
5 and the municipality shall not use any other revenues to make
6 such payments. At the end of each fiscal year, any money
7 remaining in the special fund after payment obligations are
8 met may be transferred to any other fund of the
9 municipality."

10 SECTION 19. Section 6-23-9 NMSA 1978 (being Laws 1993,
11 Chapter 231, Section 9, as amended) is amended to read:

12 "6-23-9. COUNTIES--USE OF CERTAIN REVENUES
13 AUTHORIZED.--Upon adoption of an ordinance or resolution by
14 an affirmative vote of a majority of the members of the board
15 of county commissioners at any regular or special meeting of
16 the board called for this purpose, a county may pledge
17 utility cost savings, conservation-related cost savings or
18 any or all of the revenue not otherwise pledged or obligated
19 from ~~[the first one-eighth of one percent increment and of]~~
20 one-half of the revenue from ~~[the third one-eighth of one~~
21 ~~percent increment of]~~ the county gross receipts tax
22 transferred to the county pursuant to Section 7-1-6.13 NMSA
23 1978 ~~[and any or all of the revenue from the distribution~~
24 ~~related to the first one-eighth of one percent increment made~~
25 ~~pursuant to Section 7-1-6.16 NMSA 1978]~~ for the purpose of

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1 making payments pursuant to a guaranteed utility savings
2 contract with a qualified provider or any installment payment
3 contract or lease-purchase agreement pursuant to that
4 guaranteed utility savings contract. The ordinance or
5 resolution shall declare the necessity for the guaranteed
6 utility savings contract and related contracts or agreements
7 and shall designate the source of the pledged revenues. Any
8 revenues pledged for such contract payments shall be
9 deposited in a special fund, and the county shall not use any
10 other county or state revenue to make such payments. At the
11 end of each fiscal year, any money remaining in the special
12 fund after the payment obligations are met may be transferred
13 to any other fund of the county."

14 SECTION 20. Section 6-25-7 NMSA 1978 (being Laws 2003,
15 Chapter 349, Section 7, as amended) is amended to read:

16 "6-25-7. PROJECT REVENUE BONDS.--

17 A. The authority may issue project revenue bonds
18 on behalf of an eligible entity to provide funds for a
19 project. Project revenue bonds issued pursuant to the
20 Statewide Economic Development Finance Act shall not be a
21 general obligation of the authority or the state within the
22 meaning of any provision of the constitution of New Mexico
23 and shall never give rise to a pecuniary liability of the
24 authority or the state or a charge against the general credit
25 or taxing powers of the state. Project revenue bonds shall

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1 be payable from the revenue derived from a project being
2 financed by the bonds and from other revenues pledged by an
3 eligible entity, and may be secured in such manner as
4 provided in the Statewide Economic Development Finance Act
5 and as determined by the authority. Project revenue bonds
6 may be executed and delivered at any time, may be in such
7 form and denominations, may be payable in installments and at
8 times not exceeding thirty years from their date of delivery,
9 may bear or accrete interest at a rate or rates and may
10 contain such provisions not inconsistent with the Statewide
11 Economic Development Finance Act, all as provided in the
12 resolution and proceedings of the authority authorizing
13 issuance of the bonds. Project revenue bonds issued by the
14 authority pursuant to the Statewide Economic Development
15 Finance Act may be sold at public or private sale in such
16 manner and from time to time as may be determined by the
17 authority, and the authority may pay all expenses that the
18 authority may determine necessary in connection with the
19 authorization, sale and issuance of the bonds. All project
20 revenue bonds issued pursuant to the Statewide Economic
21 Development Finance Act shall be negotiable.

22 B. The principal of and interest on project
23 revenue bonds issued pursuant to the Statewide Economic
24 Development Finance Act shall be secured by a pledge of the
25 revenues of the project being financed with the proceeds of

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1 the bonds, may be secured by a mortgage of all or a part of
2 the project being financed or other collateral pledged by an
3 eligible entity, and may be secured by the lease of such
4 project, which collateral and lease may be assigned, in whole
5 or in part, by the department to the authority or to third
6 parties to carry out the purposes of the Statewide Economic
7 Development Finance Act. The resolution of the authority
8 pursuant to which the project revenue bonds are authorized to
9 be issued or any such mortgage may contain any agreement and
10 provisions customarily contained in instruments securing
11 bonds, including provisions respecting the fixing and
12 collection of all revenues from any project to which the
13 resolution or mortgage pertains, the terms to be incorporated
14 in the lease of the project, the maintenance and insurance of
15 the project, the creation and maintenance of special funds
16 from the revenues of the project and the rights and remedies
17 available in event of default to the bondholders or to the
18 trustee under a mortgage, all as determined by the authority
19 or the department and as shall not be in conflict with the
20 Statewide Economic Development Finance Act; provided,
21 however, that in making any such agreements or provisions,
22 the authority and the department may not obligate themselves
23 except with respect to the project and application of the
24 revenues from the project, and except as expressly permitted
25 by the Statewide Economic Development Finance Act, and shall

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1 not have the power to incur a pecuniary liability or a
2 charge, or to pledge the general credit or taxing power of
3 the state. The resolution authorizing the issuance of
4 project revenue bonds may provide procedures and remedies in
5 the event of default in payment of the principal of or
6 interest on the bonds or in the performance of any agreement.
7 No breach of any such agreement shall impose any pecuniary
8 liability upon the authority, the department or the state or
9 any charge against the general credit or taxing powers of the
10 state.

11 C. The authority may arrange for such other
12 guarantees, insurance or other credit enhancements or
13 additional security provided by an eligible entity as
14 determined by the authority for the project revenue bonds and
15 may provide for the payment of the costs from the proceeds of
16 the bonds, or may require payment of the costs by the
17 eligible entity on whose behalf the bonds are issued.

18 D. Project revenue bonds issued to finance a
19 project may also be secured by pledging a portion of the
20 qualifying municipal or county [~~infrastructure~~] gross
21 receipts tax revenues by the municipality or county in which
22 the project is located, as permitted by the Local Economic
23 Development Act.

24 E. The project revenue bonds and the income from
25 the bonds, all mortgages or other instruments executed as

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1 security for the bonds, all lease agreements made pursuant to
2 the provisions of the Statewide Economic Development Finance
3 Act and revenue derived from any sale or lease of a project
4 shall be exempt from all taxation by the state or any
5 political subdivision of the state. The authority may issue
6 project revenue bonds the interest on which is exempt from
7 taxation under federal law.

8 F. In any calendar year, no more than fifteen
9 percent of the state ceiling allocated pursuant to the
10 Private Activity Bond Act may be used for projects financed
11 pursuant to the Statewide Economic Development Finance Act."

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

14 "7-1-2. APPLICABILITY.--The Tax Administration Act
15 applies to and governs:

16 A. the administration and enforcement of the
17 following taxes or tax acts as they now exist or may
18 hereafter be amended:

- 19 (1) Income Tax Act;
- 20 (2) Withholding Tax Act;
- 21 [~~(3)~~] ~~Venture Capital Investment Act;~~
- 22 ~~(4)~~] (3) Gross Receipts and Compensating Tax
23 Act and any state gross receipts tax;
- 24 [~~(5)~~] (4) Liquor Excise Tax Act;
- 25 [~~(6)~~] (5) Local Liquor Excise Tax Act;

underscored material = new
[bracketed material] = delete

1 [~~(7)~~] (6) any municipal local option gross
2 receipts tax;
3 [~~(8)~~] (7) any county local option gross
4 receipts tax;
5 [~~(9)~~] (8) Special Fuels Supplier Tax Act;
6 [~~(10)~~] (9) Gasoline Tax Act;
7 [~~(11)~~] (10) petroleum products loading fee,
8 which fee shall be considered a tax for the purpose of the
9 Tax Administration Act;
10 [~~(12)~~] (11) Alternative Fuel Tax Act;
11 [~~(13)~~] (12) Cigarette Tax Act;
12 [~~(14)~~] (13) Estate Tax Act;
13 [~~(15)~~] (14) Railroad Car Company Tax Act;
14 [~~(16)~~] ~~Investment Credit Act, rural job tax~~
15 ~~credit, Laboratory Partnership with Small Business Tax Credit~~
16 ~~Act, Technology Jobs Tax Credit Act, film production tax~~
17 ~~credit, New Mexico filmmaker tax credit, Affordable Housing~~
18 ~~Tax Credit Act, high-wage jobs tax credit and Research and~~
19 ~~Development Small Business Tax Credit Act;~~
20 [~~(17)~~] (15) Corporate Income and Franchise
21 Tax Act;
22 [~~(18)~~] (16) Uniform Division of Income for
23 Tax Purposes Act;
24 [~~(19)~~] (17) Multistate Tax Compact;
25 [~~(20)~~] (18) Tobacco Products Tax Act; and

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1 [~~(21)~~] (19) the telecommunications relay
2 service surcharge imposed by Section 63-9F-11 NMSA 1978,
3 which surcharge shall be considered a tax for the purposes of
4 the Tax Administration Act;

5 B. the administration and enforcement of the
6 following taxes, surtaxes, advanced payments or tax acts as
7 they now exist or may hereafter be amended:

8 (1) Resources Excise Tax Act;

9 (2) Severance Tax Act;

10 (3) any severance surtax;

11 (4) Oil and Gas Severance Tax Act;

12 (5) Oil and Gas Conservation Tax Act;

13 (6) Oil and Gas Emergency School Tax Act;

14 (7) Oil and Gas Ad Valorem Production Tax

15 Act;

16 (8) Natural Gas Processors Tax Act;

17 (9) Oil and Gas Production Equipment Ad

18 Valorem Tax Act;

19 (10) Copper Production Ad Valorem Tax Act;

20 (11) any advance payment required to be made

21 by any act specified in this subsection, which advance

22 payment shall be considered a tax for the purposes of the Tax

23 Administration Act;

24 (12) Enhanced Oil Recovery Act;

25 (13) Natural Gas and Crude Oil Production

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1 Incentive Act; and

2 (14) intergovernmental production tax credit
3 and intergovernmental production equipment tax credit;

4 C. the administration and enforcement of the
5 following taxes, surcharges, fees or acts as they now exist
6 or may hereafter be amended:

7 (1) Weight Distance Tax Act;

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

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

12 (4) 911 emergency surcharge and the network
13 and database surcharge, which surcharges shall be considered
14 taxes for purposes of the Tax Administration Act;

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

18 (6) the water conservation fee imposed by
19 Section 74-1-13 NMSA 1978, which fee shall be considered a
20 tax for the purposes of the Tax Administration Act; and

21 (7) the gaming tax imposed pursuant to the
22 Gaming Control Act; and

23 D. the administration and enforcement of all
24 other laws, with respect to which the department is charged
25 with responsibilities pursuant to the Tax Administration Act,

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1 but only to the extent that the other laws do not conflict
2 with the Tax Administration Act."

3 SECTION 22. Section 7-1-3 NMSA 1978 (being Laws 1965,
4 Chapter 248, Section 3, as amended) is amended to read:

5 "7-1-3. DEFINITIONS.--Unless the context clearly
6 indicates a different meaning, the definitions of words and
7 phrases as they are stated in this section are to be used,
8 and whenever in the Tax Administration Act these words and
9 phrases appear, the singular includes the plural and the
10 plural includes the singular:

11 A. "automated clearinghouse transaction" means an
12 electronic credit or debit transmitted through an automated
13 clearinghouse payable to the state treasurer and deposited
14 with the fiscal agent of New Mexico;

15 B. "department" means the taxation and revenue
16 department, the secretary or any employee of the department
17 exercising authority lawfully delegated to that employee by
18 the secretary;

19 C. "electronic payment" means a payment made by
20 automated clearinghouse deposit, any funds wire transfer
21 system or a credit card, debit card or electronic cash
22 transaction through the internet;

23 D. "employee of the department" means any
24 employee of the department, including the secretary, or any
25 person acting as agent or authorized to represent or perform

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1 services for the department in any capacity with respect to
2 any law made subject to administration and enforcement under
3 the provisions of the Tax Administration Act;

4 E. "financial institution" means any state or
5 federally chartered, federally insured depository
6 institution;

7 F. "Internal Revenue Code" means the Internal
8 Revenue Code of 1986, as that code may be amended or its
9 sections renumbered;

10 G. "levy" means the lawful power, hereby invested
11 in the secretary, to take into possession or to require the
12 present or future surrender to the secretary or the
13 secretary's delegate of any property or rights to property
14 belonging to a delinquent taxpayer;

15 H. "local option gross receipts tax" means a tax
16 authorized to be imposed by a county or municipality upon the
17 taxpayer's gross receipts, as that term is defined in the
18 Gross Receipts and Compensating Tax Act, and required to be
19 collected by the department at the same time and in the same
20 manner as the gross receipts tax; "local option gross
21 receipts tax" includes the taxes imposed pursuant to the
22 Municipal Local Option Gross Receipts ~~[Taxes]~~ Tax Act,
23 ~~[Supplemental Municipal Gross Receipts Tax Act]~~ County Local
24 Option Gross Receipts ~~[Taxes]~~ Tax Act ~~[Local Hospital Gross~~
25 ~~Receipts Tax Act, County Correctional Facility Gross Receipts~~

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1 ~~Tax Act]~~ and such other acts as may be enacted authorizing
2 counties or municipalities to impose taxes on gross receipts,
3 which taxes are to be collected by the department in the same
4 time and in the same manner as it collects the gross receipts
5 tax;

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

12 J. "net receipts" means the total amount of money
13 paid by taxpayers to the department in a month pursuant to a
14 tax or tax act less any refunds disbursed in that month with
15 respect to that tax or tax act;

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

23 L. "paid" includes the term "paid over";

24 M. "pay" includes the term "pay over";

25 N. "payment" includes the term "payment over";

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1 O. "person" means any individual, estate, trust,
2 receiver, cooperative association, club, corporation,
3 company, firm, partnership, limited liability company,
4 limited liability partnership, joint venture, syndicate,
5 other association or gas, water or electric utility owned or
6 operated by a county or municipality; "person" also means, to
7 the extent permitted by law, a federal, state or other
8 governmental unit or subdivision, or an agency, department or
9 instrumentality thereof; and "person", as used in Sections
10 7-1-72 through 7-1-74 NMSA 1978, also includes an officer or
11 employee of a corporation, a member or employee of a
12 partnership or any individual who, as such, is under a duty
13 to perform any act in respect of which a violation occurs;

14 P. "property" means property or rights to
15 property;

16 Q. "property or rights to property" means any
17 tangible property, real or personal, or any intangible
18 property of a taxpayer;

19 R. "return" means any tax or information return,
20 declaration of estimated tax or claim for refund, including
21 any amendments or supplements to the return, required or
22 permitted pursuant to a law subject to administration and
23 enforcement pursuant to the Tax Administration Act and filed
24 with the secretary or the secretary's delegate by or on
25 behalf of any person;

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

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

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1 secretary;

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

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

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

20 Y. "taxpayer" means a person liable for payment
21 of any tax, a person responsible for withholding and payment
22 or for collection and payment of any tax a person to whom an
23 assessment has been made, if the assessment remains unabated
24 or the amount thereof has not been paid, or a person who
25 entered into a special agreement to assume the liability of

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1 gross receipts tax or governmental gross receipts tax of
2 another person and the special agreement was approved by the
3 secretary pursuant to the Tax Administration Act; and

4 Z. "tax return preparer" means a person who
5 prepares for others for compensation or who employs one or
6 more persons to prepare for others for compensation any
7 return of income tax, a substantial portion of any return of
8 income tax, any claim for refund with respect to income tax
9 or a substantial portion of any claim for refund with respect
10 to income tax; provided that a person shall not be a "tax
11 return preparer" merely because such person:

12 (1) furnishes typing, reproducing or other
13 mechanical assistance;

14 (2) is an employee who prepares an income
15 tax return or claim for refund with respect to an income tax
16 return of the employer, or of an officer or employee of the
17 employer, by whom the person is regularly and continuously
18 employed; or

19 (3) prepares as a trustee or other fiduciary
20 an income tax return or claim for refund with respect to
21 income tax for any person."

22 SECTION 23. Section 7-1-6.7 NMSA 1978 (being Laws 1994,
23 Chapter 5, Section 2, as amended) is amended to read:

24 "7-1-6.7. DISTRIBUTIONS--STATE AVIATION FUND.--

25 A. A distribution pursuant to Section 7-1-6.1

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1 NMSA 1978 shall be made to the state aviation fund in an
2 amount equal to four and seventy-nine hundredths percent of
3 the taxable gross receipts attributable to the sale of fuel
4 specially prepared and sold for use in turboprop or jet-type
5 engines as determined by the department.

