

1 SENATE BILL 145

2 **52ND LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2016**

3 INTRODUCED BY

4 William E. Sharer

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9  
10 AN ACT

11 RELATING TO TAXATION; REDUCING THE RATE OF THE GROSS RECEIPTS  
12 TAX, GOVERNMENTAL GROSS RECEIPTS TAX, MUNICIPAL GROSS RECEIPTS  
13 TAX AND COUNTY GROSS RECEIPTS TAX; PROVIDING FOR A FLAT INCOME  
14 TAX RATE OF TWO AND ONE-HALF PERCENT ON TAXABLE INCOME ABOVE  
15 CERTAIN LEVELS; REMOVING PERMISSION OF A TAX INCREMENT  
16 DEVELOPMENT DISTRICT TO ISSUE BONDS AGAINST AN INCREMENT OF THE  
17 GROSS RECEIPTS TAX; REPEALING THE COMPENSATING TAX AND CERTAIN  
18 CREDITS, DEDUCTIONS AND EXEMPTIONS PURSUANT TO THE INCOME TAX  
19 ACT AND THE GROSS RECEIPTS AND COMPENSATING TAX ACT; REPEALING  
20 THE CORPORATE INCOME AND FRANCHISE TAX ACT, THE ESTATE TAX ACT,  
21 THE MOTOR VEHICLE EXCISE TAX ACT, THE LEASED VEHICLE GROSS  
22 RECEIPTS TAX ACT, THE TAX ON BOATS, CERTAIN LOCAL OPTION GROSS  
23 RECEIPT TAXES, THE SUPPLEMENTAL MUNICIPAL GROSS RECEIPTS TAX  
24 ACT, THE LOCAL HOSPITAL GROSS RECEIPTS TAX ACT, THE COUNTY  
25 CORRECTIONAL FACILITY GROSS RECEIPTS TAX ACT AND THE SPECIAL

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1 COUNTY HOSPITAL GASOLINE TAX ACT; REPLACING COUNTY OBLIGATIONS  
2 TO THE COUNTY-SUPPORTED MEDICAID FUND AND SAFETY NET CARE POOL  
3 FUND WITH STATE OBLIGATIONS; PROVIDING TEMPORARY AMNESTY FROM  
4 PENALTIES AND INTEREST ON TAXES NOT PAID; PROVIDING THAT THE  
5 REPEAL OF CERTAIN TAXES SHALL NOT IMPAIR OUTSTANDING BONDS OR  
6 LOAN GUARANTEES; AMENDING, REPEALING AND ENACTING SECTIONS OF  
7 THE NMSA 1978.

8  
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

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

12 "3-31-1. REVENUE BONDS--AUTHORITY TO ISSUE--PLEDGE OF  
13 REVENUES--LIMITATION ON TIME OF ISSUANCE.--

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

23 ~~A.]~~ B. Utility revenue bonds may be issued for  
24 acquiring, extending, enlarging, bettering, repairing or  
25 otherwise improving a municipal utility or for any combination

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1 of the foregoing purposes. The municipality may pledge  
2 irrevocably any or all of the net revenues from the operation  
3 of the municipal utility or of any one or more of other such  
4 municipal utilities for payment of the interest on and  
5 principal of the revenue bonds. [~~These bonds are sometimes~~  
6 ~~referred to in Chapter 3, Article 31 NMSA 1978 as "utility~~  
7 ~~revenue bonds" or "utility bonds".~~

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

18 ~~G.~~ ~~For the purposes of this subsection, "gross~~  
19 ~~receipts tax revenue bonds" means gross receipts tax revenue~~  
20 ~~bonds or sales tax revenue bonds.]~~

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

23 ~~(1) constructing, purchasing, furnishing,~~  
24 ~~equipping, rehabilitating, making additions to or making~~  
25 ~~improvements to one or more public buildings or purchasing or~~

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1 ~~improving any ground relating thereto, including but not~~  
2 ~~necessarily limited to acquiring and improving parking lots, or~~  
3 ~~any combination of the foregoing;~~

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

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

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

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

22 ~~(6) purchasing, acquiring, constructing,~~  
23 ~~making additions to, enlarging, bettering, extending or~~  
24 ~~equipping airport facilities or any combination of the~~  
25 ~~foregoing, including without limitation the acquisition of~~

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1 ~~land, easements or rights of way therefor;~~

2 ~~(7) purchasing or otherwise acquiring or~~  
3 ~~clearing land or for purchasing, otherwise acquiring and~~  
4 ~~beautifying land for open space;~~

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

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

16 ~~(10) acquiring, constructing, extending,~~  
17 ~~bettering, repairing or otherwise improving a public transit~~  
18 ~~system or regional transit systems or facilities. The]~~  
19 municipal purpose. A municipality may pledge irrevocably any  
20 or all of the gross receipts tax revenue received by the  
21 municipality pursuant to Section ~~[7-1-6.4 or]~~ 7-1-6.12 NMSA  
22 1978 to the payment of the interest on and principal of the  
23 gross receipts tax revenue bonds ~~[for any of the purposes~~  
24 ~~authorized in this section or for specific purposes]~~ or for any  
25 area of municipal government services ~~[including but not~~

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1 ~~limited to those specified in Subsection C of Section 7-19D-9~~  
2 ~~NMSA 1978, or for public purposes authorized by municipalities~~  
3 ~~having constitutional home rule charters. A law that imposes~~  
4 ~~or authorizes the imposition of a municipal gross receipts tax~~  
5 ~~or that affects the municipal gross receipts tax, or a law~~  
6 ~~supplemental thereto or otherwise appertaining thereto, shall~~  
7 ~~not be repealed or amended or otherwise directly or indirectly~~  
8 ~~modified in such a manner as to impair adversely any~~  
9 ~~outstanding revenue bonds that may be secured by a pledge of~~  
10 ~~such municipal gross receipts tax unless the outstanding~~  
11 ~~revenue bonds have been discharged in full or provision has~~  
12 ~~been fully made therefor]. Revenues in excess of the annual~~  
13 ~~principal and interest due on gross receipts tax revenue bonds~~  
14 ~~secured by a pledge of gross receipts tax revenue may be~~  
15 ~~accumulated in a debt service reserve account. The governing~~  
16 ~~body of the municipality may appoint a commercial bank trust~~  
17 ~~department to act as trustee of the gross receipts tax revenue~~  
18 ~~and to administer the payment of principal of and interest on~~  
19 ~~the bonds.~~

20 ~~[D. As used in this section, the term "public~~  
21 ~~building" includes but is not limited to fire stations, police~~  
22 ~~buildings, municipal jails, regional jails or juvenile~~  
23 ~~detention facilities, libraries, museums, auditoriums,~~  
24 ~~convention halls, hospitals, buildings for administrative~~  
25 ~~offices, city halls and garages for housing, repairing and~~

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

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

23 ~~[As used in Chapter 3, Article 31 NMSA 1978, "gasoline tax~~  
24 ~~revenue bonds" means the bonds authorized in this subsection,~~  
25 ~~and "gasoline tax revenue" means all or portions of the amounts~~

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1 ~~of tax revenues distributed to municipalities pursuant to~~  
2 ~~Sections 7-1-6.9 and 7-1-6.27 NMSA 1978, as from time to time~~  
3 ~~amended and supplemented.]~~

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

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1 shall be conclusive if set forth in the proceedings authorizing  
2 the project revenue bonds. ~~[As used in Chapter 3, Article 31~~  
3 ~~NMSA 1978:~~

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

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

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

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1 are related to and that may constitute a part of the particular  
2 fire district project. A general determination by the  
3 governing body of the municipality that any facilities or  
4 equipment is reasonably related to and constitutes a part of a  
5 specified fire district project shall be conclusive if set  
6 forth in the proceedings authorizing the fire district bonds.

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

15 ~~[I. Economic development gross receipts tax revenue~~  
16 ~~bonds may be issued for the purpose of furthering economic~~  
17 ~~development projects as defined in the Local Economic~~  
18 ~~Development Act. The municipality may pledge irrevocably any~~  
19 ~~or all of the revenue received from the municipal~~  
20 ~~infrastructure gross receipts tax to the payment of the~~  
21 ~~interest on and principal of the economic development gross~~  
22 ~~receipts tax revenue bonds for any of the purposes authorized~~  
23 ~~in this subsection. A law that imposes or authorizes the~~  
24 ~~imposition of a municipal infrastructure gross receipts tax or~~  
25 ~~that affects the municipal infrastructure gross receipts tax,~~

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1 ~~or a law supplemental to or otherwise pertaining to the tax,~~  
2 ~~shall not be repealed or amended or otherwise directly or~~  
3 ~~indirectly modified in such a manner as to impair adversely any~~  
4 ~~outstanding revenue bonds that may be secured by a pledge of~~  
5 ~~the municipal infrastructure gross receipts tax unless the~~  
6 ~~outstanding revenue bonds have been discharged in full or~~  
7 ~~provision has been fully made for their discharge. As used in~~  
8 ~~Chapter 3, Article 31 NMSA 1978, "economic development gross~~  
9 ~~receipts tax revenue bonds" means the bonds authorized in this~~  
10 ~~subsection, and "municipal infrastructure gross receipts tax~~  
11 ~~revenue" means any or all of the revenue from the municipal~~  
12 ~~infrastructure gross receipts tax transferred to the~~  
13 ~~municipality pursuant to Section 7-1-6.12 NMSA 1978.~~

14 ~~J. Municipal higher education facilities gross~~  
15 ~~receipts tax revenue bonds may be issued for the purpose of~~  
16 ~~acquisition, construction, renovation or improvement of~~  
17 ~~facilities of a four-year post-secondary public educational~~  
18 ~~institution located in the municipality and acquisition of or~~  
19 ~~improvements to land for those facilities. The municipality~~  
20 ~~may pledge irrevocably any or all of the revenue received from~~  
21 ~~the municipal higher education facilities gross receipts tax to~~  
22 ~~the payment of the interest on and principal of the municipal~~  
23 ~~higher education facilities gross receipts tax revenue bonds.~~  
24 ~~A law that imposes or authorizes the imposition of a municipal~~  
25 ~~higher education facilities gross receipts tax or that affects~~

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1 ~~the municipal higher education facilities gross receipts tax,~~  
2 ~~or a law supplemental to or otherwise pertaining to the tax,~~  
3 ~~shall not be repealed or amended or otherwise directly or~~  
4 ~~indirectly modified in such a manner as to impair adversely any~~  
5 ~~outstanding revenue bonds that may be secured by a pledge of~~  
6 ~~the municipal higher education facilities gross receipts tax~~  
7 ~~unless the outstanding revenue bonds have been discharged in~~  
8 ~~full or provision has been fully made for their discharge. As~~  
9 ~~used in Chapter 3, Article 31 NMSA 1978, "municipal higher~~  
10 ~~education facilities gross receipts tax revenue bonds" means~~  
11 ~~the bonds authorized in this subsection and "municipal higher~~  
12 ~~education facilities gross receipts tax revenue" means any or~~  
13 ~~all of the revenue from the municipal higher education~~  
14 ~~facilities gross receipts tax transferred to the municipality~~  
15 ~~pursuant to Section 7-1-6.12 NMSA 1978.~~

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

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1 the expiration date of that issue."

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

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

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

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

14 C. "gasoline tax revenue bonds" means the bonds  
15 authorized by Subsection E of Section 3-31-1 NMSA 1978;

16 D. "gross receipts tax revenue" means the amount of  
17 money transferred to the municipality as authorized by Section  
18 7-1-6.12 NMSA 1978 for any municipal gross receipts tax imposed  
19 pursuant to the Municipal Local Option Gross Receipts Tax Act;

20 E. "gross receipts tax revenue bonds" means the  
21 bonds authorized by Subsection D of Section 3-31-1 NMSA 1978;

22 F. "joint utility revenue bonds" or "joint utility  
23 bonds" means the bonds authorized by Subsection C of Section  
24 3-31-1 NMSA 1978;

25 G. "pledged revenues" means the revenues, net

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1 income or net revenues authorized to be pledged to the payment  
2 of revenue bonds as specifically provided in Chapter 3, Article  
3 31 NMSA 1978;

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

6 I. "project revenues" means the net revenues of  
7 revenue-producing projects that may be pledged to project  
8 revenue bonds; and

9 J. "utility revenue bonds" or "utility bonds" means  
10 the bonds authorized by Subsection B of Section 3-31-1 NMSA  
11 1978."