6 B. A distribution pursuant to Section 7-1-6.1
7 NMSA 1978 shall be made to the state aviation fund in an
8 amount equal to twenty-six hundredths percent of gasoline
9 taxes, exclusive of penalties and interest, collected
10 pursuant to the Gasoline Tax Act.

11 ~~[G. From July 1, 2013 through June 30, 2018, a~~
12 ~~distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be~~
13 ~~made to the state aviation fund in an amount equal to forty-~~
14 ~~six thousandths percent of the net receipts attributable to~~
15 ~~the gross receipts tax distributable to the general fund.~~

16 ~~D.]~~ C. A distribution pursuant to Section 7-1-6.1
17 NMSA 1978 shall be made to the state aviation fund from the
18 net receipts attributable to the gross receipts tax
19 distributable to the general fund in an amount equal to

20 ~~[(1) eighty thousand dollars (\$80,000)~~
21 ~~monthly from July 1, 2007 through June 30, 2008;~~

22 ~~(2) one hundred sixty-seven thousand dollars~~
23 ~~(\$167,000) monthly from July 1, 2008 through June 30, 2009;~~
24 and

25 ~~(3)]~~ two hundred fifty thousand dollars

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1 (\$250,000) [~~monthly after July 1, 2009~~]."

2 SECTION 24. Section 7-1-6.15 NMSA 1978 (being Laws
3 1983, Chapter 211, Section 20, as amended) is amended to
4 read:

5 "7-1-6.15. ADJUSTMENTS OF DISTRIBUTIONS OR TRANSFERS TO
6 MUNICIPALITIES OR COUNTIES.--

7 A. The provisions of this section apply to:

8 (1) any distribution to a municipality [~~of~~
9 ~~gross receipts taxes pursuant to Section 7-1-6.4 NMSA 1978~~
10 ~~or~~] of interstate telecommunications gross receipts tax
11 pursuant to Section 7-1-6.36 NMSA 1978;

12 (2) any transfer to a municipality with
13 respect to any local option gross receipts tax imposed by
14 that municipality;

15 (3) any transfer to a county with respect to
16 any local option gross receipts tax imposed by that county;

17 (4) any distribution to a county pursuant to
18 Section 7-1-6.16 NMSA 1978;

19 (5) any distribution to a municipality or a
20 county of gasoline taxes pursuant to Section 7-1-6.9 NMSA
21 1978;

22 (6) any transfer to a county with respect to
23 any tax imposed in accordance with the Local Liquor Excise
24 Tax Act;

25 (7) any distribution to a municipality or a

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1 county of cigarette taxes pursuant to Sections 7-1-6.11,
2 7-12-15 and 7-12-16 NMSA 1978;

3 (8) any distribution to a county from the
4 county government road fund pursuant to Section 7-1-6.26 NMSA
5 1978;

6 (9) any distribution to a municipality of
7 gasoline taxes pursuant to Section 7-1-6.27 NMSA 1978; and

8 (10) any distribution to a municipality of
9 compensating taxes pursuant to Section 7-1-6.55 NMSA 1978.

10 B. If the secretary determines that any prior
11 distribution or transfer to a political subdivision was
12 erroneous, the secretary shall increase or decrease the next
13 distribution or transfer amount for that political
14 subdivision after the determination, except as provided in
15 Subsection C, D or E of this section, by the amount necessary
16 to correct the error. Subject to the provisions of
17 Subsection E of this section, the secretary shall notify the
18 political subdivision of the amount of each increase or
19 decrease.

20 C. No decrease shall be made to current or future
21 distributions or transfers to a political subdivision for any
22 excess distribution or transfer made to that political
23 subdivision more than one year prior to the calendar year in
24 which the determination of the secretary was made.

25 D. The secretary, in lieu of recovery from the

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1 next distribution or transfer amount, may recover an excess
2 distribution or transfer of one hundred dollars (\$100) or
3 more to the political subdivision in installments from
4 current and future distributions or transfers to that
5 political subdivision pursuant to an agreement with the
6 officials of the political subdivision whenever the amount of
7 the distribution or transfer decrease for the political
8 subdivision exceeds ten percent of the average distribution
9 or transfer amount for that political subdivision for the
10 twelve months preceding the month in which the secretary's
11 determination is made; provided that for the purposes of this
12 subsection, the "average distribution or transfer amount"
13 shall be the arithmetic mean of the distribution or transfer
14 amounts within the twelve months immediately preceding the
15 month in which the determination is made.

16 E. Except for the provisions of this section, if
17 the amount by which a distribution or transfer would be
18 adjusted pursuant to Subsection B of this section is one
19 hundred dollars (\$100) or less, no adjustment or notice need
20 be made.

21 F. The secretary is authorized to decrease a
22 distribution to a municipality or county upon being directed
23 to do so by the secretary of finance and administration
24 pursuant to the State Aid Intercept Act or to redirect a
25 distribution to the New Mexico finance authority pursuant to

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1 an ordinance or a resolution passed by the county or
2 municipality and a written agreement of the municipality or
3 county and the New Mexico finance authority. Upon direction
4 to decrease a distribution or notice to redirect a
5 distribution to a municipality or county, the secretary shall
6 decrease or redirect the next designated distribution, and
7 succeeding distributions as necessary, by the amount of the
8 state distributions intercept authorized by the secretary of
9 finance and administration pursuant to the State Aid
10 Intercept Act or by the amount of the state distribution
11 intercept authorized pursuant to an ordinance or a resolution
12 passed by the county or municipality and a written agreement
13 with the New Mexico finance authority. The secretary shall
14 transfer the state distributions intercept amount to the
15 municipal or county treasurer or other person designated by
16 the secretary of finance and administration or to the New
17 Mexico finance authority pursuant to written agreement to pay
18 the debt service to avoid default on qualified local revenue
19 bonds or meet other local revenue bond, loan or other debt
20 obligations of the municipality or county to the New Mexico
21 finance authority.

22 G. Upon the direction of the secretary of finance
23 and administration pursuant to Section 9-6-5.2 NMSA 1978, the
24 secretary shall temporarily withhold a distribution to a
25 municipality or county that has failed to submit an audit

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1 report required by the Audit Act or a financial report
2 required by Subsection F of Section 6-6-2 NMSA 1978. The
3 amount to be withheld, the source of the withheld
4 distribution and the number of months that the distribution
5 is to be withheld shall be as directed by the secretary of
6 finance and administration. A distribution withheld pursuant
7 to this subsection shall remain in the tax administration
8 suspense fund until distributed to the municipality or county
9 and shall not be distributed to the general fund."

10 SECTION 25. Section 7-1-6.16 NMSA 1978 (being Laws
11 1983, Chapter 213, Section 27, as amended) is amended to
12 read:

13 "7-1-6.16. COUNTY EQUALIZATION DISTRIBUTION.--

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

20 (1) the product of a fraction, the numerator
21 of which is the county's population and the denominator of
22 which is the state's population, multiplied by the annual sum
23 for the county; less

24 (2) the net receipts received by the
25 department during the report year, including any increase or

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1 decrease made pursuant to Section 7-1-6.15 NMSA 1978,
2 attributable to the county gross receipts tax at a rate of
3 ~~[one-eighth]~~ fifteen hundredths percent; provided that for
4 any month in the report year, if no county gross receipts tax
5 was in effect in the county in the previous month, the net
6 receipts, for the purposes of this section, for that county
7 for that month shall be zero.

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

11 C. As used in this section:

12 (1) "annual sum" means for each county the
13 sum of the monthly amounts for those months in the report
14 year that follow a month in which the county had in effect a
15 county gross receipts tax;

16 (2) "monthly amount" means an amount equal
17 to the product of:

18 (a) the net receipts received by the
19 department in the month attributable to the state gross
20 receipts tax ~~[plus five percent of the total amount of~~
21 ~~deductions claimed pursuant to Section 7-9-92 NMSA 1978 for~~
22 ~~the month plus five percent of the total amount of deductions~~
23 ~~claimed pursuant to Section 7-9-93 NMSA 1978 for the month];~~
24 and

25 (b) a fraction, the numerator of which

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1 is [~~one-eighth~~] fifteen hundredths percent and the
2 denominator of which is the tax rate imposed by Section 7-9-4
3 NMSA 1978 in effect on the last day of the previous month;

4 (3) "population" means the most recent
5 official census or estimate determined by the United States
6 census bureau for the unit or, if neither is available, the
7 most current estimated population for the unit provided in
8 writing by the bureau of business and economic research at
9 the university of New Mexico; and

10 (4) "report year" means the twelve-month
11 period ending on the July 31 immediately preceding the date
12 upon which a distribution pursuant to this section is
13 required to be made."

14 SECTION 26. Section 7-1-6.33 NMSA 1978 (being Laws
15 1991, Chapter 212, Section 15) is amended to read:

16 "7-1-6.33. DISTRIBUTION [~~TO COUNTY-SUPPORTED~~]-MEDICAID
17 FUND--SAFETY NET CARE POOL FUND--A distribution pursuant to
18 Section 7-1-6.1 NMSA 1978 shall be:

19 A. made to the [~~county-supported~~] medicaid fund
20 in an amount equal to fourteen-thousandths percent of the net
21 receipts attributable to the [~~taxes imposed pursuant to the~~
22 ~~County Health Care~~] gross receipts tax [~~act~~]; and

23 B. made to the safety net care pool fund in an
24 amount equal to eighteen-thousandths percent of the net
25 receipts attributable to the gross receipts tax."

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1 SECTION 27. Section 7-1-6.53 NMSA 1978 (being Laws
2 2005, Chapter 176, Section 11) is amended to read:
3 "7-1-6.53. DISTRIBUTION--ENERGY EFFICIENCY AND
4 RENEWABLE ENERGY BONDING FUND--GROSS RECEIPTS TAX.--A
5 distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be
6 made to the energy efficiency and renewable energy bonding
7 fund from the net receipts attributable to the gross receipts
8 tax imposed by the Gross Receipts and Compensating Tax Act in
9 an amount necessary to make the required bond debt service
10 payments pursuant to the Energy Efficiency and Renewable
11 Energy Bonding Act as determined by the New Mexico finance
12 authority. The distribution shall be made:

13 ~~[A. after the required distribution pursuant to~~
14 ~~Section 7-1-6.4 NMSA 1978;~~

15 ~~B.]~~ A. contemporaneously with other distributions
16 of net receipts attributable to the gross receipts tax for
17 payment of debt service on outstanding bonds or to a fund
18 dedicated for that purpose; and

19 ~~[C.]~~ B. prior to any other distribution of net
20 receipts attributable to the gross receipts tax."

21 SECTION 28. Section 7-1-6.55 NMSA 1978 (being Laws
22 2007, Chapter 331, Section 4) is amended to read:

23 "7-1-6.55. DISTRIBUTION TO MUNICIPALITY EQUIVALENT TO A
24 PORTION OF COMPENSATING TAX.--

25 A. A distribution pursuant to Section 7-1-6.1

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1 NMSA 1978 shall be made to each municipality in an amount
2 calculated pursuant to Subsection B of this section, subject
3 to any increase or decrease made pursuant to Section 7-1-6.15
4 NMSA 1978; provided that the distribution shall be phased in
5 according to the following schedule:

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

9 (2) on or after July 1, 2009, the
10 distribution shall be equal to thirty percent of the amount
11 calculated according to Subsection B of this section.

12 B. The amount of the distribution provided for in
13 this section shall be calculated for each month in the six-
14 month period beginning on each July 1 and January 1 and shall
15 be equal to the reported taxable gross receipts for all
16 business locations in the municipality for the month
17 multiplied by:

18 (1) the ratio of net compensating tax
19 receipts for the entire six-month period beginning the
20 previous November 1 or May 1, respectively, to the reported
21 taxable gross receipts for all business locations for the
22 entire six-month period beginning the previous November 1 or
23 May 1, respectively; and further multiplied by:

24 (2) the ratio of [~~one and two hundred~~
25 ~~twenty-five thousandths~~] one-half percent to the average tax

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1 rate imposed by Section 7-9-7 NMSA 1978 in effect for the
2 six-month period beginning on January 1 or July 1,
3 respectively."

4 SECTION 29. Section 7-1-26 NMSA 1978 (being Laws 1965,
5 Chapter 248, Section 28, as amended) is amended to read:

6 "7-1-26. DISPUTING LIABILITIES--CLAIM FOR CREDIT,
7 REBATE OR REFUND.--

8 A. Any person who believes that an amount of tax
9 has been paid by or withheld from that person in excess of
10 that for which the person was liable, who has been denied any
11 credit or rebate claimed or who claims a prior right to
12 property in the possession of the department pursuant to a
13 levy made under authority of Sections 7-1-31 through 7-1-34
14 NMSA 1978 may claim a refund by directing to the secretary,
15 within the time limited by the provisions of Subsections D
16 and E of this section, a written claim for refund. Except as
17 provided in Subsection I of this section, a refund claim
18 shall include:

19 (1) the taxpayer's name, address and
20 identification number;

21 (2) the type of tax for which a refund is
22 being claimed, the credit or rebate denied or the property
23 levied upon;

24 (3) the sum of money or other property being
25 claimed;

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1 (4) with respect to refund, the period for
2 which overpayment was made; and

3 (5) a brief statement of the facts and the
4 law on which the claim is based, which may be referred to as
5 the "basis for the refund".

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

8 (1) If the claim is denied in whole or in
9 part in writing, no claim may be refiled with respect to that
10 which was denied, but the person, within ninety days after
11 either the mailing or delivery of the denial of all or any
12 part of the claim, may elect to pursue one, but not more than
13 one, of the remedies in Subsection C of this section.

14 (2) If the department has neither granted
15 nor denied any portion of a claim for refund within one
16 hundred twenty days of the date the claim was mailed or
17 delivered to the department, the person may refile it within
18 the time limits set forth in Subsection D of this section or
19 may within ninety days elect to pursue one, but only one, of
20 the remedies in Subsection C of this section. After the
21 expiration of the two hundred ten days from the date the
22 claim was mailed or delivered to the department, the
23 department may not approve or disapprove the claim unless the
24 person has pursued one of the remedies under Subsection C of
25 this section.

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

6 (1) the person may direct to the secretary,
7 pursuant to the provisions of Section 7-1-24 NMSA 1978, a
8 written protest against the denial of, or failure to either
9 allow or deny, the claim or portion of the claim; or

10 (2) the person may commence a civil action
11 in the district court for Santa Fe county by filing a
12 complaint setting forth the circumstance of the claimed
13 overpayment, denied credit or rebate or denial of a prior
14 right to property levied upon by the department alleging that
15 on account thereof the state is indebted to the plaintiff in
16 the amount or property stated, together with any interest
17 allowable, demanding the refund to the plaintiff of that
18 amount or property and reciting the facts of the claim for
19 refund. The plaintiff or the secretary may appeal from any
20 final decision or order of the district court to the court of
21 appeals.

22 D. Except as otherwise provided in Subsection E
23 of this section, no credit or refund of any amount may be
24 allowed or made to any person unless as the result of a claim
25 made by that person as provided in this section:

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

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

6 (b) the final determination of value
7 occurs with respect to any overpayment that resulted from a
8 disapproval by any agency of the United States or the state
9 of New Mexico or any court of increase in value of a product
10 subject to taxation under the Oil and Gas Severance Tax Act,
11 the Oil and Gas Conservation Tax Act, the Oil and Gas
12 Emergency School Tax Act, the Oil and Gas Ad Valorem
13 Production Tax Act or the Natural Gas Processors Tax Act;

14 (c) property was levied upon pursuant
15 to the provisions of the Tax Administration Act; or

16 (d) an overpayment of New Mexico tax
17 resulted from: 1) an internal revenue service audit
18 adjustment or a federal refund paid due to an adjustment of
19 an audit by the internal revenue service or an amended
20 federal return; or 2) making a change to a federal return for
21 which federal approval is required by the Internal Revenue
22 Code;

23 ~~[(2) when an amount of a claim for credit~~
24 ~~under the provisions of the Investment Credit Act, Laboratory~~
25 ~~Partnership with Small Business Tax Credit Act or Technology~~

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1 ~~Jobs Tax Credit Act or for the rural job tax credit pursuant~~
2 ~~to Section 7-2E-1.1 NMSA 1978 or similar credit has been~~
3 ~~denied, the taxpayer may claim a refund of the credit no~~
4 ~~later than one year after the date of the denial;~~

5 ~~(3)~~ (2) when a taxpayer under audit by the
6 department has signed a waiver of the limitation on
7 assessments on or after July 1, 1993 pursuant to Subsection F
8 of Section 7-1-18 NMSA 1978, the taxpayer may file a claim
9 for refund of the same tax paid for the same period for which
10 the waiver was given, until a date one year after the later
11 of the date of the mailing of an assessment issued pursuant
12 to the audit, the date of the mailing of final audit findings
13 to the taxpayer or the date a proceeding is begun in court by
14 the department with respect to the same tax and the same
15 period;

16 [~~(4)~~] (3) if the payment of an amount of
17 tax was not made within three years of the end of the
18 calendar year in which the original due date of the tax or
19 date of the assessment of the department occurred, a claim
20 for refund of that amount of tax can be made within one year
21 of the date on which the tax was paid; or

22 [~~(5)~~] (4) when a taxpayer has been assessed
23 a tax on or after July 1, 1993 under Subsection B, C or D of
24 Section 7-1-18 NMSA 1978 and when the assessment applies to a
25 period ending at least three years prior to the beginning of

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1 the year in which the assessment was made, the taxpayer may
2 claim a refund for the same tax for the period of the
3 assessment or for any period following that period within one
4 year of the date of the assessment unless a longer period for
5 claiming a refund is provided in this section.

6 E. No credit or refund shall be allowed or made
7 to any person claiming a refund of gasoline tax under Section
8 7-13-11 NMSA 1978 unless notice of the destruction of the
9 gasoline was given the department within thirty days of the
10 actual destruction and the claim for refund is made within
11 six months of the date of destruction. No credit or refund
12 shall be allowed or made to any person claiming a refund of
13 gasoline tax under Section 7-13-17 NMSA 1978 unless the
14 refund is claimed within six months of the date of purchase
15 of the gasoline and the gasoline has been used at the time
16 the claim for refund is made.

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

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

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1 1978 may be made, at the discretion of the department, in the
2 form of credit against future tax payments if future tax
3 liabilities in an amount at least equal to the credit amount
4 reasonably may be expected to become due.

5 H. For the purposes of this section, the term
6 "oil and gas tax return" means a return reporting tax due
7 with 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
12 Act or the Oil and Gas Production Equipment Ad Valorem Tax
13 Act.

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

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1 **SECTION 30.** Section 7-1-68 NMSA 1978 (being Laws 1965,
2 Chapter 248, Section 69, as amended) is amended to read:

3 "7-1-68. INTEREST ON OVERPAYMENTS.--

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

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

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

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

25 (1) the amount of interest due is less than

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1 one dollar (\$1.00);

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

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

8 (b) sixty days of the date of the
9 claim for refund of any tax not provided for in this
10 paragraph;

11 (c) seventy-five days of the date of
12 the claim for refund of gasoline tax to users of gasoline off
13 the highways;

14 (d) one hundred twenty days of the
15 date of the claim for refund of tax imposed pursuant to the
16 Resources Excise Tax Act, the Severance Tax Act, the Oil and
17 Gas Severance Tax Act, the Oil and Gas Conservation Tax Act,
18 the Oil and Gas Emergency School Tax Act, the Oil and Gas Ad
19 Valorem Production Tax Act, the Natural Gas Processors Tax
20 Act or the Oil and Gas Production Equipment Ad Valorem Tax
21 Act; or

22 (e) one hundred twenty days of the
23 date of the claim for refund of income tax, pursuant to the
24 Income Tax Act or the Corporate Income and Franchise Tax Act
25 for any tax year more than one year prior to the year in

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1 which the claim is made;

2 (3) Sections 6611(f) and 6611(g) of the
3 Internal Revenue Code, as those sections may be amended or
4 renumbered, prohibit payment of interest for federal income
5 tax purposes;

6 (4) the credit results from overpayments
7 found in an audit of multiple reporting periods and applied
8 to underpayments found in that audit or refunded as a net
9 overpayment to the taxpayer pursuant to Section 7-1-29 NMSA
10 1978;

11 (5) the department applies the credit or
12 refund to an intercept program, to the taxpayer's estimated
13 payment prior to the due date for the estimated payment or to
14 offset prior liabilities of the taxpayer pursuant to
15 Subsection E of Section 7-1-29 NMSA 1978; or

16 (6) the credit or refund results from
17 overpayments the department finds pursuant to Subsection F of
18 Section 7-1-29 NMSA 1978 that exceed the refund claimed by
19 the taxpayer on the return [~~or~~

20 ~~(7) the refund results from a film~~
21 ~~production tax credit pursuant to Section 7-2F-1 NMSA 1978].~~

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

24 SECTION 31. Section 7-2-2 NMSA 1978 (being Laws 1986,
25 Chapter 20, Section 26, as amended) is amended to read:

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1 "7-2-2. DEFINITIONS.--For the purpose of the Income Tax
2 Act and unless the context requires otherwise:

3 A. "adjusted gross income" means adjusted gross
4 income as defined in Section 62 of the Internal Revenue Code,
5 as that section may be amended or renumbered;

6 B. "base income":

7 (1) means, for estates and trusts, that part
8 of the estate's or trust's income defined as taxable income
9 and upon which the federal income tax is calculated in the
10 Internal Revenue Code for income tax purposes plus, for
11 taxable years beginning on or after January 1, 1991, the
12 amount of the net operating loss deduction allowed by Section
13 172(a) of the Internal Revenue Code, as that section may be
14 amended or renumbered, and taken by the taxpayer for that
15 year;

16 (2) means, for taxpayers other than estates
17 or trusts, that part of the taxpayer's income defined as
18 adjusted gross income plus, for taxable years beginning on or
19 after January 1, 1991, the amount of the net operating loss
20 deduction allowed by Section 172(a) of the Internal Revenue
21 Code, as that section may be amended or renumbered, and taken
22 by the taxpayer for that year;

23 (3) includes, for all taxpayers, any other
24 income of the taxpayer not included in adjusted gross income
25 but upon which a federal tax is calculated pursuant to the

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1 Internal Revenue Code for income tax purposes, except amounts
2 for which a calculation of tax is made pursuant to Section 55
3 of the Internal Revenue Code, as that section may be amended
4 or renumbered; "base income" also includes interest received
5 on a state or local bond; and

6 (4) includes, for all taxpayers, an amount
7 deducted pursuant to Section 7-2-32 NMSA 1978 in a prior
8 taxable year if:

9 (a) such amount is transferred to
10 another qualified tuition program, as defined in Section 529
11 of the Internal Revenue Code, not authorized in the Education
12 Trust Act; or

13 (b) a distribution or refund is made
14 for any reason other than: 1) to pay for qualified higher
15 education expenses, as defined pursuant to Section 529 of the
16 Internal Revenue Code; or 2) upon the beneficiary's death,
17 disability or receipt of a scholarship;

18 C. "compensation" means wages, salaries,
19 commissions and any other form of remuneration paid to
20 employees for personal services;

21 D. "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
24 the secretary;

25 E. "fiduciary" means a guardian, trustee,

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1 executor, administrator, committee, conservator, receiver,
2 individual or corporation acting in any fiduciary capacity;

3 F. "filing status" means "married filing joint
4 returns", "married filing separate returns", "head of
5 household", "surviving spouse" and "single", as those terms
6 are generally defined for federal tax purposes;

7 G. "fiscal year" means any accounting period of
8 twelve months ending on the last day of any month other than
9 December;

10 H. "head of household" means "head of household"
11 as generally defined for federal income tax purposes;

12 I. "individual" means a natural person, an
13 estate, a trust or a fiduciary acting for a natural person,
14 trust or estate;

15 J. "Internal Revenue Code" means the United
16 States Internal Revenue Code of 1986, as amended;

17 K. "lump-sum amount" means, for the purpose of
18 determining liability for federal income tax, an amount that
19 was not included in adjusted gross income but upon which the
20 five-year-averaging or the ten-year-averaging method of tax
21 computation provided in Section 402 of the Internal Revenue
22 Code, as that section may be amended or renumbered, was
23 applied;

24 L. "modified gross income" means all income of
25 the taxpayer and, if any, the taxpayer's spouse and

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1 dependents, undiminished by losses and from whatever source,
2 including:

- 3 (1) compensation;
- 4 (2) net profit from business;
- 5 (3) gains from dealings in property;
- 6 (4) interest;
- 7 (5) net rents;
- 8 (6) royalties;
- 9 (7) dividends;
- 10 (8) alimony and separate maintenance
- 11 payments;
- 12 (9) annuities;
- 13 (10) income from life insurance and
- 14 endowment contracts;
- 15 (11) pensions;
- 16 (12) discharge of indebtedness;
- 17 (13) distributive share of partnership
- 18 income;
- 19 (14) income in respect of a decedent;
- 20 (15) income from an interest in an estate or
- 21 a trust;
- 22 (16) social security benefits;
- 23 (17) unemployment compensation benefits;
- 24 (18) workers' compensation benefits;
- 25 (19) public assistance and welfare benefits;

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1 and

2 (20) cost-of-living allowances; [~~and~~

3 ~~(21) gifts]~~

4 M. "modified gross income" excludes:

5 (1) payments for hospital, dental, medical
6 or drug expenses to or on behalf of the taxpayer;

7 (2) the value of room and board provided by
8 federal, state or local governments or by private individuals
9 or agencies based upon financial need and not as a form of
10 compensation;

11 (3) payments pursuant to a federal, state or
12 local government program directly or indirectly to a third
13 party on behalf of the taxpayer when identified to a
14 particular use or invoice by the payer; or

15 (4) payments for credits and rebates
16 pursuant to the Income Tax Act and made for a credit pursuant
17 to Section 7-3-9 NMSA 1978;

18 N. "net income" means, for estates and trusts,
19 base income adjusted to exclude amounts that the state is
20 prohibited from taxing because of the laws or constitution of
21 this state or the United States and means, for taxpayers
22 other than estates or trusts, base income adjusted to
23 exclude:

24 (1) an amount equal to the standard
25 deduction allowed the taxpayer for the taxpayer's taxable

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1 year by Section 63 of the Internal Revenue Code, as that
2 section may be amended or renumbered;

3 (2) an amount equal to the itemized
4 deductions defined in Section 63 of the Internal Revenue
5 Code, as that section may be amended or renumbered, allowed
6 the taxpayer for the taxpayer's taxable year less the amount
7 excluded pursuant to Paragraph (1) of this subsection and
8 less the amount of state and local income and sales taxes
9 included in the taxpayer's itemized deductions;

10 (3) an amount equal to the product of the
11 exemption amount allowed for the taxpayer's taxable year by
12 Section 151 of the Internal Revenue Code, as that section may
13 be amended or renumbered, multiplied by the number of
14 personal exemptions allowed for federal income tax purposes;

15 (4) income from obligations of the United
16 States of America less expenses incurred to earn that income;

17 (5) other amounts that the state is
18 prohibited from taxing because of the laws or constitution of
19 this state or the United States;

20 (6) for taxable years that began prior to
21 January 1, 1991, an amount equal to the sum of:

22 (a) net operating loss carryback
23 deductions to that year from taxable years beginning prior to
24 January 1, 1991 claimed and allowed, as provided by the
25 Internal Revenue Code; and

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1 (b) net operating loss carryover

2 deductions to that year claimed and allowed;

3 (7) for taxable years beginning on or after
4 January 1, 1991 and prior to January 1, 2013, an amount equal
5 to the sum of any net operating loss carryover deductions to
6 that year claimed and allowed, provided that the amount of
7 any net operating loss carryover from a taxable year
8 beginning on or after January 1, 1991 and prior to January 1,
9 2013 may be excluded only as follows:

10 (a) in the case of a timely filed
11 return, in the taxable year immediately following the taxable
12 year for which the return is filed; or

13 (b) in the case of amended returns or
14 original returns not timely filed, in the first taxable year
15 beginning after the date on which the return or amended
16 return establishing the net operating loss is filed; and

17 (c) in either case, if the net
18 operating loss carryover exceeds the amount of net income
19 exclusive of the net operating loss carryover for the taxable
20 year to which the exclusion first applies, in the next four
21 succeeding taxable years in turn until the net operating loss
22 carryover is exhausted for any net operating loss carryover
23 from a taxable year prior to January 1, 2013; in no event
24 shall a net operating loss carryover from a taxable year
25 beginning prior to January 1, 2013 be excluded in any taxable

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1 year after the fourth taxable year beginning after the
2 taxable year to which the exclusion first applies;

3 (8) for taxable years beginning on or after
4 January 1, 2013, an amount equal to the sum of any net
5 operating loss carryover deductions to that year claimed and
6 allowed; provided that the amount of any net operating loss
7 carryover may be excluded only as follows:

8 (a) in the case of a timely filed
9 return, in the taxable year immediately following the taxable
10 year for which the return is filed; or

11 (b) in the case of amended returns or
12 original returns not timely filed, in the first taxable year
13 beginning after the date on which the return or amended
14 return establishing the net operating loss is filed; and

15 (c) in either case, if the net
16 operating loss carryover exceeds the amount of net income
17 exclusive of the net operating loss carryover for the taxable
18 year to which the exclusion first applies, in the next
19 nineteen succeeding taxable years in turn until the net
20 operating loss carryover is exhausted for any net operating
21 loss carryover from a taxable year beginning on or after
22 January 1, 2013; in no event shall a net operating loss
23 carryover from a taxable year beginning: 1) prior to January
24 1, 2013 be excluded in any taxable year after the fourth
25 taxable year beginning after the taxable year to which the

.198841.1

1 exclusion first applies; and 2) on or after January 1, 2013
2 be excluded in any taxable year after the nineteenth taxable
3 year beginning after the taxable year to which the exclusion
4 first applies; and

5 (9) for taxable years beginning on or after
6 January 1, 2011, an amount equal to the amount included in
7 adjusted gross income that represents a refund of state and
8 local income and sales taxes that were deducted for federal
9 tax purposes in taxable years beginning on or after January
10 1, 2010;

11 O. "net operating loss" means any net operating
12 loss, as defined by Section 172(c) of the Internal Revenue
13 Code, as that section may be amended or renumbered, for a
14 taxable year as further increased by the income, if any, from
15 obligations of the United States for that year less related
16 expenses;

17 P. "net operating loss carryover" means the
18 amount, or any portion of the amount, of a net operating loss
19 for any taxable year that, pursuant to Paragraph (6), (7) or
20 (8) of Subsection N of this section, may be excluded from
21 base income;

22 Q. "nonresident" means every individual not a
23 resident of this state;

24 R. "person" means any individual, estate, trust,
25 receiver, cooperative association, club, corporation,

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1 company, firm, partnership, limited liability company, joint
2 venture, syndicate or other association; "person" also means,
3 to the extent permitted by law, any federal, state or other
4 governmental unit or subdivision or agency, department or
5 instrumentality thereof;

6 S. "resident" means an individual who is
7 domiciled in this state during any part of the taxable year
8 or an individual who is physically present in this state for
9 one hundred eighty-five days or more during the taxable year;
10 but any individual, other than someone who was physically
11 present in the state for one hundred eighty-five days or more
12 during the taxable year, who, on or before the last day of
13 the taxable year, changed the individual's place of abode to
14 a place without this state with the bona fide intention of
15 continuing actually to abide permanently without this state
16 is not a resident for the purposes of the Income Tax Act for
17 periods after that change of abode;

18 T. "secretary" means the secretary of taxation
19 and revenue or the secretary's delegate;

20 U. "state" means any state of the United States,
21 the District of Columbia, the commonwealth of Puerto Rico,
22 any territory or possession of the United States or any
23 political subdivision of a foreign country;

24 V. "state or local bond" means a bond issued by a
25 state other than New Mexico or by a local government other

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1 than one of New Mexico's political subdivisions, the interest
2 from which is excluded from income for federal income tax
3 purposes under Section 103 of the Internal Revenue Code, as
4 that section may be amended or renumbered;

5 W. "surviving spouse" means "surviving spouse" as
6 generally defined for federal income tax purposes;

7 X. "taxable income" means net income less any
8 lump-sum amount;

9 Y. "taxable year" means the calendar year or
10 fiscal year upon the basis of which the net income is
11 computed under the Income Tax Act and includes, in the case
12 of the return made for a fractional part of a year under the
13 provisions of the Income Tax Act, the period for which the
14 return is made; and

15 Z. "taxpayer" means any individual subject to the
16 tax imposed by the Income Tax Act."

17 **SECTION 32.** Section 7-2-18.15 NMSA 1978 (being Laws
18 2007, Chapter 45, Section 9, as amended) is amended to read:

19 "7-2-18.15. WORKING FAMILIES TAX CREDIT.--

20 A. A resident who files an individual New Mexico
21 income tax return may claim a credit in an amount equal to
22 [~~ten~~] fifteen percent of the federal income tax credit for
23 which that individual is eligible for the same taxable year
24 pursuant to Section 32 of the Internal Revenue Code. The
25 credit provided in this section may be referred to as the

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1 "working families tax credit".