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

14 "3-37A-2. DEFINITIONS.--As used in the Small Cities  
15 Assistance Act:

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

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

25 C. "total municipal share" means the sum of all

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1 municipal shares;

2 D. "statewide per capita average" means the  
3 quotient of the total municipal share divided by the total  
4 population in all municipalities;

5 E. "municipal per capita average" means the  
6 quotient of the municipal share divided by the municipality's  
7 population;

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

14 G. "local tax effort" means the amount produced by  
15 a [~~one-fourth of one~~] one hundred twenty-five thousandths  
16 percent municipal gross receipts tax in the previous fiscal  
17 year;

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

24 I. "enacted" means adopted by a majority of the  
25 members of the governing body of the municipality pursuant to

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1 Section 7-19D-9 NMSA 1978 and:

2 (1) for which no election has been called in  
3 the manner and within the time provided by Section 7-19D-9 NMSA  
4 1978; or

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

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

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

12 "3-51-32. POWER TO ISSUE BONDS.--

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

16 B. A city shall also have the power to issue  
17 refunding bonds from time to time for the purpose of refunding,  
18 paying and retiring:

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

22 ~~(2)]~~ (1) any bonds authorized for parking  
23 facilities and payable from the revenues of any parking  
24 facilities;

25 [~~(3)]~~ (2) any bonds authorized for parking

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1 facilities and payable from any parking meter revenues;

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

6 [~~(5)~~] (4) any gasoline tax revenue bonds  
7 authorized for the purpose of any public building to be used  
8 for parking facilities and pursuant to Subsection E of Section  
9 [~~14-30-1D NMSA 1953~~] 3-31-1 NMSA 1978;

10 [~~(6)~~] (5) any bonds authorized for parking  
11 facilities and payable from any combination of the income and  
12 revenue pledged to the bonds described in Paragraphs (1)  
13 through [~~(5)~~] (4) of this subsection [~~B~~]; or

14 [~~(7)~~] (6) any bonds [~~which~~] that have refunded  
15 the bonds described in Paragraphs (1) through [~~(6)~~] (5) of this  
16 subsection [~~B~~].

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

19 SECTION 5. Section 3-60A-13 NMSA 1978 (being Laws 1979,  
20 Chapter 391, Section 13, as amended) is amended to read:

21 "3-60A-13. PROPERTY EXEMPT FROM TAXES AND FROM LEVY AND  
22 SALE BY VIRTUE OF AN EXECUTION.--

23 A. All property of a municipality, including funds,  
24 owned or held in fee simple by it for the purposes of the  
25 Metropolitan Redevelopment Code shall be exempt from levy and

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1 sale by virtue of an execution, and no execution or other  
2 judicial process shall issue against the property nor shall  
3 judgment against a municipality be a charge or lien upon the  
4 property; provided, however, that the provisions of this  
5 section shall not apply to or limit the right of obligees to  
6 pursue any remedies for the enforcement of any pledge or lien  
7 given pursuant to the Redevelopment Law by a municipality on  
8 its rents, fees, grants, land or revenues from projects.

9 B. The property of a municipality acquired or held  
10 for the purposes of the Metropolitan Redevelopment Code is  
11 declared to be public property used for essential public and  
12 governmental purposes, and the property shall be exempt from  
13 property taxes or assessments of the municipality, the county,  
14 the state or any political subdivision thereof; provided that  
15 the exemption shall terminate when the municipality transfers  
16 its fee simple interest in the property to a purchaser that is  
17 not entitled to the exemption with respect to the property.  
18 Nothing in this subsection authorizes an exemption or deduction  
19 from the imposition of the ~~[gross receipts and compensating]~~  
20 taxes under the Gross Receipts ~~[and Compensating]~~ Tax Act on  
21 the gross receipts from the sale of property to or the use of  
22 property by a municipality or any other person in connection  
23 with a metropolitan redevelopment project created under the  
24 Metropolitan Redevelopment Code."

25 SECTION 6. Section 3-65-8 NMSA 1978 (being Laws 2001,

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1 Chapter 231, Section 8) is amended to read:

2 "3-65-8. AUTHORIZATION OF PROJECT.--

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

10 B. Prior to receiving the loan, the governing body  
11 shall approve the loan and related documents by an ordinance to  
12 be adopted by a majority of the members of the governing body.  
13 The ordinance shall pledge the stadium surcharge receipts to  
14 make the loan payments. In addition to pledging stadium  
15 surcharge receipts for making loan payments, the ordinance  
16 shall pledge legally available gross receipts tax revenues  
17 distributed to a municipality pursuant to Section [~~7-1-6.4 or~~  
18 7-1-6.12 NMSA 1978 in an amount satisfactory to the authority  
19 and in an amount at least sufficient to make the loan payments.  
20 No action shall be brought questioning the legality of the  
21 pledge of receipts and revenues, the ordinance, the loan, the  
22 proceedings, the stadium surcharge or any other matter  
23 concerning the loan after thirty days from the date of  
24 publication of the ordinance approving the loan and related  
25 documents and pledging stadium surcharge receipts and gross

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1 receipts tax revenues of the municipality to make the loan  
2 payments.

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

9 SECTION 7. Section 3-66-8 NMSA 1978 (being Laws 2005,  
10 Chapter 351, Section 10) is amended to read:

11 "3-66-8. ISSUANCE OF BONDS.--

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

17 B. Revenue bonds issued by a municipality may be  
18 secured by event center revenues, event center surcharge  
19 receipts or gross receipts tax revenues distributed to that  
20 municipality pursuant to Section [~~7-1-6.4 or~~] 7-1-6.12 NMSA  
21 1978.

22 C. An action shall not be brought questioning the  
23 legality of the pledge of event center revenues, event center  
24 surcharge receipts or gross receipts tax revenues, bonds issued  
25 pursuant to the Municipal Event Center Funding Act, issuance of

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1 those bonds, an event center surcharge included in a vendor  
2 contract or any other matter concerning the bonds after thirty  
3 days from the date of publication of the ordinance authorizing  
4 issuance of the bonds and the pledging of event center  
5 receipts, event center surcharge receipts or gross receipts tax  
6 revenues of a municipality to make debt service payments.

7 D. The legislature or a municipality shall not  
8 repeal, amend or otherwise modify any law or ordinance that  
9 adversely affects or impairs the event center surcharge or any  
10 bonds secured by a pledge of the event center revenues, event  
11 center surcharge receipts or gross receipts tax revenues,  
12 unless the bonds have been paid in full or provisions have been  
13 made for full payment."

14 SECTION 8. Section 4-48B-12 NMSA 1978 (being Laws 1981,  
15 Chapter 83, Section 12, as amended) is amended to read:

16 "4-48B-12. TAX LEVIES AUTHORIZED.--

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

25 (1) in class A counties as defined in Section

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1 4-44-1 NMSA 1978, the mill levy shall not exceed a rate of six  
2 dollars fifty cents (\$6.50), or any lower maximum amount  
3 required by operation of the rate limitation provisions of  
4 Section 7-37-7.1 NMSA 1978 upon a mill levy imposed pursuant to  
5 this paragraph, on each one thousand dollars (\$1,000) of net  
6 taxable value of property allocated to the county; ~~[however, if~~  
7 ~~the county uses any portion, not to exceed one dollar fifty~~  
8 ~~cents (\$1.50), of the rate authorized by this paragraph to meet~~  
9 ~~the requirement of Section 27-10-4 NMSA 1978, the provisions of~~  
10 ~~Section 7-37-7.1 NMSA 1978 do not apply to the portion of the~~  
11 ~~rate necessary to produce the revenues required, provided that~~  
12 ~~the portion of the rate does not exceed one dollar fifty cents~~  
13 ~~(\$1.50)] and~~

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

21 B. The mill levies provided in Paragraphs (1) and  
22 (2) of Subsection A of this section shall be made at the  
23 direction of the county commissioners, but only to the extent  
24 that the county commissioners deem it necessary to operate and  
25 maintain county hospitals and to pay the amounts required in

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1 the performance of any health care facilities contracts made  
2 pursuant to the Hospital Funding Act [~~and to provide for a~~  
3 ~~class A county's transfer to the county-supported medicaid fund~~  
4 ~~pursuant to Section 27-10-4 NMSA 1978~~].

5 C. In the event that the mill levy provided for in  
6 Paragraph (1) of Subsection A of this section is not authorized  
7 by the electorate or the resulting mill levy proceeds are not  
8 remitted to the entity operating the hospital within a  
9 reasonable time period, any lease for operation of the hospital  
10 between a county and a state educational institution named in  
11 Article 12, Section 11 of the constitution of New Mexico may,  
12 at the option of the state educational institution, be  
13 terminated immediately. [~~Except as provided in Subsection D of~~  
14 ~~this section~~] In the event that the mill levy provided for in  
15 Paragraph (1) of Subsection A of this section is authorized, an  
16 amount not less than the amount that would be produced by a  
17 mill levy at the rate of four dollars (\$4.00), or any lower  
18 amount that would be required by operation of the rate  
19 limitation provisions of Section 7-37-7.1 NMSA 1978 upon this  
20 rate, on each one thousand dollars (\$1,000) of net taxable  
21 value of property allocated to the county shall be provided  
22 from the proceeds of the mill levy to the state educational  
23 institution operating the hospital for hospital purposes unless  
24 the institution determines that the amount is not necessary.

25 [~~D. A class A county imposing the mill levy~~

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1 ~~provided for in Paragraph (1) of Subsection A of this section~~  
2 ~~may enter into a mutual agreement with a state educational~~  
3 ~~institution named in Article 12, Section 11 of the constitution~~  
4 ~~of New Mexico operating the hospital permitting the transfer to~~  
5 ~~the county-supported medicaid fund by the county pursuant to~~  
6 ~~Section 27-10-4 NMSA 1978 of not to exceed the amount that~~  
7 ~~would be produced by a mill levy at a rate of one dollar fifty~~  
8 ~~cents (\$1.50) applied to the net taxable value of property~~  
9 ~~allocated to the county for the prior property tax year and~~  
10 ~~also not to exceed the amount that would be produced by~~  
11 ~~imposition of the county health care gross receipts tax.~~

12 ~~E.]~~ D. The distribution of the mill levy authorized  
13 at the rates specified in Subsection A of this section shall be  
14 made to county and contracting hospitals as authorized in the  
15 Hospital Funding Act."

16 **SECTION 9.** Section 4-61-2 NMSA 1978 (being Laws 1982,  
17 Chapter 44, Section 2, as amended) is amended to read:

18 "4-61-2. DEFINITIONS.--As used in the Small Counties  
19 Assistance Act:

20 A. "adjustment factor" means a fraction, the  
21 numerator of which is the net taxable value of the state for  
22 the property tax year prior to the year in which the amount of  
23 small counties assistance is being determined and the  
24 denominator of which is the net taxable value for property tax  
25 year 2002; the adjustment factor shall be calculated without

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1 reference to assessed value determined pursuant to the Oil and  
2 Gas Ad Valorem Production Tax Act, assessed value determined  
3 pursuant to the Oil and Gas Production Equipment Ad Valorem Tax  
4 Act or taxable value determined pursuant to the Copper  
5 Production Ad Valorem Tax Act;

6 B. "ceiling valuation" means:

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

9 (2) for each subsequent property tax year, an  
10 amount equal to the product obtained by multiplying one billion  
11 four hundred million dollars (\$1,400,000,000) by the adjustment  
12 factor for the year;

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

15 D. "inflation factor" means a fraction whose  
16 numerator is the annual implicit price deflator index for state  
17 and local government purchases of goods and services, as  
18 published in the United States department of commerce monthly  
19 publication entitled "Survey of Current Business" or any  
20 successor publication prepared by an agency of the United  
21 States and adopted by the department of finance and  
22 administration, for the calendar year one year prior to the  
23 year in which the distribution is to be made and whose  
24 denominator is the annual index for calendar year 2004;  
25 provided that, if the inflation factor is calculated to have a

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1 value less than one, it shall be deemed to have a value of one;

2 E. "population" means the official population shown  
3 by the most recent federal decennial census, or, if there is a  
4 change in boundaries after the date of the census, "population"  
5 for each affected unit shall be the most current estimated  
6 population for that unit provided in writing by the  
7 demographer; provided that after five years from the first day  
8 of the calendar year of the most recent federal decennial  
9 census, that census shall not be used, and "population" for the  
10 period from that date until the date when the next following  
11 official final decennial census population data are available  
12 shall be the most current estimated population provided in  
13 writing by the demographer;

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

15 (1) for the property tax year in which any  
16 distribution under the Small Counties Assistance Act is made to  
17 the county, imposed a property tax rate for general county  
18 purposes pursuant to Paragraph (1) of Subsection B of Section  
19 7-37-7 NMSA 1978 as limited by Section 7-37-7.1 NMSA 1978 of at  
20 least eight dollars eighty-five cents (\$8.85) per one thousand  
21 dollars (\$1,000) of net taxable value;

22 (2) by July 1 of the property tax year in  
23 which any distribution under the Small Counties Assistance Act  
24 is made to the county, received a written certification from  
25 the director of the property tax division of the taxation and

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1 revenue department that the county assessor of that county has  
2 implemented an acceptable program of maintaining current and  
3 correct property values for property taxation purposes as  
4 required by Section 7-36-16 NMSA 1978 or has submitted to the  
5 director an acceptable plan for the implementation of such a  
6 program;

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

10 (4) imposed county gross receipts tax  
11 increments authorized pursuant to Section 7-20E-9 NMSA 1978  
12 totaling at least [~~three-eighths~~] one-half percent and has  
13 those increments in effect on July 1 of the year in which a  
14 distribution is made; provided that this paragraph does not  
15 apply to a county if the county's valuation for property  
16 taxation purposes does not exceed the product of two hundred  
17 thirty million dollars (\$230,000,000) multiplied by the  
18 adjustment factor for the year; and

19 (5) a total valuation for the property tax  
20 year preceding the year in which a distribution pursuant to the  
21 Small Counties Assistance Act for that county is to be made  
22 that is no greater than the ceiling valuation for that property  
23 tax year;

24 G. "tax rate factor" means a fraction, the  
25 numerator of which is the average rate imposed in Section

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1     ~~[7-9-7]~~ 7-9-4 NMSA 1978 for the fiscal year one year prior to  
2     the fiscal year in which the distribution is to be made and the  
3     denominator of which is five percent; and

4             H. "total valuation" means the sum for a  
5     jurisdiction for a property tax year of the net taxable value  
6     determined pursuant to the Property Tax Code, the assessed  
7     value determined pursuant to the Oil and Gas Ad Valorem  
8     Production Tax Act, the assessed value determined pursuant to  
9     the Oil and Gas Production Equipment Ad Valorem Tax Act and the  
10    taxable value determined pursuant to the Copper Production Ad  
11    Valorem Tax Act."

12            **SECTION 10.** Section 4-61-3 NMSA 1978 (being Laws 1982,  
13    Chapter 44, Section 3, as amended) is amended to read:

14            "4-61-3. SMALL COUNTIES ASSISTANCE FUND--  
15    DISTRIBUTION.--

16            A. The "small counties assistance fund" is created  
17    within the state treasury.

18            B. On or before September 1, 2003 and on or before  
19    September 1 of each subsequent year, the demographer shall  
20    certify in writing to the department of finance and  
21    administration the population of the state and of each county  
22    as of June 30 of the year.

23            C. On or before September 15, 2003 and on or before  
24    September 15 of each subsequent year, the secretary of finance  
25    and administration shall certify to the state treasurer with

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1 respect to each qualifying county:

2 (1) its population as certified by the  
3 demographer;

4 (2) its total valuation for the preceding  
5 property tax year; and

6 (3) the distribution amount calculated for it.

7 D. The distribution amount for each qualifying  
8 county shall be determined for 2003 and each subsequent year  
9 in accordance with the following table; provided that the  
10 bracket amounts in the first two columns of the table shall  
11 be adjusted annually after 2003 by the adjustment factor.  
12 The bracket amounts in the last column shall be adjusted  
13 annually after 2005 by the inflation factor and in 2011 and  
14 subsequent years, shall be adjusted by the tax rate factor.  
15 The department of finance and administration may round the  
16 results of the adjustments made pursuant to this subsection  
17 to the nearest one thousand dollars (\$1,000).

18 If the county's total valuation for the preceding  
19 property tax year is:

20	at least:	but less	and the county	then the distribution
21		than:	population is:	amount is:
22	\$ 0	\$100,000,000	under 1,000	\$515,000
23	\$ 0	\$100,000,000	at least 1,000	
24			but under 4,000	\$370,000
25	\$ 0	\$100,000,000	at least 4,000	\$285,000

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1           \$100,000,000   \$230,000,000           under   12,000   \$200,000  
2           \$100,000,000   \$230,000,000           at least 12,000   \$145,000  
3           \$230,000,000   \$1,400,000,000       under   48,000   \$85,000.

4                   ~~[E. If the balance in the small counties~~  
5           ~~assistance fund as of the preceding August 31 exceeds the sum~~  
6           ~~of the distributions to be made to qualifying counties~~  
7           ~~pursuant to the provisions of Subsection D of this section,~~  
8           ~~the department of finance and administration shall increase~~  
9           ~~the distribution amount for each county receiving a~~  
10           ~~distribution amount pursuant to the provisions of Subsection~~  
11           ~~D of this section by:~~

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

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

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

24                   ~~F. If the balance in the small counties~~  
25

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1 ~~assistance fund as of the preceding August 31 is less than~~  
2 ~~the sum of the distributions determined pursuant to~~  
3 ~~Subsection D of this section plus the distribution increases~~  
4 ~~authorized pursuant to Subsection E of this section, the~~  
5 ~~distribution increases pursuant to Subsection E of this~~  
6 ~~section shall be proportionately reduced.~~

7           ~~G.]~~ E. If the balance in the small counties  
8 assistance fund as of the preceding August 31 is less than  
9 the sum of the distributions to be made to qualifying  
10 counties, the department of finance and administration shall  
11 reduce each qualifying county's calculated distribution by a  
12 percentage computed by dividing the amount by which the fund  
13 is insufficient by the sum of all the calculated  
14 distributions and shall certify the reduced amounts as the  
15 qualifying counties' distributions.

16           ~~H.]~~ F. Any interest accruing from the temporary  
17 investment of the small counties assistance fund shall be  
18 credited to the general fund.

19           ~~I.]~~ G. On or before September 30, 2003 and on or  
20 before September 30 of each subsequent year, the state  
21 treasurer shall distribute to each county for ~~whom~~ which a  
22 distribution has been certified for that year the amount  
23 certified for that county for that year. If the balance in  
24 the fund as of the preceding August 31 exceeds the sum of  
25 certified amounts distributed, the difference shall revert to

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1 the general fund.

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

7 SECTION 11. Section 4-62-1 NMSA 1978 (being Laws 1992,  
8 Chapter 95, Section 1, as amended) is amended to read:

9 "4-62-1. REVENUE BONDS--AUTHORITY TO ISSUE--PLEDGE OF  
10 REVENUES--LIMITATION ON TIME OF ISSUANCE.--

11 A. In addition to any other law authorizing a  
12 county to issue revenue bonds, a county may issue revenue  
13 bonds pursuant to Chapter 4, Article 62 NMSA 1978 for the  
14 purposes specified in this section. [~~The term "pledged~~  
15 ~~revenues", as used in Chapter 4, Article 62 NMSA 1978, means~~  
16 ~~the revenues, net income or net revenues authorized to be~~  
17 ~~pledged to the payment of particular revenue bonds as~~  
18 ~~specifically provided in Subsections B through M of this~~  
19 ~~section.~~]

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

22 (~~1) constructing, purchasing, furnishing,~~  
23 ~~equipping, rehabilitating, making additions to or making~~  
24 ~~improvements to one or more public buildings or purchasing or~~  
25 ~~improving ground relating thereto, including but not~~



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1 ~~necessarily limited to acquiring and improving parking lots,~~  
2 ~~or any combination of the foregoing;~~

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

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

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

15 ~~(5) reconstructing, resurfacing,~~  
16 ~~maintaining, repairing or otherwise improving existing~~  
17 ~~alleys, streets, roads or bridges or any combination of the~~  
18 ~~foregoing or laying off, opening, constructing or otherwise~~  
19 ~~acquiring new alleys, streets, roads or bridges or any~~  
20 ~~combination of the foregoing; provided that any of the~~  
21 ~~foregoing improvements may include the acquisition of rights~~  
22 ~~of way;~~

23 ~~(6) purchasing, acquiring, constructing,~~  
24 ~~making additions to, enlarging, bettering, extending or~~  
25 ~~equipping airport facilities or any combination of the~~

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1 ~~foregoing, including without limitation the acquisition of~~  
2 ~~land, easements or rights of way;~~

3 ~~(7) purchasing or otherwise acquiring or~~  
4 ~~clearing land or purchasing, otherwise acquiring and~~  
5 ~~beautifying land for open space;~~

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

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

17 ~~(10) acquiring, constructing, extending,~~  
18 ~~bettering, repairing or otherwise improving public transit~~  
19 ~~systems or any regional transit systems or facilities] any~~  
20 ~~county purpose. A county may pledge irrevocably any or all~~  
21 ~~of the revenue [from the first one-eighth increment, the~~  
22 ~~third one-eighth increment and the one-sixteenth increment of~~  
23 ~~the county gross receipts tax and any increment of the county~~  
24 ~~infrastructure gross receipts tax and county capital outlay~~  
25 ~~gross receipts tax] received by the county pursuant to~~

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1 Section 7-1-6.13 NMSA 1978 for payment of principal and  
2 interest due in connection with, and other expenses related  
3 to, gross receipts tax revenue bonds [~~for any of the purposes~~  
4 ~~authorized in this section or specific purposes or~~] for any  
5 area of county government services. If the revenue [~~from the~~  
6 ~~first one-eighth increment, the third one-eighth increment or~~  
7 ~~the one-sixteenth increment of the county gross receipts tax~~  
8 ~~or any increment of the county infrastructure gross receipts~~  
9 ~~tax or county capital outlay gross receipts tax~~] is pledged  
10 for payment of principal and interest as authorized by this  
11 subsection, the pledge shall require the revenues received  
12 [~~from that increment of the county gross receipts tax or any~~  
13 ~~increment of the county infrastructure gross receipts tax or~~  
14 ~~county capital outlay gross receipts tax~~] to be deposited  
15 into a special bond fund for payment of the principal,  
16 interest and expenses. At the end of each fiscal year, money  
17 remaining in the special bond fund after the annual  
18 obligations for the bonds are fully met may be transferred to  
19 any other fund of the county. Revenues in excess of the  
20 annual principal and interest due on gross receipts tax  
21 revenue bonds secured by a pledge of gross receipts tax  
22 revenue may be accumulated in a debt service reserve account.  
23 The governing body of the county may appoint a commercial  
24 bank trust department to act as trustee of the proceeds of  
25 the tax and to administer the payment of principal of and

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1 interest on the bonds.

2 ~~[G. Fire protection revenue bonds may be issued~~  
3 ~~for acquiring, extending, enlarging, bettering, repairing,~~  
4 ~~improving, constructing, purchasing, furnishing, equipping or~~  
5 ~~rehabilitating any independent fire district project or~~  
6 ~~facilities, including where applicable purchasing, otherwise~~  
7 ~~acquiring or improving the ground for the project, or any~~  
8 ~~combination of such purposes. A county may pledge~~  
9 ~~irrevocably any or all of the county fire protection excise~~  
10 ~~tax revenue for payment of principal and interest due in~~  
11 ~~connection with, and other expenses related to, fire~~  
12 ~~protection revenue bonds. These bonds may be referred to in~~  
13 ~~Chapter 4, Article 62 NMSA 1978 as "fire protection revenue~~  
14 ~~bonds".~~

15 ~~D. Environmental revenue bonds may be issued for~~  
16 ~~the acquisition and construction of solid waste facilities,~~  
17 ~~water facilities, wastewater facilities, sewer systems and~~  
18 ~~related facilities. A county may pledge irrevocably any or~~  
19 ~~all of the county environmental services gross receipts tax~~  
20 ~~revenue for payment of principal and interest due in~~  
21 ~~connection with, and other expenses related to, environmental~~  
22 ~~revenue bonds. These bonds may be referred to in Chapter 4,~~  
23 ~~Article 62 NMSA 1978 as "environmental revenue bonds".~~

24 ~~E.]~~ C. Gasoline tax revenue bonds may be issued  
25 for the acquisition of rights of way for and the

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[bracketed material] = delete

1 construction, reconstruction, resurfacing, maintenance,  
2 repair or other improvement of county roads and bridges. A  
3 county may pledge irrevocably any or all of the county  
4 gasoline tax revenue for payment of principal and interest  
5 due in connection with, and other expenses related to, county  
6 gasoline tax revenue bonds. [~~These bonds may be referred to~~  
7 ~~in Chapter 4, Article 62 NMSA 1978 as "gasoline tax revenue~~  
8 ~~bonds".~~

9 F.] D. Utility revenue bonds or joint utility  
10 revenue bonds may be issued for acquiring, extending,  
11 enlarging, bettering, repairing or otherwise improving water  
12 facilities, sewer facilities, gas facilities or electric  
13 facilities or for any combination of the foregoing purposes.  
14 A county may pledge irrevocably any or all of the net  
15 revenues from the operation of the utility or joint utility  
16 for which the particular utility or joint utility bonds are  
17 issued to the payment of principal and interest due in  
18 connection with, and other expenses related to, utility or  
19 joint utility revenue bonds. [~~These bonds may be referred to~~  
20 ~~in Chapter 4, Article 62 NMSA 1978 as "utility revenue bonds"~~  
21 ~~or "joint utility revenue bonds".~~

22 G.] E. Project revenue bonds may be issued for  
23 acquiring, extending, enlarging, bettering, repairing,  
24 improving, constructing, purchasing, furnishing, equipping or  
25 rehabilitating any revenue-producing project, including as

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1 applicable purchasing, otherwise acquiring or improving the  
2 ground therefor and including but not limited to acquiring  
3 and improving parking lots, or may be issued for any  
4 combination of the foregoing purposes. The county may pledge  
5 irrevocably any or all of the net revenues from the operation  
6 of the revenue-producing project for which the particular  
7 project revenue bonds are issued to the payment of the  
8 interest on and principal of the project revenue bonds. The  
9 net revenues of any revenue-producing project shall not be  
10 pledged to the project revenue bonds issued for any other  
11 revenue-producing project that is clearly unrelated in  
12 nature; but nothing in this subsection prevents the pledge to  
13 any of the project revenue bonds of the revenues received  
14 from existing, future or disconnected facilities and  
15 equipment that are related to and that may constitute a part  
16 of the particular revenue-producing project. A general  
17 determination by the governing body that facilities or  
18 equipment is reasonably related to and constitutes a part of  
19 a specified revenue-producing project shall be conclusive if  
20 set forth in the proceedings authorizing the project revenue  
21 bonds. ~~[As used in Chapter 4, Article 62 NMSA 1978:~~

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

24 ~~(2) "project revenues" means the net~~  
25 ~~revenues of revenue-producing projects that may be pledged to~~

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1 ~~project revenue bonds pursuant to this subsection.~~

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

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1           ~~[F.]~~ G. Law enforcement protection revenue bonds  
2 may be issued for the repair and purchase of law enforcement  
3 apparatus and equipment that meet nationally recognized  
4 standards. The county may pledge irrevocably any or all of  
5 the revenues received by the county from the law enforcement  
6 protection fund distributions pursuant to the Law Enforcement  
7 Protection Fund Act to the payment of the interest on and  
8 principal of the law enforcement protection revenue bonds.