2 B. The working families tax credit may be
3 deducted from the income tax liability of an individual who
4 claims the credit and qualifies for the credit pursuant to
5 this section. If the credit exceeds the individual's income
6 tax liability for the taxable year, the excess shall be
7 refunded to the individual."

8 SECTION 33. A new section of the Income Tax Act is
9 enacted to read:

10 "[NEW MATERIAL] EXEMPTION--DONATIONS TO CERTAIN
11 ORGANIZATIONS.--Donations received by an organization that is
12 exempt from the federal income tax as an organization
13 described in Section 501(c)(3) of the Internal Revenue Code
14 is exempt from state income tax."

15 SECTION 34. Section 7-2A-4 NMSA 1978 (being Laws 1981,
16 Chapter 37, Section 37, as amended) is amended to read:

17 "7-2A-4. EXEMPTIONS.--No corporate income or franchise
18 tax shall be imposed upon:

19 A. insurance companies or reciprocal or inter-
20 insurance exchanges [~~which~~] that pay a premium tax to the
21 state; or

22 B. a trust organized or created in the United
23 States and forming part of a stock bonus, pension or profit-
24 sharing plan of an employer for the exclusive benefit of
25 [~~his~~] the employer's employees or their beneficiaries, which

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1 trust is exempt from taxation under the provisions of the
2 Internal Revenue Code [~~or~~

3 ~~G. religious, educational, benevolent or other~~
4 ~~organizations not organized for profit which are exempt from~~
5 ~~income taxation under the Internal Revenue Code, unless the~~
6 ~~organization receives income which is subject to federal~~
7 ~~income taxation as "unrelated business income" under the~~
8 ~~Internal Revenue Code, in which case the organization is~~
9 ~~subject to the corporate franchise tax, and the corporate~~
10 ~~income tax applies to the unrelated business income]."~~

11 SECTION 35. Section 7-2A-5 NMSA 1978 (being Laws 1981,
12 Chapter 37, Section 38, as amended) is amended to read:

13 "7-2A-5. CORPORATE INCOME TAX RATES.--For a taxable
14 year beginning on or after January 1, 2016, the corporate
15 income tax imposed on corporations by Section 7-2A-3 NMSA
16 1978 shall be at the following rates [~~specified in the~~
17 ~~following tables~~]:

18 ~~A. For taxable years beginning prior to January~~
19 ~~1, 2014:~~

20 If the net income is:	The tax shall be:
21 Not over \$500,000	4.8% of net income
22 Over \$500,000 but not	
23 over \$1,000,000	\$24,000 plus
24 	6.4% of excess
25 	over \$500,000

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1	Over \$1,000,000	\$56,000
2		plus 7.6% of excess
3		over \$1,000,000.
4	B. For taxable years beginning on or after January	
5	1, 2014 and prior to January 1, 2015:	
6	If the net income is:	The tax shall be:
7	Not over \$500,000	4.8% of net income
8	Over \$500,000 but not	
9	over \$1,000,000	\$24,000 plus
10		6.4% of excess
11		over \$500,000
12	Over \$1,000,000	\$56,000
13		plus 7.3% of excess
14		over \$1,000,000.
15	C. For taxable years beginning on or after January	
16	1, 2015 and prior to January 1, 2016:	
17	If the net income is:	The tax shall be:
18	Not over \$500,000	4.8% of net income
19	Over \$500,000 but not	
20	over \$1,000,000	\$24,000 plus
21		6.4% of excess
22		over \$500,000
23	Over \$1,000,000	\$56,000
24		plus 6.9% of excess
25		over \$1,000,000.

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1 D. ~~For taxable years beginning on or after January~~
2 ~~1, 2016 and prior to January 1, 2017:~~

3 If the net income is:	The tax shall be:
4 Not over \$500,000	4.8% of net income
5 Over \$500,000 but not	
6 over \$1,000,000	\$24,000 plus
7	6.4% of excess
8	over \$500,000
9 Over \$1,000,000	\$56,000
10	plus 6.6% of excess
11	over \$1,000,000.

12 E. ~~For taxable years beginning on or after January~~
13 ~~1, 2017 and prior to January 1, 2018:~~

14 If the net income is:	The tax shall be:
15 Not over \$500,000	4.8% of net income
16 Over \$500,000	\$24,000 plus
17	6.2% of excess
18	over \$500,000.

19 F. ~~For taxable years beginning on or after January~~
20 ~~1, 2018]~~

21 If the net income is:	The tax shall be:
22 Not over \$500,000	[4.8%] <u>4.7%</u> of net
23	income
24 Over \$500,000	[\$24,000] <u>\$23,500</u>
25	plus [5.9%] <u>4.9%</u> of

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\$500,000."

SECTION 36. A new section of the Corporate Income and Franchise Tax Act is enacted to read:

"[NEW MATERIAL] CREDIT--GROSS RECEIPTS AND COMPENSATING TAX PAID--URANIUM HEXAFLUORIDE AND ENRICHMENT OF URANIUM.--

A. Prior to January 1, 2046, a taxpayer may apply for, and the department may allow, a credit against the taxpayer's tax liability imposed pursuant to the Corporate Income and Franchise Tax Act in an amount equal to:

(1) the amount of gross receipts tax paid on receipts from:

- (a) selling uranium hexafluoride; and
- (b) providing the service of enriching uranium; and

(2) the amount of compensating tax paid on the value of equipment and replacement parts for that equipment, if the person uses the equipment and replacement parts to enrich uranium in a uranium enrichment plant.

B. A taxpayer may claim the tax credit provided by this section for the taxable year in which the taxpayer paid gross receipts and compensating taxes described in Subsection A of this section. That portion of the tax credit that exceeds a taxpayer's tax liability in the taxable year in which the credit is claimed may be refunded to the

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1 taxpayer.

2 C. A taxpayer claiming a tax credit pursuant to
3 this section shall report the amount of the tax credit to the
4 department in a manner required by the department.

5 D. The department shall compile an annual report
6 on the tax credit provided by this section that shall include
7 the number of taxpayers that claimed the tax credit, the
8 aggregate amount of tax credits claimed and any other
9 information necessary to evaluate the effectiveness of the
10 tax credit. Beginning in 2017, the department shall compile
11 and present the annual reports to the revenue stabilization
12 and tax policy committee and the legislative finance
13 committee with an analysis of the cost and benefit to the
14 state of the tax credit."

15 SECTION 37. A new section of the Corporate Income and
16 Franchise Tax Act is enacted to read:

17 "[NEW MATERIAL] CREDIT--GROSS RECEIPTS AND COMPENSATING
18 TAX PAID--LOCOMOTIVE ENGINE FUEL.--

19 A. Prior to January 1, 2046, a taxpayer may apply
20 for, and the department may allow, a credit against the
21 taxpayer's tax liability imposed pursuant to the Corporate
22 Income and Franchise Tax Act in an amount equal to:

23 (1) the amount of gross receipts tax paid on
24 receipts from the sale of fuel to a common carrier to be
25 loaded or used in a locomotive engine; and

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1 (2) the amount of compensating tax paid on
2 the value of fuel to be loaded or used by a common carrier in
3 a locomotive engine.

4 B. A taxpayer may claim the tax credit provided
5 by this section for the taxable year in which the taxpayer
6 paid gross receipts and compensating taxes described in
7 Subsection A of this section. That portion of the tax credit
8 that exceeds a taxpayer's tax liability in the taxable year
9 in which the credit is claimed may be refunded to the
10 taxpayer.

11 C. A taxpayer claiming a tax credit pursuant to
12 this section shall report the amount of the tax credit to the
13 department in a manner required by the department.

14 D. The department shall compile an annual report
15 on the tax credit provided by this section that shall include
16 the number of taxpayers that claimed the tax credit, the
17 aggregate amount of tax credits claimed and any other
18 information necessary to evaluate the effectiveness of the
19 tax credit. Beginning in 2017, the department shall compile
20 and present the annual reports to the revenue stabilization
21 and tax policy committee and the legislative finance
22 committee with an analysis of the cost and benefit to the
23 state of the tax credit.

24 E. As used in this section, "locomotive engine"
25 means a wheeled vehicle consisting of a self-propelled engine

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1 that is used to draw trains along railway tracks."

2 SECTION 38. Section 7-2C-2 NMSA 1978 (being Laws 1985,
3 Chapter 106, Section 2, as amended by Laws 2006, Chapter 52,
4 Section 1 and by Laws 2006, Chapter 53, Section 1) is amended
5 to read:

6 "7-2C-2. PURPOSE.--

7 A. The purpose of the Tax Refund Intercept
8 Program Act is to comply with state and federal law:

9 (1) by enhancing the enforcement of child
10 support and medical support obligations;

11 (2) to aid collection of outstanding debts
12 owed for:

13 (a) overpayment of public assistance
14 and overissuance of food stamps;

15 (b) overpayment of unemployment
16 compensation benefits and nonpayment of contributions or
17 payments in lieu of contributions or other amounts due under
18 the Unemployment Compensation Law;

19 (c) nonpayment of reimbursements owed
20 to the uninsured employers' fund under the Workers'
21 Compensation Act; and

22 (d) nonpayment of the workers'
23 compensation fee due under the Workers' Compensation
24 Administration Act;

25 (3) to promote repayment of educational

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1 loans;

2 (4) to aid collection of fines, fees and
3 costs owed to the district, magistrate and municipal courts;
4 and

5 (5) to aid collection of fines, fees and
6 costs owed to the Bernalillo county metropolitan court [~~and~~

7 ~~(6) to aid in the payment to the state~~
8 ~~investment officer of film production tax credit amounts owed~~
9 ~~to the state investment officer due to loans made against the~~
10 ~~credit pursuant to Subsection D of Section 7-27-5.26 NMSA~~
11 ~~1978].~~

12 B. Efforts to accomplish the purpose of the Tax
13 Refund Intercept Program Act may be enhanced by establishing
14 a system to collect debts, in particular, outstanding child
15 support obligations, educational loans, amounts due under the
16 Unemployment Compensation Law, the Workers' Compensation Act
17 and the Workers' Compensation Administration Act, fines, fees
18 and costs owed to the district, magistrate and municipal
19 courts [~~film production tax credit amounts owed to the state~~
20 ~~investment officer]~~ and fines, fees and costs owed to the
21 Bernalillo county metropolitan court, by setting off the
22 amount of such debts against the state income tax refunds [~~or~~
23 ~~film production tax credit amounts due the debtors)]."~~

24 SECTION 39. Section 7-3A-2 NMSA 1978 (being Laws 2003,
25 Chapter 86, Section 5, as amended) is amended to read:

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1 "7-3A-2. DEFINITIONS.--As used in the Oil and Gas
2 Proceeds and Pass-Through Entity Withholding Tax Act:

3 A. "department" means the taxation and revenue
4 department, the secretary of taxation and revenue or any
5 employee of the department exercising authority lawfully
6 delegated to that employee by the secretary;

7 B. "Internal Revenue Code" means the Internal
8 Revenue Code of 1986, as amended;

9 C. "net income" means, for any pass-through
10 entity:

11 (1) in the case of an owner that is taxed as
12 a corporation for federal income tax purposes, "net income"
13 as defined in the Corporate Income and Franchise Tax Act; and

14 (2) for all other owners, "net income" as
15 defined in the Income Tax Act;

16 D. "oil and gas" means crude oil, natural gas,
17 liquid hydrocarbons or any combination thereof, or carbon
18 dioxide;

19 E. "oil and gas proceeds" means any amount
20 derived from oil and gas production from any well located in
21 New Mexico and payable as royalty interest, overriding
22 royalty interest, production payment interest, working
23 interest or any other obligation expressed as a right to a
24 specified interest in the cash proceeds received from the
25 sale of oil and gas production or in the cash value of that

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1 production, subject to all taxes withheld therefrom pursuant
2 to law; "oil and gas proceeds" excludes "net profits
3 interest" and other types of interest the extent of which
4 cannot be determined with reference to a specified share of
5 the oil and gas production and excludes any amounts deducted
6 by the remitter from payments to interest owners or paid by
7 interest owners to the remitter that are for expenses related
8 to the production from the well or cessation of production
9 from the well for which the interest owner is liable;

10 F. "owner" means a partner in a partnership not
11 taxed as a corporation for federal income tax purposes for
12 the taxable year, a shareholder of an S corporation or of a
13 corporation other than an S corporation that is not taxed as
14 a corporation for federal income tax purposes for the taxable
15 year, a member of a limited liability company or any similar
16 person holding an ownership interest in any pass-through
17 entity [~~"Owner" also means a performing artist to whom~~
18 ~~payments are due from a personal services business~~];

19 G. "partnership" means a combination of persons,
20 including a partnership, joint venture, common trust fund,
21 association, pool or working agreement, or any other
22 combination of persons that is treated as a partnership for
23 federal income tax purposes;

24 H. "pass-through entity" means [~~a personal~~
25 ~~services business or~~] any [~~other~~] business association other

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1 than:

2 (1) a sole proprietorship;

3 (2) an estate or trust that does not
4 distribute income to beneficiaries;

5 (3) a corporation, limited liability
6 company, partnership or other entity not a sole
7 proprietorship taxed as a corporation for federal income tax
8 purposes for the taxable year;

9 (4) a partnership that is organized as an
10 investment partnership in which the partners' income is
11 derived solely from interest, dividends and sales of
12 securities;

13 (5) a single member limited liability
14 company that is treated as a disregarded entity for federal
15 income tax purposes; or

16 (6) a publicly traded partnership as defined
17 in Subsection (b) of Section 7704 of the Internal Revenue
18 Code;

19 I. "person" means an individual, club, company,
20 cooperative association, corporation, estate, firm, joint
21 venture, partnership, receiver, syndicate, trust or other
22 association, limited liability company, limited liability
23 partnership or gas, water or electric utility owned or
24 operated by a county or municipality and, to the extent
25 permitted by law, a federal, state or other governmental unit

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1 or subdivision or an agency, a department or an
2 instrumentality thereof;

3 ~~[J. "personal services business" means a business~~
4 ~~organization that receives payments for the services of a~~
5 ~~performing artist for purposes of the film production tax~~
6 ~~credit;~~

7 ~~K.]~~ J. "remittee" means a person that is entitled
8 to payment of oil and gas proceeds by a remitter; and

9 ~~[L.]~~ K. "remitter" means a person that pays oil
10 and gas proceeds to any remittee."

11 **SECTION 40.** Section 7-3A-3 NMSA 1978 (being Laws 2003,
12 Chapter 86, Section 6, as amended) is amended to read:

13 "7-3A-3. WITHHOLDING FROM OIL AND GAS PROCEEDS AND NET
14 INCOME.--

15 A. Except as otherwise provided in this section,
16 a remitter shall deduct and withhold from each payment of oil
17 and gas proceeds being made to a remittee for each quarter an
18 amount equal to the rate specified in Subsection D of this
19 section multiplied by the amount prior to withholding that
20 otherwise would have been payable to the remittee.

21 B. Except as otherwise provided in this section,
22 a pass-through entity shall deduct and withhold from each
23 owner's allocable share of net income for that calendar year
24 an amount equal to the rate specified in Subsection D of this
25 section multiplied by the owner's allocable share of that net

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1 income, reduced, but not below zero, by the amount required
2 to be withheld from the owner's allocable share of net income
3 under Subsection A of this section.