9           ~~[J. Hospital emergency gross receipts tax revenue~~  
10 ~~bonds may be issued for acquiring, equipping, remodeling or~~  
11 ~~improving a county hospital or county health facility. A~~  
12 ~~county may pledge irrevocably to the payment of the interest~~  
13 ~~on and principal of the hospital emergency gross receipts tax~~  
14 ~~revenue bonds any or all of the revenues received by the~~  
15 ~~county from a county hospital emergency gross receipts tax~~  
16 ~~imposed pursuant to Section 7-20E-12.1 NMSA 1978 and~~  
17 ~~dedicated to payment of bonds or a loan for acquiring,~~  
18 ~~equipping, remodeling or improving a county hospital or~~  
19 ~~county health facility.~~

20           ~~K. Economic development gross receipts tax~~  
21 ~~revenue bonds may be issued for the purpose of furthering~~  
22 ~~economic development projects as defined in the Local~~  
23 ~~Economic Development Act. A county may pledge irrevocably~~  
24 ~~any or all of the county infrastructure gross receipts tax to~~  
25 ~~the payment of the interest on and principal of the economic~~

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1 ~~development gross receipts tax revenue bonds for the purpose~~  
2 ~~authorized in this subsection.~~

3 ~~L. County education gross receipts tax revenue~~  
4 ~~bonds may be issued for public school or off-campus~~  
5 ~~instruction program capital projects as authorized in Section~~  
6 ~~7-20E-20 NMSA 1978. A county may pledge irrevocably any or~~  
7 ~~all of the county education gross receipts tax revenue to the~~  
8 ~~payment of interest on and principal of the county education~~  
9 ~~gross receipts tax revenue bonds for the purpose authorized~~  
10 ~~in this section.~~

11 ~~M.]~~ H. PILT revenue bonds may be issued by a  
12 county to repay all or part of the principal and interest of  
13 an outstanding loan owed by the county to the New Mexico  
14 finance authority. A county may pledge irrevocably all or  
15 part of PILT revenue to the payment of principal of and  
16 interest on new loans or preexisting loans provided by the  
17 New Mexico finance authority to finance a public project as  
18 "public project" is defined in Subsection E of Section 6-21-3  
19 NMSA 1978.

20 ~~[N.]~~ I. Except for the purpose of refunding  
21 previous revenue bond issues, no county may sell revenue  
22 bonds payable from pledged revenue after the expiration of  
23 two years from the date of the ordinance authorizing the  
24 issuance of the bonds or, for bonds to be issued and sold to  
25 the New Mexico finance authority as authorized in Subsection

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1 C of Section 4-62-4 NMSA 1978, after the expiration of two  
2 years from the date of the resolution authorizing the  
3 issuance of the bonds. However, any period of time during  
4 which a particular revenue bond issue is in litigation shall  
5 not be counted in determining the expiration date of that  
6 issue.

7 [Ø-] J. No bonds may be issued by a county, other  
8 than an H class county, a class B county as defined in  
9 Section 4-36-8 NMSA 1978 or a class A county as described in  
10 Section 4-36-10 NMSA 1978, to acquire, equip, extend,  
11 enlarge, better, repair or construct a utility unless the  
12 utility is regulated by the public regulation commission  
13 pursuant to the Public Utility Act and the issuance of the  
14 bonds is approved by the commission. For purposes of Chapter  
15 4, Article 62 NMSA 1978, a "utility" includes but is not  
16 limited to a water, wastewater, sewer, gas or electric  
17 utility or joint utility serving the public. H class  
18 counties shall obtain public regulation commission approvals  
19 required by Section 3-23-3 NMSA 1978.

20 [P-] K. Any law that imposes or authorizes the  
21 imposition of a county gross receipts tax, [~~a county~~  
22 ~~environmental services gross receipts tax, a county fire~~  
23 ~~protection excise tax, a county infrastructure gross receipts~~  
24 ~~tax, the county education gross receipts tax, a county~~  
25 ~~capital outlay gross receipts tax, the gasoline tax or the~~

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[bracketed material] = delete

1 ~~county hospital emergency gross receipts tax~~] or that affects  
2 [~~any of those taxes~~] that tax, shall not be repealed or  
3 amended in such a manner as to impair outstanding revenue  
4 bonds that are issued pursuant to Chapter 4, Article 62 NMSA  
5 1978 and that may be secured by a pledge of [~~those taxes~~]  
6 that tax unless the outstanding revenue bonds have been  
7 discharged in full or provision has been fully made therefor.

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

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

13 (2) ~~"county capital outlay gross receipts~~  
14 ~~tax revenue" means the revenue from the county capital outlay~~  
15 ~~gross receipts tax transferred to the county pursuant to~~  
16 ~~Section 7-1-6.13 NMSA 1978;~~

17 (3) ~~"county education gross receipts tax~~  
18 ~~revenue" means the revenue from the county education gross~~  
19 ~~receipts tax transferred to the county pursuant to Section~~  
20 ~~7-1-6.13 NMSA 1978;~~

21 (4) ~~"county environmental services gross~~  
22 ~~receipts tax revenue" means the revenue from the county~~  
23 ~~environmental services gross receipts tax transferred to the~~  
24 ~~county pursuant to Section 7-1-6.13 NMSA 1978;~~

25 (5) ~~"county fire protection excise tax~~

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1 ~~revenue" means the revenue from the county fire protection~~  
2 ~~excise tax transferred to the county pursuant to Section~~  
3 ~~7-1-6.13 NMSA 1978;~~

4 ~~(6) "county gross receipts tax revenue"~~  
5 ~~means the revenue attributable to the first one-eighth~~  
6 ~~increment, the third one-eighth increment and the one-~~  
7 ~~sixteenth increment of the county gross receipts tax~~  
8 ~~transferred to the county pursuant to Section 7-1-6.13 NMSA~~  
9 ~~1978 and any distribution related to the first one-eighth~~  
10 ~~increment made pursuant to Section 7-1-6.16 NMSA 1978;~~

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

14 ~~(8) "PILT revenue" means revenue received by~~  
15 ~~the county from the federal government as payments in lieu of~~  
16 ~~taxes; and~~

17 ~~(9) "public building" includes but is not~~  
18 ~~limited to fire stations, police buildings, county or~~  
19 ~~regional jails, county or regional juvenile detention~~  
20 ~~facilities, libraries, museums, auditoriums, convention~~  
21 ~~halls, hospitals, buildings for administrative offices,~~  
22 ~~courthouses and garages for housing, repairing and~~  
23 ~~maintaining county vehicles and equipment.~~

24 ~~R. As used in Chapter 4, Article 62 NMSA 1978,~~  
25 ~~the term "bond" means any obligation of a county issued under~~

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1 ~~Chapter 4, Article 62 NMSA 1978, whether designated as a~~  
2 ~~bond, note, loan, warrant, debenture, lease-purchase~~  
3 ~~agreement or other instrument evidencing an obligation of a~~  
4 ~~county to make payments.]"~~

5 SECTION 12. A new section of Chapter 4, Article 62 NMSA  
6 1978 is enacted to read:

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

9 A. "bond" means any obligation of a county issued  
10 under Chapter 4, Article 62 NMSA 1978, whether designated as  
11 a bond, note, loan, warrant, debenture, lease-purchase  
12 agreement or other instrument evidencing an obligation of a  
13 county to make payments;

14 B. "county gross receipts tax revenue" means the  
15 revenue attributable to the county gross receipts tax  
16 transferred to the county pursuant to Section 7-1-6.13 NMSA  
17 1978 and any distribution made pursuant to Section 7-1-6.16  
18 NMSA 1978;

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

21 D. "PILT revenue" means revenue received by the  
22 county from the federal government as payments in lieu of  
23 taxes;

24 E. "pledged revenues" means the revenues, net  
25 income or net revenues authorized to be pledged to the

underscoring material = new  
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1 payment of particular revenue bonds as specifically provided  
2 in Section 4-62-1 NMSA 1978;

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

5 G. "project revenues" means the net revenues of  
6 revenue-producing projects that may be pledged to project  
7 revenue bonds; and

8 H. "utility revenue bonds" or "joint utility  
9 revenue bonds" means the bonds authorized by Subsection D of  
10 Section 4-62-1 NMSA 1978."

11 SECTION 13. Section 5-10-3 NMSA 1978 (being Laws 1993,  
12 Chapter 297, Section 3, as amended) is amended to read:

13 "5-10-3. DEFINITIONS.--As used in the Local Economic  
14 Development Act:

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

18 B. "cultural facility" means a facility that is  
19 owned by the state, a county, a municipality or a qualifying  
20 entity that serves the public through preserving, educating  
21 and promoting the arts and culture of a particular locale,  
22 including theaters, museums, libraries, galleries, cultural  
23 compounds, educational organizations, performing arts venues  
24 and organizations, fine arts organizations, studios and media  
25 laboratories and live-work housing facilities;

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1 C. "department" means the economic development  
2 department;

3 D. "economic development project" or "project"  
4 means the provision of direct or indirect assistance to a  
5 qualifying entity by a local or regional government and  
6 includes the purchase, lease, grant, construction,  
7 reconstruction, improvement or other acquisition or  
8 conveyance of land, buildings or other infrastructure; public  
9 works improvements essential to the location or expansion of  
10 a qualifying entity; payments for professional services  
11 contracts necessary for local or regional governments to  
12 implement a plan or project; the provision of direct loans or  
13 grants for land, buildings or infrastructure; technical  
14 assistance to cultural facilities; loan guarantees securing  
15 the cost of land, buildings or infrastructure in an amount  
16 not to exceed the revenue that may be derived from an  
17 increment of the municipal [~~infrastructure~~] gross receipts  
18 tax or the county [~~infrastructure~~] gross receipts tax that is  
19 dedicated by the governing body of the municipality or county  
20 for furthering or implementing economic development plans or  
21 projects pursuant to the Local Economic Development Act or  
22 projects pursuant to the Statewide Economic Development  
23 Finance Act; grants for public works infrastructure  
24 improvements essential to the location or expansion of a  
25 qualifying entity; grants or subsidies to cultural

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1 facilities; purchase of land for a publicly held industrial  
2 park or a publicly owned cultural facility; and the  
3 construction of a building for use by a qualifying entity;

4 E. "governing body" means the city council, city  
5 commission or board of trustees of a municipality or the  
6 board of county commissioners of a county;

7 F. "local government" means a municipality or  
8 county;

9 G. "municipality" means an incorporated city,  
10 town or village;

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

13 I. "qualifying entity" means a corporation,  
14 limited liability company, partnership, joint venture,  
15 syndicate, association or other person that is one or a  
16 combination of two or more of the following:

17 (1) an industry for the manufacturing,  
18 processing or assembling of agricultural or manufactured  
19 products;

20 (2) a commercial enterprise for storing,  
21 warehousing, distributing or selling products of agriculture,  
22 mining or industry, but, other than as provided in Paragraph  
23 (5), (6) or (9) of this subsection, not including any  
24 enterprise for sale of goods or commodities at retail or for  
25 distribution to the public of electricity, gas, water or

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1 telephone or other services commonly classified as public  
2 utilities;

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

10 (4) an Indian nation, tribe or pueblo or a  
11 federally chartered tribal corporation;

12 (5) a telecommunications sales enterprise  
13 that makes the majority of its sales to persons outside  
14 New Mexico;

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

18 (7) a business that is the developer of a  
19 metropolitan redevelopment project;

20 (8) a cultural facility; and

21 (9) a retail business;

22 J. "regional government" means any combination of  
23 municipalities and counties that enter into a joint powers  
24 agreement to provide for economic development projects  
25 pursuant to a plan adopted by all parties to the joint powers

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1 agreement; and

2 K. "retail business" means a business that is  
3 primarily engaged in the sale of goods or commodities at  
4 retail and that is located in a municipality with a  
5 population of ten thousand or less."

6 SECTION 14. Section 5-10-4 NMSA 1978 (being Laws 1993,  
7 Chapter 297, Section 4, as amended) is amended to read:

8 "5-10-4. ECONOMIC DEVELOPMENT PROJECTS--RESTRICTIONS ON  
9 PUBLIC EXPENDITURES OR PLEDGES OF CREDIT.--

10 A. No local or regional government shall provide  
11 public support for economic development projects as permitted  
12 pursuant to Article 9, Section 14 of the constitution of  
13 New Mexico except as provided in the Local Economic  
14 Development Act or as otherwise permitted by law.

15 B. The total amount of public money expended and  
16 the value of credit pledged in the fiscal year in which that  
17 money is expended by a local government for economic  
18 development projects pursuant to Article 9, Section 14 of the  
19 constitution of New Mexico and the Local Economic Development  
20 Act shall not exceed ten percent of the annual general fund  
21 expenditures of the local government in that fiscal year.

22 The limits of this subsection shall not apply to:

23 (1) the value of any land or building  
24 contributed to any project pursuant to a project  
25 participation agreement;

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

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

25 (4) the proceeds of a revenue bond issue to

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1 which municipal [~~infrastructure~~] gross receipts tax revenue  
2 is pledged;

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

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

8 C. A regional or local government that generates  
9 revenue for economic development projects to which the limits  
10 of Subsection B of this section do not apply shall create an  
11 economic development fund into which such revenues shall be  
12 deposited. The economic development fund and income from the  
13 economic development fund shall be deposited as provided by  
14 law. Money in the economic development fund may be expended  
15 only as provided in the Local Economic Development Act or the  
16 Statewide Economic Development Finance Act.

17 D. In order to expend money from an economic  
18 development fund for arts and cultural district purposes,  
19 cultural facilities or retail businesses, the governing body  
20 of a municipality or county that has imposed [~~⌘~~] an increment  
21 of the municipal or county [~~local option infrastructure~~]  
22 gross receipts tax and dedicated the revenue from such taxes  
23 for furthering or implementing economic development plans and  
24 projects, as defined in the Local Economic Development Act,  
25 or projects, as defined in the Statewide Economic Development

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1 Finance Act, by referendum of the majority of the voters  
2 voting on the question approving the ordinance imposing the  
3 municipal or county [~~infrastructure~~] gross receipts tax  
4 before [~~July 1, 2013~~] January 1, 2017 shall be required to  
5 adopt a resolution. The resolution shall call for an  
6 election to approve arts and cultural districts as a  
7 qualifying purpose and cultural facilities or retail  
8 businesses as a qualifying entity before any revenue  
9 generated by the municipal or county local option gross  
10 receipts tax for furthering or implementing economic  
11 development plans and projects, as defined in the Local  
12 Economic Development Act, or projects, as defined in the  
13 Statewide Economic Development Finance Act, can be expended  
14 from the economic development fund for arts and cultural  
15 district purposes, cultural facilities or retail businesses.

16 E. The governing body shall adopt a resolution  
17 calling for an election within seventy-five days of the date  
18 the ordinance is adopted on the question of approving arts  
19 and cultural districts as a qualifying purpose and cultural  
20 facilities or retail businesses as a qualifying entity  
21 eligible to utilize revenue generated by the Municipal Local  
22 Option Gross Receipts [~~Taxes~~] Tax Act or the County Local  
23 Option Gross Receipts [~~Taxes~~] Tax Act for furthering or  
24 implementing economic development plans and projects as  
25 defined in the Local Economic Development Act or projects as

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1 defined in the Statewide Economic Development Finance Act.

2 F. The question shall be submitted to the voters  
3 of the municipality or county as a separate question at a  
4 regular municipal or county election or at a special election  
5 called for that purpose by the governing body. A special  
6 municipal election shall be called, conducted and canvassed  
7 as provided in the Municipal Election Code. A special county  
8 election shall be called, conducted and canvassed in  
9 substantially the same manner as provided by law for general  
10 elections.

11 G. If a majority of the voters voting on the  
12 question approves the ordinance adding arts and cultural  
13 districts and cultural facilities or retail businesses as an  
14 approved use of the [~~local option~~] municipal or county  
15 [~~economic development infrastructure~~] gross receipts tax,  
16 [~~fund~~] the ordinance shall become effective on July 1 or  
17 January 1, whichever date occurs first after the expiration  
18 of three months from the date of the adopted ordinance. The  
19 ordinance shall include the effective date."

20 SECTION 15. Section 5-15-3 NMSA 1978 (being Laws 2006,  
21 Chapter 75, Section 3) is amended to read:

22 "5-15-3. DEFINITIONS.--As used in the Tax Increment for  
23 Development Act:

- 24 A. "base gross receipts taxes" means:  
25 (1) the total amount of gross receipts taxes

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~~[bracketed material] = delete~~

1 collected within a tax increment development district, as  
2 estimated by the governing body that adopted a resolution to  
3 form that district, in consultation with the taxation and  
4 revenue department, in the calendar year preceding the  
5 formation of the tax increment development district or, when  
6 an area is added to an existing district, the amount of gross  
7 receipts taxes collected in the calendar year preceding the  
8 effective date of the modification of the tax increment  
9 development plan and designated by the governing body to be  
10 available as part of the gross receipts tax increment; and

11 (2) any amount of gross receipts taxes that  
12 would have been collected in such year if any applicable  
13 additional gross receipts taxes imposed after that year had  
14 been imposed in that year;

15 B. "base property taxes" means:

16 (1) the portion of property taxes produced  
17 by the total of all property tax levied at the rate fixed  
18 each year by each governing body levying a property tax on  
19 the assessed value of taxable property within the tax  
20 increment development area last certified for the year ending  
21 immediately prior to the year in which a tax increment  
22 development plan is approved for the tax increment  
23 development area, or, when an area is added to an existing  
24 tax increment development area, "base property taxes" means  
25 that portion of property taxes produced by the total of all

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1 property tax levied at the rate fixed each year by each  
2 governing body levying a property tax upon the assessed value  
3 of taxable property within the tax increment development area  
4 on the date of the modification of the tax increment  
5 development plan and designated by the governing body to be  
6 available as part of the property tax increment; and

7 (2) any amount of property taxes that would  
8 have been collected in such year if any applicable additional  
9 property taxes imposed after that year had been imposed in  
10 that year;

11 C. "county [~~option~~] gross receipts [~~taxes~~] tax"  
12 means the increment of the county gross receipts [~~taxes~~] tax  
13 imposed by counties pursuant to the County Local Option Gross  
14 Receipts [~~Taxes~~] Tax Act and designated by the governing body  
15 of the county to be available as part of the gross receipts  
16 tax increment;

17 D. "district" means a tax increment development  
18 district;

19 E. "district board" means a board formed in  
20 accordance with the provisions of the Tax Increment for  
21 Development Act to govern a tax increment development  
22 district;

23 F. "enhanced services" means public services  
24 provided by a municipality or county within the district at a  
25 higher level or to a greater degree than otherwise available

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1 to the land located in the district from the municipality or  
2 county, including such services as public safety, fire  
3 protection, street or sidewalk cleaning or landscape  
4 maintenance in public areas; provided that "enhanced  
5 services" does not include the basic operation and  
6 maintenance related to infrastructure improvements financed  
7 by the district pursuant to the Tax Increment for Development  
8 Act;

9 G. "governing body" means the city council or  
10 city commission of a city, the board of trustees or council  
11 of a town or village or the board of county commissioners of  
12 a county;

13 H. "gross receipts tax increment" means the gross  
14 receipts taxes collected within a tax increment development  
15 district in excess of the base gross receipts taxes collected  
16 for the duration of the existence of a tax increment  
17 development district and distributed to the district in the  
18 same manner as distributions are made under the provisions of  
19 the Tax Administration Act;

20 I. "gross receipts tax increment bonds" means  
21 bonds issued by a district in accordance with the Tax  
22 Increment for Development Act, the pledged revenue for which  
23 is a gross receipts tax increment;

24 J. "local government" means a municipality or  
25 county;

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1           K. "municipal [~~option~~] gross receipts [~~taxes~~]  
2 tax" means [~~these~~] the increment of the municipal gross  
3 receipts [~~taxes~~] tax imposed by municipalities pursuant to  
4 the Municipal Local Option Gross Receipts [~~Taxes~~] Tax Act and  
5 designated by the governing body of the municipality to be  
6 available as part of the gross receipts tax increment;

7           L. "municipality" means an incorporated city,  
8 town or village;

9           M. "owner" means a person owning real property  
10 within the boundaries of a district;

11           N. "person" means an individual, corporation,  
12 association, partnership, limited liability company or other  
13 legal entity;

14           O. "project" means a tax increment development  
15 project;

16           P. "property tax increment" means all property  
17 tax collected on real property within the designated tax  
18 increment development area that is in excess of the base  
19 property tax until termination of the district and  
20 distributed to the district in the same manner as  
21 distributions are made under the provisions of the Tax  
22 Administration Act;

23           Q. "property tax increment bonds" means bonds  
24 issued by a district in accordance with the Tax Increment for  
25 Development Act, the pledged revenue for which is a property

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1 tax increment;

2 R. "public improvements" means on-site  
3 improvements and off-site improvements that directly or  
4 indirectly benefit a tax increment development district or  
5 facilitate development within a tax increment development  
6 area and that are dedicated to the governing body in which  
7 the district lies. "Public improvements" ~~[include]~~ includes:

8 (1) sanitary sewage systems, including  
9 collection, transport, treatment, dispersal, effluent use and  
10 discharge;

11 (2) drainage and flood control systems,  
12 including collection, transport, storage, treatment,  
13 dispersal, effluent use and discharge;

14 (3) water systems for domestic, commercial,  
15 office, hotel or motel, industrial, irrigation, municipal or  
16 fire protection purposes, including production, collection,  
17 storage, treatment, transport, delivery, connection and  
18 dispersal;

19 (4) highways, streets, roadways, bridges,  
20 crossing structures and parking facilities, including all  
21 areas for vehicular use for travel, ingress, egress and  
22 parking;

23 (5) trails and areas for pedestrian,  
24 equestrian, bicycle or other non-motor vehicle use for  
25 travel, ingress, egress and parking;

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1 (6) pedestrian and transit facilities,  
2 parks, recreational facilities and open space areas for the  
3 use of members of the public for entertainment, assembly and  
4 recreation;

5 (7) landscaping, including earthworks,  
6 structures, plants, trees and related water delivery systems;

7 (8) public buildings, public safety  
8 facilities and fire protection and police facilities;

9 (9) electrical generation, transmission and  
10 distribution facilities;

11 (10) natural gas distribution facilities;

12 (11) lighting systems;

13 (12) cable or other telecommunications lines  
14 and related equipment;

15 (13) traffic control systems and devices,  
16 including signals, controls, markings and signage;

17 (14) school sites and facilities with the  
18 consent of the governing board of the public school district  
19 for which the facility is to be acquired, constructed or  
20 renovated;

21 (15) library and other public educational or  
22 cultural facilities;

23 (16) equipment, vehicles, furnishings and  
24 other personal property related to the items listed in this  
25 subsection;

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1 (17) inspection, construction management,  
2 planning and program management and other professional  
3 services costs incidental to the project;  
4 (18) workforce housing; and  
5 (19) any other improvement that the  
6 governing body determines to be for the use or benefit of the  
7 public;

8 S. "resident qualified elector" means a person  
9 who resides within the boundaries of a tax increment  
10 development district or proposed tax increment development  
11 district and who is qualified to vote in the general  
12 elections held in the state pursuant to Section 1-1-4 NMSA  
13 1978;

14 ~~T. "state gross receipts tax" means the gross~~  
15 ~~receipts tax imposed pursuant to the Gross Receipts and~~  
16 ~~Compensating Tax Act, but does not include that portion~~  
17 ~~distributed to municipalities pursuant to Sections 7-1-6.4~~  
18 ~~and 7-1-6.46 NMSA 1978 or to counties pursuant to Section~~  
19 ~~7-1-6.47 NMSA 1978;~~

20 U.] T. "sustainable development" means land  
21 development that achieves sustainable economic and social  
22 goals in ways that can be supported for the long term by  
23 conserving resources, protecting the environment and ensuring  
24 human health and welfare using mixed-use, pedestrian-  
25 oriented, multimodal land use planning;

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underscored material = new  
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1           ~~[V.]~~ U. "tax increment development area" means  
2 the land included within the boundaries of a tax increment  
3 development district;

4           ~~[W.]~~ V. "tax increment development district"  
5 means a district formed for the purposes of carrying out tax  
6 increment development projects;

7           ~~[X.]~~ W. "tax increment development plan" means a  
8 plan for the undertaking of a tax increment development  
9 project;

10           ~~[Y.]~~ X. "tax increment development project" means  
11 activities undertaken within a tax increment development area  
12 to enhance the sustainability of the local, regional or  
13 statewide economy; to support the creation of jobs, schools  
14 and workforce housing; and to generate tax revenue for the  
15 provision of public improvements and may include:

16                   (1) acquisition of land within a designated  
17 tax increment development area or a portion of that tax  
18 increment development area;

19                   (2) demolition and removal of buildings and  
20 improvements and installation, construction or reconstruction  
21 of streets, utilities, parks, playgrounds and improvements  
22 necessary to carry out the objectives of the Tax Increment  
23 for Development Act;

24                   (3) installation, construction or  
25 reconstruction of streets, water utilities, sewer utilities,

underscored material = new  
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1 parks, playgrounds and other public improvements necessary to  
2 carry out the objectives of the Tax Increment for Development  
3 Act;

4 (4) disposition of property acquired or held  
5 by a tax increment development district as part of the  
6 undertaking of a tax increment development project at the  
7 fair market value of such property for uses in accordance  
8 with the Tax Increment for Development Act;

9 (5) payments for professional services  
10 contracts necessary to implement a tax increment development  
11 plan or project;

12 (6) borrowing to purchase land, buildings or  
13 infrastructure in an amount not to exceed the revenue stream  
14 that may be derived from the gross receipts tax increment or  
15 the property tax increment estimated to be received by a tax  
16 increment development district; and

17 (7) grants for public improvements essential  
18 to the location or expansion of a business;

19 [~~Z.~~] Y. "taxing entity" means the governing body  
20 of a political subdivision of the state, the gross receipts  
21 tax increment or property tax increment of which may be used  
22 for a tax increment development project; and

23 [~~AA.~~] Z. "workforce housing" means decent, safe  
24 and sanitary dwellings, apartments, single-family dwellings  
25 or other living accommodations that are affordable for

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1 persons or families earning less than eighty percent of the  
2 median income within the county in which the tax increment  
3 development project is located; provided that an owner-  
4 occupied housing unit is affordable to a household if the  
5 expected sales price is reasonably anticipated to result in  
6 monthly housing costs that do not exceed thirty-three percent  
7 of the household's gross monthly income; provided that:

8 (1) determination of mortgage amounts and  
9 payments are to be based on down payment rates and interest  
10 rates generally available to lower- and moderate-income  
11 households; and

12 (2) a renter-occupied housing unit is  
13 affordable to a household if the unit's monthly housing  
14 costs, including rent and basic utility and energy costs, do  
15 not exceed thirty-three percent of the household's gross  
16 monthly income."