4 C. The obligation to deduct and withhold from
5 payments or allocable net income as provided in Subsections A
6 and B of this section does not apply to payments that are
7 made to:

8 (1) a corporation whose principal place of
9 business is in New Mexico or an individual who is a resident
10 of New Mexico;

11 (2) remittees with a New Mexico address as
12 shown on internal revenue service form 1099-Misc or a
13 successor form or on a pro forma 1099-Misc or a successor
14 form for those entities that do not receive an internal
15 revenue service form 1099-Misc;

16 (3) the United States, this state or any
17 agency, instrumentality or political subdivision of either;

18 (4) any federally recognized Indian nation,
19 tribe or pueblo or any agency, instrumentality or political
20 subdivision thereof; or

21 (5) organizations that have been granted
22 exemption from the federal income tax by the United States
23 commissioner of internal revenue as organizations described
24 in Section 501(c)(3) of the Internal Revenue Code. However,
25 the obligation to deduct and withhold from payments of

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1 allocable net income to organizations identified in this
2 paragraph applies if that income constitutes unrelated
3 business income.

4 D. ~~[Except as provided in Subsection H of this~~
5 ~~section]~~ The rate of withholding shall be set by a department
6 directive; provided that the rate may not exceed the higher
7 of the maximum bracket rate set by Section 7-2-7 NMSA 1978
8 for the taxable year or the maximum bracket rate set by
9 Section 7-2A-5 NMSA 1978 for the taxable year; and provided
10 further that remitters shall be given ninety days' notice of
11 a change in the rate.

12 E. If a remitter receives oil and gas proceeds
13 from which an amount has been deducted and withheld pursuant
14 to the Oil and Gas Proceeds and Pass-Through Entity
15 Withholding Tax Act or a pass-through entity has deducted and
16 withheld an amount pursuant to ~~[the Oil and Gas Proceeds and~~
17 ~~Pass-Through Entity Withholding Tax]~~ that act from the
18 allocable share of net income of an owner that is also a
19 pass-through entity, the remitter or payee pass-through
20 entity may take credit for that amount in determining the
21 amount the remitter or payee pass-through entity must
22 withhold and deduct pursuant to this section.

23 F. If the amount to be withheld from all payments
24 to a remittee in a calendar quarter has not exceeded thirty
25 dollars (\$30.00) and a payment to a remittee is less than ten

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1 dollars (\$10.00), no withholding is required. If the amount
2 to be withheld from an owner's allocable share of net income
3 in any calendar year is less than one hundred dollars (\$100),
4 no withholding is required.

5 G. [~~Except as provided in Subsection H of this~~
6 ~~section~~] At the option of a remitter or pass-through entity,
7 a remitter or pass-through entity may agree with a remittee
8 or an owner that the remittee or owner pay the amount that
9 the remitter or pass-through entity would have been required
10 to withhold and remit to the department on behalf of the
11 remittee or owner pursuant to the Oil and Gas Proceeds and
12 Pass-Through Entity Withholding Tax Act. The payments by the
13 remittee or owner shall be remitted on the dates set forth in
14 Section 7-3A-6 NMSA 1978 on forms and in the manner required
15 by the department.

16 [~~H. Excluding wages, a personal services business~~
17 ~~shall deduct and withhold an amount equal to the owner's~~
18 ~~allocable share of net income multiplied by the highest rate~~
19 ~~for single individuals provided in Section 7-2-7 NMSA 1978.~~

20 ~~F.~~] H. If the remittee or owner is an insurance
21 company and falls under the provisions of Section 59A-6-6
22 NMSA 1978, no withholding is required pursuant to this
23 section."

24 SECTION 41. Section 7-9-3 NMSA 1978 (being Laws 1978,
25 Chapter 46, Section 1, as amended) is amended to read:

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1 "7-9-3. DEFINITIONS.--As used in the Gross Receipts and
2 Compensating Tax Act:

3 A. "buying" or "selling" means a transfer of
4 property for consideration or the performance of service for
5 consideration;

6 B. "department" means the taxation and revenue
7 department, the secretary of taxation and revenue or an
8 employee of the department exercising authority lawfully
9 delegated to that employee by the secretary;

10 C. "financial corporation" means a savings and
11 loan association or an incorporated savings and loan company,
12 trust company, mortgage banking company, consumer finance
13 company or other financial corporation;

14 D. "initial use" or "initially used" means the
15 first employment for the intended purpose and does not
16 include the following activities:

17 (1) observation of tests conducted by the
18 performer of services;

19 (2) participation in progress reviews,
20 briefings, consultations and conferences conducted by the
21 performer of services;

22 (3) review of preliminary drafts, drawings
23 and other materials prepared by the performer of the
24 services;

25 (4) inspection of preliminary prototypes

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1 developed by the performer of services; or

2 (5) similar activities;

3 E. "leasing" means an arrangement whereby, for a
4 consideration, property is employed for or by any person
5 other than the owner of the property, except that the
6 granting of a license to use property is licensing and is not
7 a lease;

8 F. "local option gross receipts tax" means a tax
9 authorized to be imposed by a county or municipality upon the
10 taxpayer's gross receipts and required to be collected by the
11 department at the same time and in the same manner as the
12 gross receipts tax; "local option gross receipts tax"
13 includes the taxes imposed pursuant to the Municipal Local
14 Option Gross Receipts ~~[Taxes]~~ Tax Act, ~~[Supplemental~~
15 ~~Municipal Gross Receipts Tax Act]~~ County Local Option Gross
16 Receipts ~~[Taxes]~~ Tax Act ~~[Local Hospital Gross Receipts Tax~~
17 ~~Act, County Correctional Facility Gross Receipts Tax Act]~~ and
18 such other acts as may be enacted authorizing counties or
19 municipalities to impose taxes on gross receipts, which taxes
20 are to be collected by the department;

21 G. "manufactured home" means a movable or
22 portable housing structure for human occupancy that exceeds
23 either a width of eight feet or a length of forty feet
24 constructed to be towed on its own chassis and designed to be
25 installed with or without a permanent foundation;

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1 H. "manufacturing" means combining or processing
2 components or materials to increase their value for sale in
3 the ordinary course of business, but does not include
4 construction;

5 I. "person" means:

6 (1) an individual, estate, trust, receiver,
7 cooperative association, club, corporation, company, firm,
8 partnership, limited liability company, limited liability
9 partnership, joint venture, syndicate or other entity,
10 including any gas, water or electric utility owned or
11 operated by a county, municipality or other political
12 subdivision of the state; or

13 (2) a national, federal, state, Indian or
14 other governmental unit or subdivision, or an agency,
15 department or instrumentality of any of the foregoing;

16 J. "property" means real property, tangible
17 personal property, licenses other than the licenses of
18 copyrights, trademarks or patents and franchises. Tangible
19 personal property includes electricity and manufactured
20 homes;

21 ~~[K. "research and development services" means an~~
22 ~~activity engaged in for other persons for consideration, for~~
23 ~~one or more of the following purposes:~~

24 ~~(1) advancing basic knowledge in a~~
25 ~~recognized field of natural science;~~

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1 ~~(2) advancing technology in a field of~~
2 ~~technical endeavor;~~

3 ~~(3) developing a new or improved product,~~
4 ~~process or system with new or improved function, performance,~~
5 ~~reliability or quality, whether or not the new or improved~~
6 ~~product, process or system is offered for sale, lease or~~
7 ~~other transfer;~~

8 ~~(4) developing new uses or applications for~~
9 ~~an existing product, process or system, whether or not the~~
10 ~~new use or application is offered as the rationale for~~
11 ~~purchase, lease or other transfer of the product, process or~~
12 ~~system;~~

13 ~~(5) developing analytical or survey~~
14 ~~activities incorporating technology review, application,~~
15 ~~trade-off study, modeling, simulation, conceptual design or~~
16 ~~similar activities, whether or not offered for sale, lease or~~
17 ~~other transfer; or~~

18 ~~(6) designing and developing prototypes or~~
19 ~~integrating systems incorporating the advances, developments~~
20 ~~or improvements included in Paragraphs (1) through (5) of~~
21 ~~this subsection;~~

22 ~~L.]~~ K. "secretary" means the secretary of
23 taxation and revenue or the secretary's delegate;

24 ~~M.]~~ L. "service" means all activities engaged in
25 for other persons for a consideration, which activities

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1 involve predominantly the performance of a service as
2 distinguished from selling or leasing property. "Service"
3 includes activities performed by a person for its members or
4 shareholders. In determining what is a service, the intended
5 use, principal objective or ultimate objective of the
6 contracting parties shall not be controlling. "Service"
7 includes construction activities and all tangible personal
8 property that will become an ingredient or component part of
9 a construction project. That tangible personal property
10 retains its character as tangible personal property until it
11 is installed as an ingredient or component part of a
12 construction project in New Mexico. Sales of tangible
13 personal property that will become an ingredient or component
14 part of a construction project to persons engaged in the
15 construction business are sales of tangible personal
16 property; and

17 ~~[N-]~~ M. "use" or "using" includes use,
18 consumption or storage other than storage for subsequent sale
19 in the ordinary course of business or for use solely outside
20 this state."

21 **SECTION 42.** Section 7-9-3.3 NMSA 1978 (being Laws 2003,
22 Chapter 272, Section 4) is amended to read:

23 "7-9-3.3. DEFINITION--ENGAGING IN BUSINESS.--As used in
24 the Gross Receipts and Compensating Tax Act, "engaging in
25 business" means carrying on or causing to be carried on any

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1 activity with the purpose of direct or indirect benefit

2 [~~except that:~~

3 A. ~~"engaging in business" does not include having~~
4 ~~a worldwide web site as a third-party content provider on a~~
5 ~~computer physically located in New Mexico but owned by~~
6 ~~another nonaffiliated person; and~~

7 B. ~~"engaging in business" does not include using~~
8 ~~a nonaffiliated third-party call center to accept and process~~
9 ~~telephone or electronic orders of tangible personal property~~
10 ~~or licenses primarily from non-New Mexico buyers, which~~
11 ~~orders are forwarded to a location outside New Mexico for~~
12 ~~filling, or to provide services primarily to non-New Mexico~~
13 ~~customers]."~~

14 SECTION 43. Section 7-9-3.5 NMSA 1978 (being Laws 2003,
15 Chapter 272, Section 3, as amended) is amended to read:

16 "7-9-3.5. DEFINITION--GROSS RECEIPTS.--

17 A. As used in the Gross Receipts and Compensating
18 Tax Act:

19 (1) "gross receipts" means the total amount
20 of money or the value of other consideration received from
21 selling property in New Mexico, from leasing or licensing
22 property employed in New Mexico, from granting a right to use
23 a franchise employed in New Mexico, from selling services
24 performed outside New Mexico, the product of which is
25 initially used in New Mexico, or from performing services in

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1 New Mexico. In an exchange in which the money or other
2 consideration received does not represent the value of the
3 property or service exchanged, "gross receipts" means the
4 reasonable value of the property or service exchanged;

5 (2) "gross receipts" includes:

6 (a) any receipts from sales of
7 tangible personal property handled on consignment;

8 (b) the total commissions or fees
9 derived from the business of buying, selling or promoting the
10 purchase, sale or lease, as an agent or broker on a
11 commission or fee basis, of any property, service, stock,
12 bond or security;

13 (c) amounts paid by members of any
14 cooperative association or similar organization for sales or
15 leases of personal property or performance of services by
16 such organization;

17 (d) amounts received from transmitting
18 messages or conversations by persons providing telephone or
19 telegraph services;

20 (e) amounts received by a New Mexico
21 florist from the sale of flowers, plants or other products
22 that are customarily sold by florists where the sale is made
23 pursuant to orders placed with the New Mexico florist that
24 are filled and delivered outside New Mexico by an out-of-
25 state florist; and

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1 (f) the receipts of a home service
2 provider from providing mobile telecommunications services to
3 customers whose place of primary use is in New Mexico if: 1)
4 the mobile telecommunications services originate and
5 terminate in the same state, regardless of where the services
6 originate, terminate or pass through; and 2) the charges for
7 mobile telecommunications services are billed by or for a
8 customer's home service provider and are deemed provided by
9 the home service provider. For the purposes of this section,
10 "home service provider", "mobile telecommunications
11 services", "customer" and "place of primary use" have the
12 meanings given in the federal Mobile Telecommunications
13 Sourcing Act; and

14 (3) "gross receipts" excludes:

15 (a) cash discounts allowed and taken;
16 (b) New Mexico gross receipts tax,
17 governmental gross receipts tax and leased vehicle gross
18 receipts tax payable on transactions for the reporting
19 period;

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

23 (d) any gross receipts or sales taxes
24 imposed by an Indian nation, tribe or pueblo; provided that
25 the tax is approved, if approval is required by federal law

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1 or regulation, by the secretary of the interior of the United
2 States; and provided further that the gross receipts or sales
3 tax imposed by the Indian nation, tribe or pueblo provides a
4 reciprocal exclusion for gross receipts, sales or gross
5 receipts-based excise taxes imposed by the state or its
6 political subdivisions;

7 (e) any type of time-price
8 differential; and

9 (f) amounts received solely on behalf
10 of another in a disclosed agency capacity [~~and~~

11 ~~(g) amounts received by a New Mexico~~
12 ~~florist from the sale of flowers, plants or other products~~
13 ~~that are customarily sold by florists where the sale is made~~
14 ~~pursuant to orders placed with an out-of-state florist for~~
15 ~~filling and delivery in New Mexico by a New Mexico florist].~~

16 B. When the sale of property or service is made
17 under any type of charge, conditional or time-sales contract
18 or the leasing of property is made under a leasing contract,
19 the seller or lessor may elect to treat all receipts,
20 excluding any type of time-price differential, under such
21 contracts as gross receipts as and when the payments are
22 actually received. If the seller or lessor transfers the
23 seller's or lessor's interest in any such contract to a third
24 person, the seller or lessor shall pay the gross receipts tax
25 upon the full sale or leasing contract amount, excluding any

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1 type of time-price differential."

2 SECTION 44. Section 7-9-4 NMSA 1978 (being Laws 1966,
3 Chapter 47, Section 4, as amended) is amended to read:

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

6 A. For the privilege of engaging in business, an
7 excise tax equal to [~~five and one eighth~~] two and seven
8 hundred twenty-five ten thousandths percent of gross receipts
9 is imposed on any person engaging in business in New Mexico.

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

12 SECTION 45. Section 7-9-4.3 NMSA 1978 (being Laws 1991,
13 Chapter 8, Section 2, as amended by Laws 1993, Chapter 332,
14 Section 1 and by Laws 1993, Chapter 352, Section 1) is
15 amended to read:

16 "7-9-4.3. IMPOSITION AND RATE OF TAX--DENOMINATION AS
17 "GOVERNMENTAL GROSS RECEIPTS TAX".--For the privilege of
18 engaging in certain activities by governments, there is
19 imposed on every agency, institution, instrumentality or
20 political subdivision of the state, except any school
21 district and any entity licensed by the department of health
22 that is principally engaged in providing health care
23 services, an excise tax of [~~five~~] two and seven hundred
24 twenty-five ten thousandths percent of governmental gross
25 receipts. The tax imposed by this section shall be referred

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1 to as the "governmental gross receipts tax"."

2 SECTION 46. Section 7-9-7 NMSA 1978 (being Laws 1966,
3 Chapter 47, Section 7, as amended) is amended to read:

4 "7-9-7. IMPOSITION AND RATE OF TAX--DENOMINATION AS
5 "COMPENSATING TAX".--

6 A. For the privilege of using tangible property
7 in New Mexico, there is imposed on the person using the
8 property an excise tax equal to [~~five and one eighth~~] two and
9 seven hundred twenty-five ten thousandths percent of the
10 value of tangible property that was:

11 (1) manufactured by the person using the
12 property in the state;

13 (2) acquired inside or outside of this state
14 as the result of a transaction with a person located outside
15 this state that would have been subject to the gross receipts
16 tax had the tangible personal property been acquired from a
17 person with nexus with New Mexico; or

18 (3) acquired as the result of a transaction
19 that was not initially subject to the compensating tax
20 imposed by Paragraph (2) of this subsection or the gross
21 receipts tax but which transaction, because of the buyer's
22 subsequent use of the property, should have been subject to
23 the compensating tax imposed by Paragraph (2) of this
24 subsection or the gross receipts tax.

25 B. For the purpose of Subsection A of this

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1 section, value of tangible property shall be the adjusted
2 basis of the property for federal income tax purposes
3 determined as of the time of acquisition or introduction into
4 this state or of conversion to use, whichever is later. If
5 no adjusted basis for federal income tax purposes is
6 established for the property, a reasonable value of the
7 property shall be used.