17 **SECTION 16.** Section 5-15-15 NMSA 1978 (being Laws 2006,  
18 Chapter 75, Section 15, as amended) is amended to read:

19 "5-15-15. TAX INCREMENT FINANCING--GROSS RECEIPTS TAX  
20 INCREMENT.--

21 A. Notwithstanding any law to the contrary, but  
22 in accordance with the provisions of the Tax Increment for  
23 Development Act, a tax increment development plan, as  
24 originally approved or as later modified, may contain a  
25 provision that a portion of certain gross receipts tax

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1 increments collected within the tax increment development  
2 area after the effective date of approval of the tax  
3 increment development plan may be dedicated for the purpose  
4 of securing gross receipts tax increment bonds pursuant to  
5 the Tax Increment for Development Act.

6 B. As to a district formed by a municipality, [~~a~~  
7 ~~portion of any of the following~~] any number of increments of  
8 the municipal gross receipts tax [~~increments~~] may be paid by  
9 the state directly into a special fund of the district to pay  
10 the principal of, the interest on and any premium due in  
11 connection with the bonds of, loans or advances to, or any  
12 indebtedness incurred by, whether funded, refunded, assumed  
13 or otherwise, the authority for financing or refinancing, in  
14 whole or in part, a tax increment development project within  
15 the tax increment development area.

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

19 [~~(2) municipal environmental services gross~~  
20 ~~receipts tax authorized pursuant to the Municipal Local~~  
21 ~~Option Gross Receipts Taxes Act;~~

22 [~~(3) municipal infrastructure gross receipts~~  
23 ~~tax authorized pursuant to the Municipal Local Option Gross~~  
24 ~~Receipts Taxes Act;~~

25 [~~(4) municipal capital outlay gross receipts~~

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1 ~~tax authorized pursuant to the Municipal Local Option Gross~~  
2 ~~Receipts Taxes Act;~~

3 ~~(5) municipal regional transit gross~~  
4 ~~receipts tax authorized pursuant to the Municipal Local~~  
5 ~~Option Gross Receipts Taxes Act;~~

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

8 ~~(7) the state gross receipts tax.]~~

9 C. As to a district formed by a county, ~~[all or a~~  
10 ~~portion of any of the following]~~ any number of increments of  
11 the county gross receipts tax ~~[increments]~~ may be paid by the  
12 state directly into a special fund of the district to pay the  
13 principal of, the interest on and any premium due in  
14 connection with the bonds of, loans or advances to or any  
15 indebtedness incurred by, whether funded, refunded, assumed  
16 or otherwise, the district for financing or refinancing, in  
17 whole or in part, a tax increment development project within  
18 the tax increment development area.

19 ~~[(1) county gross receipts tax authorized~~  
20 ~~pursuant to the County Local Option Gross Receipts Taxes Act;~~

21 ~~(2) county environmental services gross~~  
22 ~~receipts tax authorized pursuant to the County Local Option~~  
23 ~~Gross Receipts Taxes Act;~~

24 ~~(3) county infrastructure gross receipts tax~~  
25 ~~authorized pursuant to the County Local Option Gross Receipts~~

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1 ~~Taxes Act;~~

2 ~~(4) county capital outlay gross receipts tax~~  
3 ~~authorized pursuant to the County Local Option Gross Receipts~~  
4 ~~Taxes Act;~~

5 ~~(5) county regional transit gross receipts~~  
6 ~~tax authorized pursuant to the County Local Option Gross~~  
7 ~~Receipts Taxes Act;~~

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

10 ~~(7) the state gross receipts tax.]~~

11 D. The gross receipts tax increment generated by  
12 the imposition of a municipal or county [~~local option~~] gross  
13 receipts [~~taxes specified by statute for particular purposes~~]  
14 tax may [~~nonetheless~~] be dedicated for the purposes of the  
15 Tax Increment for Development Act if intent to do so is set  
16 forth in the tax increment development plan approved by the  
17 governing body [~~if the purpose for which the increment is~~  
18 ~~intended to be used is consistent with the purposes set forth~~  
19 ~~in the statute authorizing the municipal or county local~~  
20 ~~option gross receipts tax].~~

21 E. An imposition of a gross receipts tax  
22 increment attributable to the imposition of a gross receipts  
23 tax by a taxing entity may be dedicated for the purpose of  
24 securing gross receipts tax increment bonds with the  
25 agreement of the taxing entity, evidenced by a resolution

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1 adopted by a majority vote of that taxing entity. A taxing  
2 entity shall not agree to dedicate for the purposes of  
3 securing gross receipts tax increment bonds more than  
4 seventy-five percent of its gross receipts tax increment  
5 attributable to the imposition of gross receipts taxes by the  
6 taxing entity. A resolution of the taxing entity to dedicate  
7 a gross receipts tax increment or to increase the dedication  
8 of a gross receipts tax increment shall become effective only  
9 on January 1 or July 1 of the calendar year.

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

23 ~~(1) the state board of finance has reviewed~~  
24 ~~the request for the use of the state gross receipts tax;~~

25 ~~(2) based upon review by the state board of~~

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1 ~~finance of the applicable tax increment development plan, the~~  
2 ~~dedication by the state board of finance of a portion of the~~  
3 ~~gross receipts tax increment attributable to the imposition~~  
4 ~~of the state gross receipts tax within the district for use~~  
5 ~~in meeting the required goals of the tax increment plan is~~  
6 ~~reasonable and in the best interest of the state; and~~

7 ~~(3) the use of the state gross receipts tax~~  
8 ~~is likely to stimulate the creation of jobs, economic~~  
9 ~~opportunities and general revenue for the state through the~~  
10 ~~addition of new businesses to the state and the expansion of~~  
11 ~~existing businesses within the state.~~

12 G.] F. The governing body of the jurisdiction in  
13 which a tax increment development district has been  
14 established shall timely notify the assessor of the county in  
15 which the district has been established, the taxation and  
16 revenue department and the local government division of the  
17 department of finance and administration when:

18 (1) a tax increment development plan has  
19 been approved that contains a provision for the allocation of  
20 a gross receipts tax increment;

21 (2) any outstanding bonds of the district  
22 have been paid off; and

23 (3) the purposes of the district have  
24 otherwise been achieved."

25 SECTION 17. Section 5-16-3 NMSA 1978 (being Laws 2006,

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1 Chapter 15, Section 3) is amended to read:

2 "5-16-3. DEFINITIONS.--As used in the Regional  
3 Spaceport District Act:

4 A. "authority" means the spaceport authority  
5 created pursuant to the Spaceport Development Act;

6 B. "board" means the board of directors of a  
7 district;

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

10 D. "combination" means two or more governmental  
11 units that exercise joint authority;

12 E. "district" means a regional spaceport district  
13 that is a political subdivision of the state created pursuant  
14 to the Regional Spaceport District Act;

15 F. "governmental unit" means the state, a county  
16 or a municipality of the state or an Indian nation, tribe or  
17 pueblo located within the boundaries of the state;

18 G. "project" means any land, building or other  
19 improvements acquired as part of a spaceport or associated  
20 with a spaceport or to aid commerce in connection with a  
21 spaceport and all real and personal property deemed necessary  
22 in connection with the spaceport;

23 H. "revenues" means municipal [~~regional~~  
24 ~~spaceport~~] gross receipts tax revenues and county [~~regional~~  
25 ~~spaceport~~] gross receipts tax revenues dedicated by

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1 resolution of the governing body of a municipality or county  
2 and transferred to a district; and

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

7 SECTION 18. Section 6-14-2 NMSA 1978 (being Laws 1970,  
8 Chapter 10, Section 2, as amended) is amended to read:

9 "6-14-2. DEFINITIONS.--As used in the Public Securities  
10 Act:

11 A. "net effective interest rate" means the  
12 interest rate of public securities, compounded semiannually,  
13 necessary to discount the scheduled debt service payments of  
14 principal and interest to the date of the public securities  
15 and to the price paid to the public body for the public  
16 securities, excluding any interest accrued to the date of  
17 delivery and based upon a year with the same number of days  
18 as the number of days for which interest is computed on the  
19 public securities;

20 B. "public body" means this state or any  
21 department, board, agency or instrumentality of the state,  
22 any county, city, town, village, school district, other  
23 district, educational institution or any other governmental  
24 agency or political subdivision of the state; and

25 C. "public securities" means any bonds, notes,

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1 warrants or other obligations now or hereafter authorized to  
2 be issued by any public body pursuant to the provisions of  
3 any general or special law enacted by the legislature, but  
4 does not include bonds, notes, warrants or other obligations  
5 issued pursuant to:

6 (1) the Industrial Revenue Bond Act;

7 (2) the County Improvement District Act;

8 (3) [~~Sections 3-33-1 through 3-33-43~~]

9 Chapter 3, Article 33 NMSA 1978;

10 (4) the Pollution Control Revenue Bond Act;

11 (5) the County Pollution Control Revenue  
12 Bond Act;

13 (6) the County Industrial Revenue Bond Act;

14 (7) the Metropolitan Redevelopment Code;

15 [~~(8) the Supplemental Municipal Gross  
16 Receipts Tax Act;~~

17 ~~(9)~~ (8) the Hospital Equipment Loan Act; or

18 [~~(10)~~] (9) the New Mexico Finance Authority  
19 Act."

20 SECTION 19. Section 6-22-2 NMSA 1978 (being Laws 1992,  
21 Chapter 105, Section 2) is amended to read:

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

24 A. "default" means the actual nonpayment of  
25 principal or interest on a local revenue bond when payment is

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1 scheduled by the indenture relating the local revenue bond;

2 B. "local government" means a municipality or  
3 county;

4 C. "local revenue bond" means a bond issued after  
5 July 1, 1992 pursuant to [~~Sections 3-33-1 through 3-33-43~~]  
6 Chapter 3, Article 33 NMSA 1978 or Chapter 4, Article 62 NMSA  
7 1978;

8 D. "qualified local revenue bond" means a local  
9 revenue bond for which a state distributions intercept  
10 authorization has been granted pursuant to this section;

11 E. "secretary" means the secretary of finance and  
12 administration; and

13 F. "state distributions" means any or all of the  
14 funds distributed to local governments pursuant to Section  
15 [~~7-1-6.4~~] 7-1-6.9 [~~and Subsection B of Section 7-1-6.11~~] NMSA  
16 1978."

17 **SECTION 20.** Section 6-23-8 NMSA 1978 (being Laws 1993,  
18 Chapter 231, Section 8, as amended) is amended to read:

19 "6-23-8. MUNICIPALITIES--USE OF CERTAIN REVENUES  
20 AUTHORIZED.--Upon adoption of an ordinance or resolution by  
21 an affirmative vote of a majority of the members of the  
22 governing body at any regular or special meeting of the  
23 governing body called for this purpose, a municipality may  
24 pledge utility cost savings, conservation-related cost  
25 savings or any or all revenues not otherwise pledged or

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1 obligated from gross receipts taxes received by the  
2 municipality pursuant to [~~Section 7-1-6.4 NMSA 1978 and~~]  
3 Section 7-1-6.12 NMSA 1978 for payments pursuant to a  
4 guaranteed utility savings contract with a qualified provider  
5 and any installment payment contract or lease-purchase  
6 agreement pursuant to that guaranteed utility savings  
7 contract. The ordinance or resolution shall declare the  
8 necessity for the guaranteed utility savings contract and  
9 related contracts or agreements and shall designate the  
10 source of the pledged revenues. Any revenues pledged for  
11 such contract payments shall be deposited in a special fund,  
12 and the municipality shall not use any other revenues to make  
13 such payments. At the end of each fiscal year, any money  
14 remaining in the special fund after payment obligations are  
15 met may be transferred to any other fund of the  
16 municipality."