8 C. For the privilege of using services rendered
9 in New Mexico, there is imposed on the person using such
10 services an excise tax equal to [~~five~~] two and seven hundred
11 twenty-five ten thousandths percent of the value of the
12 services at the time they were rendered. The services, to be
13 taxable under this subsection, must have been rendered as the
14 result of a transaction that was not initially subject to the
15 gross receipts tax but which transaction, because of the
16 buyer's subsequent use of the services, should have been
17 subject to the gross receipts tax.

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

20 SECTION 47. Section 7-9-45 NMSA 1978 (being Laws 1969,
21 Chapter 144, Section 35, as amended) is amended to read:

22 "7-9-45. DEDUCTIONS.--

23 A. In computing the gross receipts tax or
24 governmental gross receipts tax due, [~~only those receipts~~
25 ~~specified in Sections 7-9-46 through 7-9-76.2, 7-9-77.1,~~

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1 ~~7-9-83, 7-9-85 through 7-9-87 and 7-9-89 NMSA 1978 may be~~
2 ~~deducted]~~ receipts [~~whether specified once or several times~~
3 ~~in those sections]~~ may be deducted only once from gross
4 receipts or governmental gross receipts.

5 B. Receipts that are exempted from the gross
6 receipts tax [~~may~~] shall not be deducted from gross receipts.
7 Receipts that are deducted from gross receipts [~~may~~] shall
8 not be exempted from the gross receipts tax.

9 C. Receipts that are exempted from the
10 governmental gross receipts tax shall not be deducted from
11 governmental gross receipts. Receipts that are deducted from
12 governmental gross receipts shall not be exempted from the
13 governmental gross receipts tax."

14 SECTION 48. Section 7-9-79 NMSA 1978 (being Laws 1966,
15 Chapter 47, Section 16, as amended) is amended to read:

16 "7-9-79. CREDIT--COMPENSATING TAX.--~~[A.]~~ If, on
17 property bought outside this state, a gross receipts, sales,
18 compensating or similar tax has been levied by another state
19 or political subdivision thereof on the transaction by which
20 the person using the property in New Mexico acquired the
21 property or a compensating, use or similar tax has been
22 levied by another state on the use of the property subsequent
23 to its acquisition by the person using the property in New
24 Mexico and such tax has been paid, the amount of such tax
25 paid may be credited against any compensating tax due this

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1 state on the same property.

2 ~~[B. When the receipts from the sale of real~~
3 ~~property constructed by a person in the ordinary course of~~
4 ~~his construction business are subject to the gross receipts~~
5 ~~tax, the amount of compensating tax previously paid by the~~
6 ~~person on materials which became an ingredient or component~~
7 ~~part of the construction project and on construction services~~
8 ~~performed upon the construction project may be credited~~
9 ~~against the gross receipts tax due on the sale.]"~~

10 SECTION 49. A new section of the Gross Receipts and
11 Compensating Tax Act is enacted to read:

12 "[NEW MATERIAL] EXEMPTION--GROSS RECEIPTS--DONATIONS TO
13 CERTAIN ORGANIZATIONS.--Exempted from the gross receipts tax
14 are the receipts of donations to an organization that is
15 exempt from the federal income tax as an organization
16 described in Section 501(c)(3) of the Internal Revenue Code."

17 SECTION 50. Section 7-14-4 NMSA 1978 (being Laws 1988,
18 Chapter 73, Section 14) is amended to read:

19 "7-14-4. DETERMINATION OF AMOUNT OF MOTOR VEHICLE
20 EXCISE TAX.--The rate of the motor vehicle excise tax is
21 [~~three~~] two and seven hundred twenty-five ten thousandths
22 percent and is applied to the price paid for the vehicle. If
23 the price paid does not represent the value of the vehicle in
24 the condition that existed at the time it was acquired, the
25 tax rate shall be applied to the reasonable value of the

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1 vehicle in such condition at such time. However, allowances
2 granted for vehicle trade-ins may be deducted from the price
3 paid or the reasonable value of the vehicle purchased."

4 SECTION 51. Section 7-14-10 NMSA 1978 (being Laws 1988,
5 Chapter 73, Section 20, as amended) is amended to read:

6 "7-14-10. DISTRIBUTION OF PROCEEDS.--The receipts from
7 the tax and any associated interest and penalties shall be
8 deposited in the "motor vehicle suspense fund", hereby
9 created in the state treasury. As of the end of each month,
10 the net receipts attributable to the tax and associated
11 penalties and interest shall be distributed to the [~~general~~
12 state road fund]."

13 SECTION 52. Section 7-14A-3 NMSA 1978 (being Laws 1991,
14 Chapter 197, Section 7) is amended to read:

15 "7-14A-3. IMPOSITION AND RATE OF TAX--DENOMINATION AS
16 "LEASED VEHICLE GROSS RECEIPTS TAX".--

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

21 B. The tax imposed by this section shall be
22 referred to as the "leased vehicle gross receipts tax"."

23 SECTION 53. Section 7-19D-1 NMSA 1978 (being Laws 1993,
24 Chapter 346, Section 1) is amended to read:

25 "7-19D-1. SHORT TITLE.--Chapter 7, Article 19D NMSA

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1 1978 may be cited as the "Municipal Local Option Gross
2 Receipts [~~Taxes~~] Tax Act".

3 SECTION 54. Section 7-19D-9 NMSA 1978 (being Laws 1978,
4 Chapter 151, Section 1, as amended) is repealed and a new
5 Section 7-19D-9 NMSA 1978 is enacted to read:

6 "7-19D-9. [NEW MATERIAL] MUNICIPAL GROSS RECEIPTS TAX--
7 AUTHORITY TO IMPOSE--RATE.--

8 A. The majority of the members of the governing
9 body of a municipality may impose by ordinance an excise tax
10 at a rate not to exceed one and twenty-four hundredths
11 percent of the gross receipts of a person engaging in
12 business in the municipality for the privilege of engaging in
13 business. The tax may be imposed in increments of one-
14 hundredth percent or any multiple of one-hundredth percent.

15 B. The tax imposed pursuant to this section may
16 be referred to as the "municipal gross receipts tax".

17 C. The governing body of a municipality may, at
18 the time of enacting an ordinance imposing the municipal
19 gross receipts tax, dedicate the revenue for a specific
20 purpose or area of municipal government services. If the
21 governing body proposes to dedicate such revenue, the
22 ordinance and, if any election is held, the ballot shall
23 clearly state the purpose to which the revenue will be
24 dedicated, and any revenue so dedicated shall be used by the
25 municipality for that purpose unless a subsequent ordinance

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1 is adopted to change the purpose to which dedicated or to
2 place the revenue in the general fund of the municipality.

3 D. Ordinances enacted by a governing body of a
4 municipality that, in the aggregate, impose increments less
5 than or equal to thirty-five percent of the rate a
6 municipality may impose pursuant to Subsection A of this
7 section shall not be subject to referendum.

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

25 SECTION 55. Section 7-20E-1 NMSA 1978 (being Laws 1993,

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1 Chapter 354, Section 1) is amended to read:

2 "7-20E-1. SHORT TITLE.--Chapter 7, Article 20E NMSA
3 1978 may be cited as the "County Local Option Gross Receipts
4 [~~Taxes~~] Tax Act"."

5 SECTION 56. Section 7-20E-9 NMSA 1978 (being Laws 1983,
6 Chapter 213, Section 30, as amended) is repealed and a new
7 Section 7-20E-9 NMSA 1978 is enacted to read:

8 "7-20E-9. [NEW MATERIAL] COUNTY GROSS RECEIPTS TAX--
9 AUTHORITY TO IMPOSE--RATE.--

10 A. The majority of the members of the governing
11 body of a county may impose by ordinance an excise tax at a
12 rate not to exceed four thousand three hundred seventy-five
13 ten thousandths percent of the gross receipts of a person
14 engaging in business in the county or county area for the
15 privilege of engaging in business. The tax may be imposed in
16 an increment of five ten-thousandths percent or any multiple
17 of five ten-thousandths percent.

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

20 C. The governing body of a county may, at the
21 time of enacting an ordinance imposing the county gross
22 receipts tax, dedicate the revenue for a specific purpose or
23 area of county government services. If the governing body
24 proposes to dedicate such revenue, the ordinance and, if any
25 election is held, the ballot shall clearly state the purpose

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1 to which the revenue will be dedicated, and any revenue so
2 dedicated shall be used by the county for that purpose unless
3 a subsequent ordinance is adopted to change the purpose to
4 which dedicated or to place the revenue in the general fund
5 of the county.

6 D. Ordinances enacted by a governing body of a
7 county that, in the aggregate, impose increments less than or
8 equal to thirty-five percent of the rate a county may impose
9 pursuant to Subsection A of this section shall not be subject
10 to referendum.

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

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

6 SECTION 57. Section 7-27-5.26 NMSA 1978 (being Laws
7 2000 (2nd S.S.), Chapter 6, Section 2, as amended) is amended
8 to read:

9 "7-27-5.26. INVESTMENT IN FILMS TO BE PRODUCED IN NEW
10 MEXICO.--

11 A. No more than six percent of the market value
12 of the severance tax permanent fund may be invested in New
13 Mexico film private equity funds or a New Mexico film project
14 under this section.

15 B. If an investment is made under this section,
16 not more than fifteen million dollars (\$15,000,000) of the
17 amount authorized for investment pursuant to Subsection A of
18 this section shall be invested in any one New Mexico film
19 private equity fund or any one New Mexico film project.

20 C. The state investment officer shall make
21 investments pursuant to this section only upon approval of
22 the [~~state investment~~] council after a review by the private
23 equity investment advisory committee and the New Mexico film
24 division of the economic development department. The state
25 investment officer may make debt or equity investments

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1 pursuant to this section only in New Mexico film projects or
2 New Mexico film private equity funds that invest only in film
3 projects that:

4 (1) are filmed wholly or substantially in
5 New Mexico;

6 (2) have shown to the satisfaction of the
7 New Mexico film division that a distribution contract is in
8 place with a reputable distribution company;

9 (3) have agreed that, while filming in New
10 Mexico, a majority of the production crew will be New Mexico
11 residents;

12 (4) have posted a completion bond that has
13 been approved by the New Mexico film division; provided that
14 a completion bond shall not be required if the fund or
15 project is guaranteed pursuant to Paragraph (5) of this
16 subsection; and

17 (5) have obtained a full, unconditional and
18 irrevocable guarantee of repayment of the invested amount in
19 favor of the severance tax permanent fund:

20 (a) from an entity that has a credit
21 rating of not less than Baa or BBB by a national rating
22 agency;

23 (b) from a substantial subsidiary of
24 an entity that has a credit rating of not less than Baa or
25 BBB by a national rating agency;

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1 (c) by providing a full, unconditional
2 and irrevocable letter of credit from a United States
3 incorporated bank with a credit rating of not less than A by
4 a national rating agency; or

5 (d) from a substantial and solvent
6 entity as determined by the [~~state investment~~] council in
7 accordance with its standards and practices; or

8 (6) if not guaranteed pursuant to Paragraph
9 (5) of this subsection, have obtained no less than one-third
10 of the estimated total production costs from other sources as
11 approved by the state investment officer.

12 ~~[D. The state investment officer may loan at a~~
13 ~~market rate of interest, with respect to an eligible New~~
14 ~~Mexico film project, up to eighty percent of an expected and~~
15 ~~estimated film production tax credit available to a film~~
16 ~~production company pursuant to the provisions of Section~~
17 ~~7-2F-1 NMSA 1978; provided that the film production company~~
18 ~~agrees to name the state investment officer as its agent for~~
19 ~~the purpose of filing an application for the film production~~
20 ~~tax credit to which the company is entitled if the company~~
21 ~~does not apply for the film production tax credit. The New~~
22 ~~Mexico film division of the economic development department~~
23 ~~shall determine the estimated amount of a film production tax~~
24 ~~credit. The state investment council shall establish~~
25 ~~guidelines for the state investment officer's initiation of a~~

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1 ~~loan and the terms of the loan.~~

2 E.] D. As used in this section:

3 (1) "film project" means a single [~~media~~
4 medium or multimedia program, including advertising messages,
5 fixed on film, videotape, computer disc, laser disc or other
6 similar delivery medium from which the program can be viewed
7 or reproduced and that is intended to be exhibited in
8 theaters; licensed for exhibition by individual television
9 stations, groups of stations, networks, cable television
10 stations or other means or licensed for the home viewing
11 market; and

12 (2) "New Mexico film private equity fund"
13 means any limited partnership, limited liability company or
14 corporation organized and operating in the United States
15 that:

16 (a) has as its primary business
17 activity the investment of funds in return for equity in film
18 projects produced wholly or partly in New Mexico;

19 (b) holds out the prospects for
20 capital appreciation from such investments; and

21 (c) accepts investments only from
22 accredited investors as that term is defined in Section 2 of
23 the federal Securities Act of 1933, as amended, and rules
24 promulgated pursuant to that section."

25 SECTION 58. Section 27-5-6 NMSA 1978 (being Laws 1965,

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1 Chapter 234, Section 6, as amended) is amended to read:

2 "27-5-6. POWERS AND DUTIES OF COUNTIES RELATING TO
3 INDIGENT CARE.--A county:

4 A. may budget for expenditure on ambulance
5 services, burial expenses, hospital or medical expenses for
6 indigent residents of that county and for costs of
7 development of a countywide or multicounty health plan. The
8 combined costs of administration and planning shall not
9 exceed the following percentages of revenues based on the
10 previous fiscal year revenues for a fund that has existed for
11 at least one fiscal year or based on projected revenues for
12 the year being budgeted for a fund that has existed for less
13 than one fiscal year. The percentage of the revenues in the
14 fund that may be used for such combined administrative and
15 planning costs is equal to the sum of the following:

16 (1) ten percent of the amount of the
17 revenues in the fund not over five hundred thousand dollars
18 (\$500,000);

19 (2) eight percent of the amount of the
20 revenues in the fund over five hundred thousand dollars
21 (\$500,000) but not over one million dollars (\$1,000,000); and

22 (3) four and one-half percent of the amount
23 of the revenues in the fund over one million dollars
24 (\$1,000,000);

25 B. may accept contributions of public funds for

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1 county health care services, which shall be deposited in the
2 fund;

3 C. may hire personnel to carry out the provisions
4 of the Indigent Hospital and County Health Care Act;

5 ~~[D. shall transfer to the state by the last day~~
6 ~~of March, June, September and December of each year an amount~~
7 ~~equal to one-fourth of the county's payment pursuant to~~
8 ~~Section 16 of this 2014 act. This money shall be deposited~~
9 ~~in the safety net care pool fund;~~

10 ~~E.]~~ D. shall, in carrying out the provisions of
11 the Indigent Hospital and County Health Care Act, comply with
12 the standards of the federal Health Insurance Portability and
13 Accountability Act of 1996; and

14 ~~[F. may provide for the transfer of money from~~
15 ~~the fund to the county-supported medicaid fund to meet the~~
16 ~~requirements of the Statewide Health Care Act; and~~

17 ~~G.]~~ E. may contract with ambulance providers,
18 hospitals or health care providers for the provision of
19 services for indigent patients domiciled within the county."

20 **SECTION 59.** Section 27-5-6.1 NMSA 1978 (being Laws
21 1993, Chapter 321, Section 18, as amended) is amended to
22 read:

23 "27-5-6.1. SAFETY NET CARE POOL FUND CREATED.--

24 A. The "safety net care pool fund" is created in
25 the state treasury. The safety net care pool fund, which

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1 shall be administered by the department, shall consist of
2 public funds [~~provided through intergovernmental transfers~~
3 ~~from counties or other public entities and transferred from~~
4 ~~counties pursuant to Section 16 of this 2014 act~~]. Money in
5 the fund shall be invested by the state treasurer as other
6 state funds are invested. Any unexpended or unencumbered
7 balance remaining in the fund at the end of any fiscal year
8 shall not revert.

9 B. Money in the safety net care pool fund is
10 appropriated to the department to make payments to qualifying
11 hospitals. No safety net care pool fund payments or money in
12 the safety net care pool fund shall be used to supplant any
13 general fund support for the state medicaid program."

14 SECTION 60. Section 27-10-1 NMSA 1978 (being Laws 1991,
15 Chapter 212, Section 1) is amended to read:

16 "27-10-1. SHORT TITLE.--~~[Sections 1 through 4 of this~~
17 ~~act]~~ Chapter 27, Article 10 NMSA 1978 may be cited as the
18 "Statewide Health Care Act"."