17 SECTION 21. Section 6-23-9 NMSA 1978 (being Laws 1993,  
18 Chapter 231, Section 9, as amended) is amended to read:

19 "6-23-9. COUNTIES--USE OF CERTAIN REVENUES  
20 AUTHORIZED.--Upon adoption of an ordinance or resolution by  
21 an affirmative vote of a majority of the members of the board  
22 of county commissioners at any regular or special meeting of  
23 the board called for this purpose, a county may pledge  
24 utility cost savings, conservation-related cost savings or  
25 any or all of the revenue not otherwise pledged or obligated

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1 from ~~[the first one-eighth of one percent increment and of~~  
2 ~~one-half of the revenue from the third one-eighth of one~~  
3 ~~percent increment of]~~ the county gross receipts tax  
4 transferred to the county pursuant to Section 7-1-6.13 NMSA  
5 1978 ~~[and any or all of the revenue from the distribution~~  
6 ~~related to the first one-eighth of one percent increment made~~  
7 ~~pursuant to Section 7-1-6.16 NMSA 1978]~~ for the purpose of  
8 making payments pursuant to a guaranteed utility savings  
9 contract with a qualified provider or any installment payment  
10 contract or lease-purchase agreement pursuant to that  
11 guaranteed utility savings contract. The ordinance or  
12 resolution shall declare the necessity for the guaranteed  
13 utility savings contract and related contracts or agreements  
14 and shall designate the source of the pledged revenues. Any  
15 revenues pledged for such contract payments shall be  
16 deposited in a special fund, and the county shall not use any  
17 other county or state revenue to make such payments. At the  
18 end of each fiscal year, any money remaining in the special  
19 fund after the payment obligations are met may be transferred  
20 to any other fund of the county."

21 SECTION 22. Section 6-25-7 NMSA 1978 (being Laws 2003,  
22 Chapter 349, Section 7, as amended) is amended to read:

23 "6-25-7. PROJECT REVENUE BONDS.--

24 A. The authority may issue project revenue bonds  
25 on behalf of an eligible entity to provide funds for a

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1 project. Project revenue bonds issued pursuant to the  
2 Statewide Economic Development Finance Act shall not be a  
3 general obligation of the authority or the state within the  
4 meaning of any provision of the constitution of New Mexico  
5 and shall never give rise to a pecuniary liability of the  
6 authority or the state or a charge against the general credit  
7 or taxing powers of the state. Project revenue bonds shall  
8 be payable from the revenue derived from a project being  
9 financed by the bonds and from other revenues pledged by an  
10 eligible entity, and may be secured in such manner as  
11 provided in the Statewide Economic Development Finance Act  
12 and as determined by the authority. Project revenue bonds  
13 may be executed and delivered at any time, may be in such  
14 form and denominations, may be payable in installments and at  
15 times not exceeding thirty years from their date of delivery,  
16 may bear or accrete interest at a rate or rates and may  
17 contain such provisions not inconsistent with the Statewide  
18 Economic Development Finance Act, all as provided in the  
19 resolution and proceedings of the authority authorizing  
20 issuance of the bonds. Project revenue bonds issued by the  
21 authority pursuant to the Statewide Economic Development  
22 Finance Act may be sold at public or private sale in such  
23 manner and from time to time as may be determined by the  
24 authority, and the authority may pay all expenses that the  
25 authority may determine necessary in connection with the

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1 authorization, sale and issuance of the bonds. All project  
2 revenue bonds issued pursuant to the Statewide Economic  
3 Development Finance Act shall be negotiable.

4 B. The principal of and interest on project  
5 revenue bonds issued pursuant to the Statewide Economic  
6 Development Finance Act shall be secured by a pledge of the  
7 revenues of the project being financed with the proceeds of  
8 the bonds, may be secured by a mortgage of all or a part of  
9 the project being financed or other collateral pledged by an  
10 eligible entity, and may be secured by the lease of such  
11 project, which collateral and lease may be assigned, in whole  
12 or in part, by the department to the authority or to third  
13 parties to carry out the purposes of the Statewide Economic  
14 Development Finance Act. The resolution of the authority  
15 pursuant to which the project revenue bonds are authorized to  
16 be issued or any such mortgage may contain any agreement and  
17 provisions customarily contained in instruments securing  
18 bonds, including provisions respecting the fixing and  
19 collection of all revenues from any project to which the  
20 resolution or mortgage pertains, the terms to be incorporated  
21 in the lease of the project, the maintenance and insurance of  
22 the project, the creation and maintenance of special funds  
23 from the revenues of the project and the rights and remedies  
24 available in event of default to the bondholders or to the  
25 trustee under a mortgage, all as determined by the authority

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~~[bracketed material]~~ = delete

1 or the department and as shall not be in conflict with the  
2 Statewide Economic Development Finance Act; provided,  
3 however, that in making any such agreements or provisions,  
4 the authority and the department may not obligate themselves  
5 except with respect to the project and application of the  
6 revenues from the project, and except as expressly permitted  
7 by the Statewide Economic Development Finance Act, and shall  
8 not have the power to incur a pecuniary liability or a  
9 charge, or to pledge the general credit or taxing power of  
10 the state. The resolution authorizing the issuance of  
11 project revenue bonds may provide procedures and remedies in  
12 the event of default in payment of the principal of or  
13 interest on the bonds or in the performance of any agreement.  
14 No breach of any such agreement shall impose any pecuniary  
15 liability upon the authority, the department or the state or  
16 any charge against the general credit or taxing powers of the  
17 state.

18 C. The authority may arrange for such other  
19 guarantees, insurance or other credit enhancements or  
20 additional security provided by an eligible entity as  
21 determined by the authority for the project revenue bonds and  
22 may provide for the payment of the costs from the proceeds of  
23 the bonds, or may require payment of the costs by the  
24 eligible entity on whose behalf the bonds are issued.

25 D. Project revenue bonds issued to finance a

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1 project may also be secured by pledging a portion of the  
2 qualifying municipal or county [~~infrastructure~~] gross  
3 receipts tax revenues by the municipality or county in which  
4 the project is located, as permitted by the Local Economic  
5 Development Act.

6 E. The project revenue bonds and the income from  
7 the bonds, all mortgages or other instruments executed as  
8 security for the bonds, all lease agreements made pursuant to  
9 the provisions of the Statewide Economic Development Finance  
10 Act and revenue derived from any sale or lease of a project  
11 shall be exempt from all taxation by the state or any  
12 political subdivision of the state. The authority may issue  
13 project revenue bonds the interest on which is exempt from  
14 taxation under federal law.

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

19 SECTION 23. Section 7-1-2 NMSA 1978 (being Laws 1965,  
20 Chapter 248, Section 2, as amended) is amended to read:

21 "7-1-2. APPLICABILITY.--The Tax Administration Act  
22 applies to and governs:

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

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

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

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

5 (12) Enhanced Oil Recovery Act;

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

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

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

13 (1) Weight Distance Tax Act;

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

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

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

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

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

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1 tax for the purposes of the Tax Administration Act; and

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

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

9 SECTION 24. Section 7-1-3 NMSA 1978 (being Laws 1965,  
10 Chapter 248, Section 3, as amended) is amended to read:

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

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

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

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

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

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

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

13 F. "hearing officer" means a person who has been  
14 designated by the chief hearing officer to serve as a hearing  
15 officer and who is:

- 16 (1) the chief hearing officer;  
17 (2) an employee of the administrative  
18 hearings office; or  
19 (3) a contractor of the administrative  
20 hearings office;

21 G. "Internal Revenue Code" means the Internal  
22 Revenue Code of 1986, as that code may be amended or its  
23 sections renumbered;

24 H. "levy" means the lawful power, hereby invested  
25 in the secretary, to take into possession or to require the

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1 present or future surrender to the secretary or the  
2 secretary's delegate of any property or rights to property  
3 belonging to a delinquent taxpayer;

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

20 J. "managed audit" means a review and analysis  
21 conducted by a taxpayer under an agreement with the  
22 department to determine the taxpayer's compliance with a tax  
23 administered pursuant to the Tax Administration Act and the  
24 presentation of the results to the department for assessment  
25 of tax found to be due;

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1           K. "net receipts" means the total amount of money  
2 paid by taxpayers to the department in a month pursuant to a  
3 tax or tax act less any refunds disbursed in that month with  
4 respect to that tax or tax act;

5           L. "overpayment" means an amount paid, pursuant  
6 to any law subject to administration and enforcement under  
7 the provisions of the Tax Administration Act, by a person to  
8 the department or withheld from the person in excess of tax  
9 due from the person to the state at the time of the payment  
10 or at the time the amount withheld is credited against tax  
11 due;

12           M. "paid" includes the term "paid over";

13           N. "pay" includes the term "pay over";

14           O. "payment" includes the term "payment over";

15           P. "person" means any individual, estate, trust,  
16 receiver, cooperative association, club, corporation,  
17 company, firm, partnership, limited liability company,  
18 limited liability partnership, joint venture, syndicate,  
19 other association or gas, water or electric utility owned or  
20 operated by a county or municipality; "person" also means, to  
21 the extent permitted by law, a federal, state or other  
22 governmental unit or subdivision, or an agency, department or  
23 instrumentality thereof; and "person", as used in Sections  
24 7-1-72 through 7-1-74 NMSA 1978, also includes an officer or  
25 employee of a corporation, a member or employee of a

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1 partnership or any individual who, as such, is under a duty  
2 to perform any act in respect of which a violation occurs;

3 Q. "property" means property or rights to  
4 property;

5 R. "property or rights to property" means any  
6 tangible property, real or personal, or any intangible  
7 property of a taxpayer;

8 S. "return" means any tax or information return,  
9 declaration of estimated tax or claim for refund, including  
10 any amendments or supplements to the return, required or  
11 permitted pursuant to a law subject to administration and  
12 enforcement pursuant to the Tax Administration Act and filed  
13 with the secretary or the secretary's delegate by or on  
14 behalf of any person;

15 T. "return information" means a taxpayer's name,  
16 address, government-issued identification number and other  
17 identifying information; any information contained in or  
18 derived from a taxpayer's return; any information with  
19 respect to any actual or possible administrative or legal  
20 action by an employee of the department concerning a  
21 taxpayer's return, such as audits, managed audits, denial of  
22 credits or refunds, assessments of tax, penalty or interest,  
23 protests of assessments or denial of refunds or credits,  
24 levies or liens; or any other information with respect to a  
25 taxpayer's return or tax liability that was not obtained from

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1 public sources or that was created by an employee of the  
2 department; but "return information" does not include  
3 statistical data or other information that cannot be  
4 associated with or directly or indirectly identify a  
5 particular taxpayer;

6 U. "secretary" means the secretary of taxation  
7 and revenue and, except for purposes of Subsection B of  
8 Section 7-1-4 NMSA 1978, also includes the deputy secretary  
9 or a division director or deputy division director delegated  
10 by the secretary;

11 V. "secretary or the secretary's delegate" means  
12 the secretary or any employee of the department exercising  
13 authority lawfully delegated to that employee by the  
14 secretary;

15 W. "security" means money, property or rights to  
16 property or a surety bond;

17 X. "state" means any state of the United States,  
18 the District of Columbia, the commonwealth of Puerto Rico and  
19 any territory or possession of the United States;

20 Y. "tax" means the total amount of each tax  
21 imposed and required to be paid, withheld and paid or  
22 collected and paid under provision of any law made subject to  
23 administration and enforcement according to the provisions of  
24 the Tax Administration Act and, unless the context otherwise  
25 requires, includes the amount of any interest or civil

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1 penalty relating thereto; "tax" also means any amount of any  
2 abatement of tax made or any credit, rebate or refund paid or  
3 credited by the department under any law subject to  
4 administration and enforcement under the provisions of the  
5 Tax Administration Act to any person contrary to law and  
6 includes, unless the context requires otherwise, the amount  
7 of any interest or civil penalty relating thereto;

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

16 (1) furnishes typing, reproducing or other  
17 mechanical assistance;

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

23 (3) prepares as a trustee or other fiduciary  
24 an income tax return or claim for refund with respect to  
25 income tax for any person; and

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1           AA. "taxpayer" means a person liable for payment  
2 of any tax; a person responsible for withholding and payment  
3 or for collection and payment of any tax; a person to whom an  
4 assessment has been made, if the assessment remains unabated  
5 or the amount thereof has not been paid; or a person who  
6 entered into a special agreement to assume the liability of  
7 gross receipts tax or governmental gross receipts tax of  
8 another person and the special agreement was approved by the  
9 secretary pursuant to the Tax Administration Act."

10           SECTION 25. Section 7-1-6.2 NMSA 1978 (being Laws 1983,  
11 Chapter 211, Section 7, as amended) is amended to read:

12           "7-1-6.2. DISTRIBUTION--SMALL CITIES ASSISTANCE FUND.--  
13 A distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be  
14 made to the small cities assistance fund in an amount equal  
15 to [~~fifteen~~] three-thousandths percent of the net receipts  
16 attributable to the [~~compensating~~] gross receipts tax."

17           SECTION 26. Section 7-1-6.5 NMSA 1978 (being Laws 1983,  
18 Chapter 211, Section 10 and Laws 1983, Chapter 214, Section  
19 6, as amended) is amended to read:

20           "7-1-6.5. DISTRIBUTION--SMALL COUNTIES ASSISTANCE  
21 FUND.--A distribution pursuant to Section 7-1-6.1 NMSA 1978  
22 shall be made to the small counties assistance fund in an  
23 amount equal to [~~ten~~] one hundred seventy-five one-hundred-  
24 thousandths percent of the net receipts attributable to the  
25 [~~compensating~~] gross receipts tax."