19 SECTION 61. Section 27-10-3 NMSA 1978 (being Laws 1991,
20 Chapter 212, Section 3, as amended) is amended to read:

21 "27-10-3. [~~COUNTY-SUPPORTED~~] MEDICAID FUND CREATED--
22 USE--APPROPRIATION BY THE LEGISLATURE.--

23 A. There is created in the state treasury the
24 "[~~county-supported~~] medicaid fund". The fund shall be
25 invested by the state treasurer as other state funds are

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1 invested. Income earned from investment of the fund shall be
2 credited to the [~~county-supported~~] medicaid fund. The fund
3 shall not revert in any fiscal year.

4 B. Money in the [~~county-supported~~] medicaid fund
5 is subject to appropriation by the legislature to support the
6 state medicaid program and to institute or support primary
7 care health care services pursuant to Subsections D and E of
8 Section 24-1A-3.1 NMSA 1978. Of the amount appropriated each
9 year, nine percent shall be appropriated to the department of
10 health to institute or support primary care health care
11 services pursuant to Subsections D and E of Section 24-1A-3.1
12 NMSA 1978.

13 C. Up to three percent of the [~~county-supported~~]
14 medicaid fund each year may be expended for administrative
15 costs related to medicaid or developing new primary care
16 health care centers or facilities.

17 D. In the event federal funds for medicaid are
18 not received by New Mexico for any eighteen-month period, the
19 unencumbered balance remaining in the [~~county-supported~~]
20 medicaid fund and the safety net care pool fund at the end of
21 the fiscal year following the end of any eighteen-month
22 period shall be paid within a reasonable time to each county
23 for deposit in the county health care assistance fund [~~in~~
24 ~~proportion to the payments made by each county through tax~~
25 ~~revenues or transfers in the previous fiscal year as~~

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1 ~~certified by the local government division of the department~~
2 ~~of finance and administration]~~. The department will provide
3 for budgeting and accounting of payments to the fund."

4 SECTION 62. Section 58-31-3 NMSA 1978 (being Laws 2005,
5 Chapter 128, Section 3, as amended) is amended to read:

6 "58-31-3. DEFINITIONS.--As used in the Spaceport
7 Development Act:

8 A. "authority" means the spaceport authority;

9 B. "project" means any land, building or other
10 improvements acquired as part of a spaceport or associated
11 with a spaceport or to aid commerce in connection with a
12 spaceport and all real and personal property deemed necessary
13 in connection with the spaceport;

14 C. "revenue" means municipal [~~regional spaceport~~]
15 gross receipts tax and county [~~regional spaceport~~] gross
16 receipts tax revenue received from a regional spaceport
17 district, revenue generated by a project and any other
18 legally available funds of the authority;

19 D. "space vehicle" means a vehicle capable of
20 being flown in space or launching a payload into space; and

21 E. "spaceport" means a facility in New Mexico at
22 which space vehicles may be launched or landed, including all
23 facilities and support infrastructure related to launch,
24 landing or payload processing."

25 SECTION 63. Section 58-31-5 NMSA 1978 (being Laws 2005,

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1 Chapter 128, Section 5, as amended) is amended to read:

2 "58-31-5. AUTHORITY POWERS AND DUTIES.--

3 A. The authority shall:

4 (1) hire an executive director, who shall
5 employ the necessary professional, technical and clerical
6 staff to enable the authority to function efficiently and
7 shall direct the affairs and business of the authority,
8 subject to the direction of the authority;

9 (2) be located within fifty miles of a
10 southwest regional spaceport;

11 (3) advise the governor, the governor's
12 staff and the New Mexico finance authority oversight
13 committee on methods, proposals, programs and initiatives
14 involving a southwest regional spaceport that may further
15 stimulate space-related business and employment opportunities
16 in New Mexico;

17 (4) initiate, develop, acquire, own,
18 construct, maintain and lease space-related projects;

19 (5) make and execute all contracts and other
20 instruments necessary or convenient to the exercise of its
21 powers and duties;

22 (6) create programs to expand high-
23 technology economic opportunities within New Mexico;

24 (7) create avenues of communication among
25 federal government agencies, the space industry, users of

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1 space launch services and academia concerning space business;

2 (8) promote legislation that will further
3 the goals of the authority and development of space business;

4 (9) oversee and fund production of
5 promotional literature related to the authority's goals;

6 (10) identify science and technology trends
7 that are significant to space enterprise and the state and
8 act as a clearinghouse for space enterprise issues and
9 information;

10 (11) coordinate and expedite the involvement
11 of the state executive branch's space-related development
12 efforts; and

13 (12) perform environmental, transportation,
14 communication, land use and other technical studies necessary
15 or advisable for projects and programs or to secure licensing
16 by appropriate United States agencies.

17 B. The authority may:

18 (1) advise and cooperate with
19 municipalities, counties, state agencies and organizations,
20 appropriate federal agencies and organizations and other
21 interested persons and groups;

22 (2) solicit and accept federal, state, local
23 and private grants of funds or property and financial or
24 other aid for the purpose of carrying out the provisions of
25 the Spaceport Development Act;

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1 (3) adopt rules governing the manner in
2 which its business is transacted and the manner in which the
3 powers of the authority are exercised and its duties
4 performed;

5 (4) operate spaceport facilities, including
6 acquisition of real property necessary for spaceport
7 facilities and the filing of necessary documents with
8 appropriate agencies;

9 (5) construct, purchase, accept donations of
10 or lease projects located within the state;

11 (6) sell, lease or otherwise dispose of a
12 project upon terms and conditions acceptable to the authority
13 and in the best interests of the state;

14 (7) issue revenue bonds and borrow money for
15 the purpose of defraying the cost of acquiring a project by
16 purchase or construction and of securing the payment of the
17 bonds or repayment of a loan;

18 (8) enter into contracts with regional
19 spaceport districts and issue bonds on behalf of regional
20 spaceport districts for the purpose of financing the
21 purchase, construction, renovation, equipping or furnishing
22 of a regional spaceport or a spaceport-related project;

23 (9) refinance a project;

24 (10) contract with any competent private or
25 public organization or individual to assist in the

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1 fulfillment of its duties;

2 (11) fix, alter, charge and collect tolls,
3 fees or rentals and impose any other charges for the use of
4 or for services rendered by any authority facility, program
5 or service; and

6 (12) contract with regional spaceport
7 districts to receive municipal [~~spaceport~~] gross receipts tax
8 and county [~~regional spaceport~~] gross receipts tax revenues.

9 C. The authority shall not:

10 (1) incur debt as a general obligation of
11 the state or pledge the full faith and credit of the state to
12 repay debt; or

13 (2) expend funds or incur debt for the
14 improvement, maintenance, repair or addition to property
15 unless it is owned by the authority, the state or a political
16 subdivision of the state."

17 **SECTION 64.** Section 58-31-6 NMSA 1978 (being Laws 2005,
18 Chapter 128, Section 6, as amended) is amended to read:

19 "58-31-6. SPACEPORT AUTHORITY--BONDING AUTHORITY--POWER
20 TO ISSUE REVENUE BONDS.--

21 A. The authority may issue revenue bonds on its
22 own behalf or on behalf of a regional spaceport district, for
23 regional spaceport purposes and spaceport-related projects.

24 Revenue bonds so issued may be considered appropriate

25 investments for the severance tax permanent fund or

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1 collateral for the deposit of public funds if the bonds are
2 rated not less than "A" by a national rating service and both
3 the principal and interest of the bonds are fully and
4 unconditionally guaranteed by a lease agreement executed by
5 an agency of the United States government or by a corporation
6 organized and operating within the United States, that
7 corporation or the long-term debt of that corporation being
8 rated not less than "A" by a national rating service. All
9 bonds issued by the authority are legal and authorized
10 investments for banks, trust companies, savings and loan
11 associations and insurance companies.

12 B. The authority may pay from the bond proceeds
13 all expenses, premiums and commissions that the authority
14 deems necessary or advantageous in connection with the
15 authorization, sale and issuance of the bonds.

16 C. Authority revenue bonds:

17 (1) may have interest or appreciated
18 principal value or any part thereof payable at intervals
19 determined by the authority;

20 (2) may be subject to prior redemption or
21 mandatory redemption at the authority's option at the time
22 and upon such terms and conditions with or without the
23 payment of a premium as may be provided by resolution of the
24 authority;

25 (3) may mature at any time not exceeding

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1 twenty years after the date of issuance if secured by revenue
2 from ~~[the]~~ a county or municipal ~~[regional-spaceport]~~ gross
3 receipts tax or thirty years if secured by revenue from other
4 sources;

5 (4) may be serial in form and maturity;
6 consist of one or more bonds payable at one time or in
7 installments; or may be in such other form as determined by
8 the authority;

9 (5) may be in registered or bearer form or
10 in book-entry form through facilities of a securities
11 depository either as to principal or interest or both;

12 (6) shall be sold for cash at, above or
13 below par and at a price that results in a net effective
14 interest rate that conforms to the Public Securities Act; and

15 (7) may be sold at public or negotiated
16 sale.

17 D. Subject to the approval of the state board of
18 finance, the authority may enter into other financial
19 arrangements if it determines that the arrangements will
20 assist the authority."

21 SECTION 65. Section 66-12-6.1 NMSA 1978 (being Laws
22 1987, Chapter 247, Section 9) is amended to read:

23 "66-12-6.1. EXCISE TAX ON ISSUANCE OF CERTIFICATES OF
24 TITLE--APPROPRIATION.--

25 A. An excise tax is imposed upon the sale of
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1 every boat required to be registered in the state. To
2 prevent evasion of the excise tax imposed by this section and
3 the duty to collect it, it is presumed that the issuance of
4 every original and subsequent certificate of title, other
5 than a duplicate, for boats of a type required to be
6 registered under the provisions of the Boat Act constitutes a
7 sale for tax purposes, unless specifically exempted by this
8 section or unless there is shown satisfactory proof that the
9 boat for which the certificate of title is sought came into
10 the possession of the applicant as a voluntary transfer
11 without consideration or as a transfer by operation of law.
12 The division shall collect the tax at the time application is
13 made for issuance of a certificate of title at the rate of
14 [~~five~~] two and seven hundred twenty-five ten thousandths
15 percent of the sale price of the boat. If the sale price
16 does not represent the value of the boat in the condition
17 that existed at the time it was acquired, the excise tax
18 shall then be imposed at the rate of [~~five~~] two and seven
19 hundred twenty-five ten thousandths percent of the reasonable
20 value of the boat in such condition at such time. However,
21 allowances granted for trade-ins may be deducted from the
22 sale price or the reasonable value of the boat purchased.
23 The tax shall be paid by the applicant, and the division may
24 require all information [~~which~~] that it deems necessary to
25 establish the amount of the tax.

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1 B. A penalty of fifty percent of the tax due on
2 the issuance of a certificate of title is imposed on [~~any~~] a
3 person who, domiciled in this state and accepting transfer in
4 this state, fails to apply for a certificate within ninety
5 days of the date on which ownership was transferred to [~~him~~]
6 the person or a person who is domiciled in this state but
7 accepts transfer outside this state and [~~who~~] fails to apply
8 for a certificate within ninety days of the date on which the
9 boat is brought into this state.

10 C. If a boat has been acquired through an out-of-
11 state transaction upon which a gross receipts, sales,
12 compensating or similar tax was levied by another state or
13 political subdivision thereof, the amount of the tax paid may
14 be credited against the excise tax due this state on the same
15 boat.

16 D. Persons domiciled outside this state and on
17 active duty in the military service of the United States or
18 on active duty as officers of the United States public health
19 service detailed for duty with any branch of the military
20 service are exempt from the tax imposed by this section.

21 E. Persons who acquire a boat out of state thirty
22 or more days before establishing a domicile in this state are
23 exempt from the tax imposed by this section if the boat was
24 acquired for personal use.

25 F. Persons applying for a certificate of title

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1 for a boat registered in another state are exempt from the
2 tax imposed by this section if they have previously
3 registered and titled the boat in New Mexico and have owned
4 the boat continuously since that time.

5 G. Certificates of title for all boats owned by
6 this state or any political subdivision are exempt from the
7 tax imposed by this section.

8 H. All taxes collected under the provisions of
9 this section shall be paid to the state treasurer for credit
10 to the "boat suspense fund", hereby created. At the end of
11 each month, the state treasurer shall transfer [~~fifty percent~~
12 ~~of~~] the excise tax collections in the boat suspense fund to
13 the division [~~and the balance to the general fund~~]. The
14 amounts transferred to the division are appropriated for use
15 by the division for improvements and maintenance of lakes and
16 boating facilities owned or leased by the state and for
17 administration and enforcement of the Boat Act.

18 I. The director of the division shall prescribe
19 forms [~~he~~] the director deems necessary to account properly
20 for the taxes collected under this section."

21 SECTION 66. APPROPRIATION--STATE ROAD FUND--LOCAL
22 GOVERNMENTS ROAD FUND.--

23 A. Seven hundred thirty million dollars
24 (\$730,000,000) is appropriated from the general fund to the
25 state road fund as follows, for the purposes described in

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1 Section 67-3-65.1 NMSA 1978, and any unexpended or
2 unencumbered balance remaining at the end of each of the
3 following fiscal years shall revert to the general fund:

4 (1) two hundred forty-three million three
5 hundred thirty-three thousand three hundred thirty-four
6 dollars (\$243,333,334) for expenditure in fiscal year 2016;

7 (2) two hundred forty-three million three
8 hundred thirty-three thousand three hundred thirty-three
9 dollars (\$243,333,333) for expenditure in fiscal year 2017;

10 and

11 (3) two hundred forty-three million three
12 hundred thirty-three thousand three hundred thirty-three
13 dollars (\$243,333,333) for expenditure in fiscal year 2018.

14 B. Ninety million dollars (\$90,000,000) is
15 appropriated from the general fund to the state road fund as
16 follows, for the purposes described in Section 67-3-28.2 NMSA
17 1978, and any unexpended or unencumbered balance remaining at
18 the end of each of the following fiscal years shall revert to
19 the general fund:

20 (1) thirty million dollars (\$30,000,000) for
21 expenditure in fiscal year 2016;

22 (2) thirty million dollars (\$30,000,000) for
23 expenditure in fiscal year 2017; and

24 (3) thirty million dollars (\$30,000,000) for
25 expenditure in fiscal year 2018.

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1 SECTION 67. TEMPORARY PROVISION--OUTSTANDING REVENUE

2 BONDS AND LOAN GUARANTEES.--

3 A. The repeal of certain taxes made in this act
4 shall not impair outstanding revenue bonds or loan guarantees
5 that are secured by a pledge of those taxes.

6 B. If a municipality or county has issued a
7 revenue bond or made a loan guarantee that is secured by a
8 pledge of any of tax being repealed by Section 71 of this
9 act, the municipality or county shall:

10 (1) enact an ordinance imposing an increment
11 of the municipal gross receipts tax or county gross receipts
12 tax, as applicable, that is transferred to the municipality
13 pursuant to Section 7-1-6.12 NMSA 1978 or the county pursuant
14 to 7-1-6.13 NMSA 1978 and will result in the amount of
15 revenue necessary to make the required bond debt service
16 payments or loan guarantee payments, as determined by the
17 department of finance and administration and the taxation and
18 revenue department; and

19 (2) pledge the increment imposed pursuant to
20 Paragraph (1) of this subsection to the payment of the
21 revenue bond or loan guarantee until the revenue bond or loan
22 guarantee has been discharged in full or provision has been
23 fully made therefor.

24 C. Notwithstanding the provisions of Sections
25 7-19D-9 and 7-20E-9 NMSA 1978, an ordinance enacted pursuant

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1 to Paragraph (1) of Subsection B of this section shall not be
2 subject to referendum.

3 SECTION 68. TEMPORARY PROVISION--AMNESTY FOR INTEREST
4 AND PENALTIES IMPOSED ON CERTAIN TAXES OWED.--Notwithstanding
5 the provisions of Sections 7-1-67 and 7-1-69 NMSA 1978 and
6 prior to July 1, 2017, no interest or penalty shall be
7 assessed for nonpayment of a tax if that tax was due prior to
8 January 1, 2016; provided that the taxpayer pays the tax on
9 or before July 1, 2017 and the taxation and revenue
10 department has not issued a notice of commencement of an
11 audit to the taxpayer pursuant to Section 7-1-11.2 NMSA 1978
12 before the tax is paid.

13 SECTION 69. TEMPORARY PROVISION--REFERENCES IN LAW.--

14 A. All references in law to the Municipal Local
15 Option Gross Receipts Taxes Act shall be deemed to be
16 references to the Municipal Local Option Gross Receipts Tax
17 Act.

18 B. All references in law to the County Local
19 Option Gross Receipts Taxes Act shall be deemed to be
20 references to the County Local Option Gross Receipts Tax Act.

21 C. All references in law to the county-supported
22 medicaid fund shall be deemed to be references to the
23 medicaid fund.

24 SECTION 70. TEMPORARY PROVISION--REPEALED INCOME TAX
25 PROVISIONS.--The provisions of the sections of law being

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1 repealed by Section 72 of this act shall not apply to taxable
2 years beginning on or after January 1, 2016.

3 SECTION 71. REPEAL.--

4 A. Section 5-16-13 NMSA 1978 (being Laws 2006,
5 Chapter 15, Section 13) is repealed.

6 B. Section 6-21-5.1 NMSA 1978 (being Laws 1998,
7 Chapter 65, Section 1) is repealed.

8 C. Sections 7-1-6.4, 7-1-6.46, 7-1-6.47 and
9 7-1-6.60 NMSA 1978 (being Laws 1983, Chapter 211, Section 9,
10 Laws 2004, Chapter 116, Sections 1 and 2 and Laws 2010,
11 Chapter 31, Section 2, as amended) are repealed.

12 D. Sections 7-2D-1 through 7-2D-14 NMSA 1978
13 (being Laws 1993, Chapter 313, Sections 1, 2 and 4 through 8,
14 Laws 1995, Chapter 89, Section 8 and Laws 1993, Chapter 313,
15 Sections 9 through 14, as amended) are repealed.

16 E. Section 7-2E-1.1 NMSA 1978 (being Laws 2007,
17 Chapter 172, Section 2) is repealed.

18 F. Sections 7-2F-1 through 7-2F-4 NMSA 1978
19 (being Laws 2002, Chapter 36, Section 1; Laws 2011, Chapter
20 165, Section 2 and also Laws 2011, Chapter 177, Section 3;
21 Laws 2003, Chapter 127, Section 2; and Laws 2011, Chapter
22 165, Sections 4 and 5, as amended) are repealed.

23 G. Sections 7-7-1 through 7-7-20 NMSA 1978 (being
24 Laws 1973, Chapter 345, Sections 1 through 12 and Laws 1983,
25 Chapter 209, Sections 2 through 6, as amended) are repealed.

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1 H. Sections 7-9-12, 7-9-13.1, 7-9-13.3 through
2 7-9-13.5, 7-9-15, 7-9-16, 7-9-18, 7-9-19 through 7-9-20,
3 7-9-26.1, 7-9-29 through 7-9-32, 7-9-36 through 7-9-38,
4 7-9-38.2 through 7-9-41.1, 7-9-41.4, 7-9-46 through 7-9-54.5,
5 7-9-56.1 through 7-9-60, 7-9-61.1 through 7-9-69, 7-9-71
6 through 7-9-78.1, 7-9-79.2 through 7-9-87 and 7-9-90 through
7 7-9-114 NMSA 1978 (being Laws 1969, Chapter 144, Section 5;
8 Laws 1989, Chapter 262, Section 4; Laws 2001, Chapter 231,
9 Section 12; Laws 2002, Chapter 20, Section 1; Laws 2005,
10 Chapter 351, Section 2; Laws 1970, Chapter 12, Section 1;
11 Laws 1969, Chapter 144, Sections 9 and 11; Laws 1969, Chapter
12 144, Section 12; Laws 1988, Chapter 82, Section 1; Laws 2003,
13 Chapter 62, Section 1; Laws 1970, Chapter 12, Section 3; Laws
14 1969, Chapter 144, Sections 23 through 25 and 29 through 31;
15 Laws 2002, Chapter 18, Section 2; Laws 1969, Chapter 144,
16 Section 32; Laws 1970, Chapter 60, Section 2; Laws 1972,
17 Chapter 61, Section 2; Laws 2007, Chapter 117, Section 1;
18 Laws 2009, Chapter 62, Section 1; Laws 1969, Chapter 144,
19 Sections 36 through 42; Laws 2012, Chapter 5, Section 6; Laws
20 1969, Chapter 144, Sections 43 and 44; Laws 1992, Chapter 40,
21 Section 1; Laws 1995, Chapter 183, Section 2; Laws 2002,
22 Chapter 37, Section 8; Laws 2003, Chapter 62, Section 4; Laws
23 2004, Chapter 16, Section 3; Laws 1998, Chapter 92, Sections
24 1 and 2; Laws 2003, Chapter 232, Section 1; Laws 1969,
25 Chapter 144, Section 47; Laws 1998, Chapter 92, Section 3;

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1 Laws 2002, Chapter 10, Section 1; Laws 1969, Chapter 144,
2 Sections 48 and 49; Laws 1970, Chapter 12, Section 4; Laws
3 1981, Chapter 37, Section 52; Laws 2000, Chapter 48, Section
4 1; Laws 1969, Chapter 144, Section 52; Laws 2000 (2nd S.S.),
5 Chapter 4, Section 2; Laws 1969, Chapter 144, Sections 53,
6 54, 56 and 57; Laws 1984, Chapter 129, Section 2; Laws 1969,
7 Chapter 144, Sections 58, 60, 61 and 63; Laws 1970, Chapter
8 78, Section 2; Laws 1991, Chapter 8, Section 3; Laws 1998,
9 Chapter 95, Section 2; Laws 2014, Chapter 26, Section 1; Laws
10 1971, Chapter 217, Section 2; Laws 1972, Chapter 39, Section
11 2; Laws 1977, Chapter 288, Section 2; Laws 1979, Chapter 338,
12 Section 7; Laws 1984, Chapter 2, Section 6; Laws 1966,
13 Chapter 47, Section 15; Laws 1998, Chapter 96, Section 1;
14 Laws 1969, Chapter 144, Section 65; Laws 1999, Chapter 231,
15 Section 4; Laws 2007, Chapter 204, Section 9; Laws 1993,
16 Chapter 364, Sections 1 and 2; Laws 1994, Chapter 43, Section
17 1; Laws 1995, Chapter 80, Section 1; Laws 1995, Chapter 155,
18 Section 35; Laws 1999, Chapter 231, Section 3; Laws 2001,
19 Chapter 135, Section 1; Laws 2004, Chapter 116, Sections 5
20 and 6; Laws 2005, Chapter 104, Sections 23, 25 and 26; Laws
21 2007, Chapter 361, Sections 7 and 8; Laws 2005, Chapter 169,
22 Section 1; Laws 2005, Chapter 179, Section 1; Laws 2006,
23 Chapter 35, Sections 1 and 2; Laws 2007, Chapter 3, Sections
24 16 through 18; Laws 2012, Chapter 12, Sections 2 and 3; Laws
25 2007, Chapter 33, Section 1; Laws 2007, Chapter 45, Section
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1 6; Laws 2007, Chapter 172, Sections 8 through 11; Laws 2011,
2 Chapter 60, Section 1 and also Laws 2011, Chapter 61, Section
3 1; Laws 2011, Chapter 60, Section 2 and also Laws 2011,
4 Chapter 61, Section 2; Laws 2011, Chapter 60, Section 3 and
5 also Laws 2011, Chapter 61, Section 3; Laws 2007, Chapter
6 361, Section 6; Laws 2007, Chapter 204, Section 10; and Laws
7 2010, Chapter 77, Section 1, as amended) are repealed.

8 I. Sections 7-9A-1 through 7-9A-11 NMSA 1978
9 (being Laws 1979, Chapter 347, Sections 1 and 2; Laws 2001,
10 Chapter 57, Section 2 and also Laws 2001, Chapter 337,
11 Section 2; Laws 1979, Chapter 347, Sections 3 through 7; Laws
12 1983, Chapter 206, Section 6; Laws 1979, Chapter 347,
13 Sections 8 and 9; and Laws 1997, Chapter 62, Section 2, as
14 amended) are repealed.

15 J. Sections 7-9E-1 through 7-9E-11 NMSA 1978
16 (being Laws 2000 (2nd S.S.), Chapter 20, Sections 1 through 9
17 and Laws 2007, Chapter 172, Sections 19 and 20, as amended)
18 are repealed.

19 K. Sections 7-9F-1 through 7-9F-12 NMSA 1978
20 (being Laws 2000 (2nd S.S.), Chapter 22, Sections 1 through
21 12) are repealed.

22 L. Sections 7-9G-1 and 7-9G-2 NMSA 1978 (being
23 Laws 2004, Chapter 15, Section 1 and Laws 2007, Chapter 229,
24 Section 1, as amended) are repealed.

25 M. Sections 7-9H-1 through 7-9H-6 NMSA 1978

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1 (being Laws 2005, Chapter 104, Sections 11 through 16, as
2 amended) are repealed.

3 N. Sections 7-9I-1 through 7-9I-6 NMSA 1978
4 (being Laws 2005, Chapter 104, Sections 17 through 22, as
5 amended) are repealed.

6 O. Sections 7-9J-1 through 7-9J-8 NMSA 1978
7 (being Laws 2007, Chapter 204, Sections 11 through 18, as
8 amended) are repealed.

9 P. Sections 7-19-10 through 7-19-18 NMSA 1978
10 (being Laws 1979, Chapter 397, Sections 1 through 8, Laws
11 1997, Chapter 219, Section 4 and Laws 1979, Chapter 397,
12 Section 9, as amended) are repealed.

13 Q. Sections 7-19D-10 through 7-19D-18 NMSA 1978
14 (being Laws 1990, Chapter 99, Section 51, Laws 1991, Chapter
15 9, Section 3, Laws 2001, Chapter 172, Section 1, Laws 2005,
16 Chapter 212, Section 2, Laws 2006, Chapter 15, Section 14,
17 Laws 2007, Chapter 148, Section 1, Laws 2012, Chapter 58,
18 Section 1 and Laws 2013, Chapter 160, Section 11, as amended)
19 are repealed.

20 R. Sections 7-20C-1 through 7-20C-17 NMSA 1978
21 (being Laws 1991, Chapter 176, Sections 1 through 9, Laws
22 1993, Chapter 306, Section 4, Laws 1991, Chapter 176,
23 Sections 10 through 15 and Laws 1996, Chapter 18, Sections 3
24 and 4, as amended) are repealed.

25 S. Sections 7-20E-10 through 7-20E-28 NMSA 1978

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underscoring material = new
~~[bracketed material] = delete~~

1 (being Laws 1983, Chapter 213, Sections 32 and 35, Laws 1989,
2 Chapter 239, Section 1, Laws 1994, Chapter 14, Section 1,
3 Laws 1987, Chapter 45, Sections 3 and 8, Laws 1979, Chapter
4 398, Sections 3 and 8, Laws 1990, Chapter 99, Section 58,
5 Laws 1991, Chapter 212, Section 7, Laws 1998, Chapter 90,
6 Section 7, Laws 2001, Chapter 328, Section 1, Laws 2001,
7 Chapter 172, Section 2, Laws 2002, Chapter 14, Section 1,
8 Laws 2004, Chapter 17, Section 2, Laws 2005, Chapter 212,
9 Section 1, Laws 2006, Chapter 15, Section 15, Laws 2007,
10 Chapter 346, Section 1, Laws 2010, Chapter 31, Section 1 and
11 Laws 2013, Chapter 160, Section 12, as amended) are repealed.

12 T. Sections 7-20F-1 through 7-20F-12 NMSA 1978
13 (being Laws 1993, Chapter 303, Sections 1 through 12, as
14 amended) are repealed.

15 U. Sections 7-24B-1 through 7-24B-9 NMSA 1978
16 (being Laws 1987, Chapter 45, Sections 10 through 13, Laws
17 1990, Chapter 88, Section 16 and Laws 1987, Chapter 45,
18 Sections 15 through 18, as amended) are repealed.

19 V. Sections 27-5-2 and 27-5-6.2 NMSA 1978 (being
20 Laws 1965, Chapter 234, Section 2 and Laws 2014, Chapter 79,
21 Section 16, as amended) are repealed.

22 W. Sections 27-10-2 and 27-10-4 NMSA 1978 (being
23 Laws 1991, Chapter 212, Sections 2 and 4, as amended) are
24 repealed.

25 X. Section 60-2E-47.1 NMSA 1978 (being Laws 2010,
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underscored material = new
~~[bracketed material] = delete~~

1 Chapter 31, Section 3) is repealed.

2 SECTION 72. ADDITIONAL REPEAL.--

3 A. That version of Section 7-2-7 NMSA 1978 (being
4 Laws 2005 (1st S.S.), Chapter 3, Section 2) is repealed.

5 B. Sections 7-2-4 through 7-2-5.2, 7-2-5.6
6 through 7-2-5.11, 7-2-7.2, 7-2-7.3, 7-2-14.3 through
7 7-2-18.14, 7-2-18.16 through 7-2-18.28 and 7-2-32 through
8 7-2-36 NMSA 1978 (being Laws 1965, Chapter 202, Section 4;
9 Laws 1985, Chapter 114, Section 1; Laws 1995, Chapter 93,
10 Section 8; Laws 2002, Chapter 58, Section 1; Laws 2005,
11 Chapter 104, Sections 5 and 6; Laws 2006, Chapter 50, Section
12 1; Laws 2007, Chapter 45, Section 11; Laws 2005 (1st S.S.),
13 Chapter 3, Sections 3 and 4; Laws 1994, Chapter 111, Sections
14 1 through 3; Laws 1977, Chapter 196, Section 1; Laws 1981,
15 Chapter 170, Section 1; Laws 1984, Chapter 34, Section 1;
16 Laws 1994, Chapter 115, Section 1; Laws 1998, Chapter 97,
17 Section 2; Laws 2000, Chapter 64, Section 1 and also Laws
18 2000, Chapter 78, Section 1; Laws 2001, Chapter 73, Section
19 1; Laws 2003, Chapter 331, Section 7; Laws 2003, Chapter 400,
20 Section 1; Laws 2005, Chapter 267, Section 1; Laws 2006,
21 Chapter 93, Section 1; Laws 2007, Chapter 45, Section 10;
22 Laws 2007, Chapter 172, Section 1; Laws 2007, Chapter 204,
23 Sections 2, 3 and 7; Laws 2007, Chapter 361, Section 2; Laws
24 2008 (2nd S.S.), Chapter 3, Section 1; Laws 2009, Chapter
25 271, Section 1; Laws 2009, Chapter 279, Section 1; Laws 2010,

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underscored material = new
[bracketed material] = delete

1 Chapter 84, Section 1; Laws 2011, Chapter 89, Section 1; Laws
2 2012, Chapter 55, Section 1; Laws 1997, Chapter 259, Section
3 8; Laws 1999, Chapter 205, Section 1; and Laws 2005, Chapter
4 113, Section 1, as amended) are repealed.

5 C. Sections 7-2A-8.6 through 7-2A-8.9 and 7-2A-14
6 through 7-2A-27 NMSA 1978 (being Laws 1984, Chapter 34,
7 Section 2, Laws 1998, Chapter 97, Section 3, Laws 2003,
8 Chapter 331, Section 8, Laws 1983, Chapter 218, Section 1,
9 Laws 1994, Chapter 115, Section 2, Laws 1997, Chapter 58,
10 Section 1, Laws 2003, Chapter 400, Section 2, Laws 2001,
11 Chapter 73, Section 2, Laws 2002, Chapter 59, Section 1, Laws
12 2007, Chapter 204, Sections 4 and 8, Laws 2009, Chapter 271,
13 Section 2, Laws 2009, Chapter 279, Section 2, Laws 2010,
14 Chapter 84, Section 2 and Laws 2012, Chapter 55, Section 2,
15 as amended) are repealed.

16 SECTION 73. APPLICABILITY.--The provisions of Sections
17 31 through 37 of this act apply to taxable years beginning on
18 or after January 1, 2016.

19 SECTION 74. EFFECTIVE DATE.--

20 A. The effective date of the provisions of
21 Sections 1 through 71 of this act is January 1, 2016.

22 B. The effective date of the provisions of
23 Section 72 of this act is January 1, 2017.