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1           SECTION 27. Section 7-1-6.7 NMSA 1978 (being Laws 1994,  
2 Chapter 5, Section 2, as amended) is amended to read:

3           "7-1-6.7. DISTRIBUTIONS--STATE AVIATION FUND.--

4           ~~[A. A distribution pursuant to Section 7-1-6.1~~  
5 ~~NMSA 1978 shall be made to the state aviation fund in an~~  
6 ~~amount equal to four and seventy-nine hundredths percent of~~  
7 ~~the taxable gross receipts attributable to the sale of fuel~~  
8 ~~specially prepared and sold for use in turboprop or jet-type~~  
9 ~~engines as determined by the department.~~

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

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

20           ~~D.]~~ B. A distribution pursuant to Section 7-1-6.1  
21 NMSA 1978 shall be made to the state aviation fund from the  
22 net receipts attributable to the gross receipts tax  
23 distributable to the general fund in an amount equal to:

24                   (1) eighty thousand dollars (\$80,000)  
25 monthly from July 1, 2007 through June 30, 2008;

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

4 (3) two hundred fifty thousand dollars  
5 (\$250,000) monthly after July 1, 2009."

6 SECTION 28. Section 7-1-6.15 NMSA 1978 (being Laws  
7 1983, Chapter 211, Section 20, as amended by Laws 2015,  
8 Chapter 89, Section 1 and by Laws 2015, Chapter 100, Section  
9 1) is amended to read:

10 "7-1-6.15. ADJUSTMENTS OF DISTRIBUTIONS OR TRANSFERS TO  
11 MUNICIPALITIES OR COUNTIES.--

12 A. The provisions of this section apply to:

13 (1) any distribution to a municipality  
14 pursuant to Section [~~7-1-6.4~~] 7-1-6.36 [~~or 7-1-6.46~~] NMSA  
15 1978;

16 (2) any transfer to a municipality with  
17 respect to any local option gross receipts tax imposed by  
18 that municipality;

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

21 (4) any distribution to a county pursuant to  
22 Section 7-1-6.16 [~~or 7-1-6.47~~] NMSA 1978;

23 (5) any distribution to a municipality or a  
24 county of gasoline taxes pursuant to Section 7-1-6.9 NMSA  
25 1978;

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1 (6) any transfer to a county with respect to  
2 any tax imposed in accordance with the Local Liquor Excise  
3 Tax Act;

4 (7) any distribution to a county from the  
5 county government road fund pursuant to Section 7-1-6.26 NMSA  
6 1978; and

7 (8) any distribution to a municipality of  
8 gasoline taxes pursuant to Section 7-1-6.27 NMSA 1978 [~~and~~

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

11 B. Before making a distribution or transfer  
12 specified in Subsection A of this section to a municipality  
13 or county for the month, amounts comprising the net receipts  
14 shall be segregated into two mutually exclusive categories.  
15 One category shall be for amounts relating to the current  
16 month, and the other category shall be for amounts relating  
17 to prior periods. The total of each category for a  
18 municipality or county shall be reported each month to that  
19 municipality or county. If the total of the amounts relating  
20 to prior periods is less than zero and its absolute value  
21 exceeds the greater of one hundred dollars (\$100) or an  
22 amount equal to twenty percent of the average distribution or  
23 transfer amount for that municipality or county, then the  
24 following procedures shall be carried out:

25 (1) all negative amounts relating to any

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1 period prior to the three calendar years preceding the year  
2 of the current month, net of any positive amounts in that  
3 same time period for the same taxpayers to which the negative  
4 amounts pertain, shall be excluded from the total relating to  
5 prior periods. Except as provided in Paragraph (2) of this  
6 subsection, the net receipts to be distributed or transferred  
7 to the municipality or county shall be adjusted to equal the  
8 amount for the current month plus the revised total for prior  
9 periods; and

10 (2) if the revised total for prior periods  
11 determined pursuant to Paragraph (1) of this subsection is  
12 negative and its absolute value exceeds the greater of one  
13 hundred dollars (\$100) or an amount equal to twenty percent  
14 of the average distribution or transfer amount for that  
15 municipality or county, the revised total for prior periods  
16 shall be excluded from the distribution or transfers and the  
17 net receipts to be distributed or transferred to the  
18 municipality or county shall be equal to the amount for the  
19 current month.

20 C. The department shall recover from a  
21 municipality or county the amount excluded by Paragraph (2)  
22 of Subsection B of this section. This amount may be referred  
23 to as the "recoverable amount".

24 D. Prior to or concurrently with the distribution  
25 or transfer to the municipality or county of the adjusted net

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1 receipts, the department shall notify the municipality or  
2 county whose distribution or transfer has been adjusted  
3 pursuant to Paragraph (2) of Subsection B of this section:

4 (1) that the department has made such an  
5 adjustment, that the department has determined that a  
6 specified amount is recoverable from the municipality or  
7 county and that the department intends to recover that amount  
8 from future distributions or transfers to the municipality or  
9 county;

10 (2) that the municipality or county has  
11 ninety days from the date notice is made to enter into a  
12 mutually agreeable repayment agreement with the department;

13 (3) that if the municipality or county takes  
14 no action within the ninety-day period, the department will  
15 recover the amount from the next six distributions or  
16 transfers following the expiration of the ninety days; and

17 (4) that the municipality or county may  
18 inspect, pursuant to Section 7-1-8.9 NMSA 1978, an  
19 application for a claim for refund that gave rise to the  
20 recoverable amount, exclusive of any amended returns that may  
21 be attached to the application.

22 E. No earlier than ninety days from the date  
23 notice pursuant to Subsection D of this section is given, the  
24 department shall begin recovering the recoverable amount from  
25 a municipality or county as follows:

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1 (1) the department may collect the  
2 recoverable amount by:

3 (a) decreasing distributions or  
4 transfers to the municipality or county in accordance with a  
5 repayment agreement entered into with the municipality or  
6 county; or

7 (b) except as provided in Paragraphs  
8 (2) and (3) of this subsection, if the municipality or county  
9 fails to act within the ninety days, decreasing the amount of  
10 the next six distributions or transfers to the municipality  
11 or county following expiration of the ninety-day period in  
12 increments as nearly equal as practicable and sufficient to  
13 recover the amount;

14 (2) if, pursuant to Subsection B of this  
15 section, the secretary determines that the recoverable amount  
16 is more than fifty percent of the average distribution or  
17 transfer of net receipts for that municipality or county, the  
18 secretary:

19 (a) shall recover only up to fifty  
20 percent of the average distribution or transfer of net  
21 receipts for that municipality or county; and

22 (b) may, in the secretary's  
23 discretion, waive recovery of any portion of the recoverable  
24 amount, subject to approval by the state board of finance;  
25 and

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1 (3) if, after application of a refund claim,  
2 audit adjustment, correction of a mistake by the department  
3 or other adjustment of a prior period, but prior to any  
4 recovery of the department pursuant to this section, the  
5 total net receipts of a municipality or county for the  
6 twelve-month period beginning with the current month are  
7 reduced or are projected to be reduced to less than fifty  
8 percent of the average distribution or transfer of net  
9 receipts, the secretary may waive recovery of any portion of  
10 the recoverable amount, subject to approval by the state  
11 board of finance.

12 F. No later than ninety days from the date notice  
13 pursuant to Subsection D of this section is given, the  
14 department shall provide the municipality or county adequate  
15 opportunity to review an application for a claim for refund  
16 that gave rise to the recoverable amount, exclusive of any  
17 amended returns that may be attached to the application,  
18 pursuant to Section 7-1-8.9 NMSA 1978.

19 G. On or before September 1 of each year  
20 beginning in 2016, the secretary shall report to the state  
21 board of finance and the legislative finance committee the  
22 total recoverable amount waived pursuant to Subparagraph (b)  
23 of Paragraph (2) and Paragraph (3) of Subsection E of this  
24 section for each municipality and county in the prior fiscal  
25 year.

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

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1 obligations of the municipality or county to the New Mexico  
2 finance authority. A decrease to or redirection of a  
3 distribution or transfer pursuant to this subsection that  
4 arose:

5 (1) prior to an adjustment of a distribution  
6 or transfer of net receipts creating a recoverable amount  
7 owed to the department takes precedence over any collection  
8 of any recoverable amount pursuant to Paragraph (2) of  
9 Subsection B of this section, which may be made only from the  
10 net amount of the distribution or transfer remaining after  
11 application of the decrease or redirection pursuant to this  
12 subsection; and

13 (2) after an adjustment of a distribution or  
14 transfer of net receipts creating a recoverable amount owed  
15 to the department shall be subordinate to any collection of  
16 any recoverable amount pursuant to Paragraph (2) of  
17 Subsection B of this section.

18 I. Upon the direction of the secretary of finance  
19 and administration pursuant to Section 9-6-5.2 NMSA 1978, the  
20 secretary shall temporarily withhold the balance of a  
21 distribution to a municipality or county, net of any decrease  
22 or redirected amount pursuant to Subsection H of this section  
23 and any recoverable amount pursuant to Paragraph (2) of  
24 Subsection B of this section, that has failed to submit an  
25 audit report required by the Audit Act or a financial report

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

12 J. As used in this section:

13 (1) "amounts relating to the current month"  
14 means any amounts included in the net receipts of the current  
15 month that represent payment of tax due for the current  
16 month, correction of amounts processed in the current month  
17 that relate to the current month or that otherwise relate to  
18 obligations due for the current month;

19 (2) "amounts relating to prior periods"  
20 means any amounts processed during the current month that  
21 adjust amounts processed in a period or periods prior to the  
22 current month regardless of whether the adjustment is a  
23 correction of a department error or due to the filing of  
24 amended returns, payment of department-issued assessments,  
25 filing or approval of claims for refund, audit adjustments or

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1 other cause;

2 (3) "average distribution or transfer  
3 amount" means the following amounts; provided that a  
4 distribution or transfer that is negative shall not be used  
5 in calculating the amounts:

6 (a) the annual average of the total  
7 amount distributed or transferred to a municipality or county  
8 in each of the three twelve-month periods preceding the  
9 current month;

10 (b) if a distribution or transfer to a  
11 municipality or county has been made for less than three  
12 years, the total amount distributed or transferred in the  
13 year preceding the current month; or

14 (c) if a municipality or county has  
15 not received distributions or transfers of net receipts for  
16 twelve or more months, the monthly average of net receipts  
17 distributed or transferred to the municipality or county  
18 preceding the current month multiplied by twelve;

19 (4) "current month" means the month for  
20 which the distribution or transfer is being prepared; and

21 (5) "repayment agreement" means an agreement  
22 between the department and a municipality or county under  
23 which the municipality or county agrees to allow the  
24 department to recover an amount determined pursuant to  
25 Paragraph (2) of Subsection B of this section by decreasing

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1 distributions or transfers to the municipality or county for  
2 one or more months beginning with the distribution or  
3 transfer to be made with respect to a designated month. No  
4 interest shall be charged."

5 SECTION 29. Section 7-1-6.16 NMSA 1978 (being Laws  
6 1983, Chapter 213, Section 27, as amended) is amended to  
7 read:

8 "7-1-6.16. COUNTY EQUALIZATION DISTRIBUTION.--

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

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

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

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

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

6 C. As used in this section:

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

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

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

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

24 (3) "population" means the most recent  
25 official census or estimate determined by the United States

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1 census bureau for the unit or, if neither is available, the  
2 most current estimated population for the unit provided in  
3 writing by the bureau of business and economic research at  
4 the university of New Mexico; and

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

9 SECTION 30. Section 7-1-6.33 NMSA 1978 (being Laws  
10 1991, Chapter 212, Section 15) is amended to read:

11 "7-1-6.33. DISTRIBUTION [~~TO COUNTY-SUPPORTED~~]-MEDICAID  
12 FUND--SAFETY NET CARE POOL FUND--A distribution pursuant to  
13 Section 7-1-6.1 NMSA 1978 shall be:

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

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

21 SECTION 31. Section 7-1-6.53 NMSA 1978 (being Laws  
22 2005, Chapter 176, Section 11) is amended to read:

23 "7-1-6.53. DISTRIBUTION--ENERGY EFFICIENCY AND  
24 RENEWABLE ENERGY BONDING FUND--GROSS RECEIPTS TAX.--A  
25 distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be



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1 made to the energy efficiency and renewable energy bonding  
2 fund from the net receipts attributable to the gross receipts  
3 tax imposed by the Gross Receipts [~~and Compensating~~] Tax Act  
4 in an amount necessary to make the required bond debt service  
5 payments pursuant to the Energy Efficiency and Renewable  
6 Energy Bonding Act as determined by the New Mexico finance  
7 authority. The distribution shall be made:

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

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

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

16 **SECTION 32.** Section 7-1-8.8 NMSA 1978 (being Laws 2009,  
17 Chapter 243, Section 10, as amended) is amended to read:

18 "7-1-8.8. INFORMATION THAT MAY BE REVEALED TO OTHER  
19 STATE AGENCIES.--An employee of the department may reveal to:

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

23 B. the attorney general, return information  
24 acquired pursuant to the Cigarette Tax Act for purposes of  
25 Section 6-4-13 NMSA 1978 and the master settlement agreement

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1 defined in Section 6-4-12 NMSA 1978;

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

6 D. the secretary of human services or the  
7 secretary's delegate:

8 (1) under a written agreement with the  
9 department, the last known address with date of all names  
10 certified to the department as being absent parents of  
11 children receiving public financial assistance, but only for  
12 the purpose of enforcing the support liability of the absent  
13 parents by the child support enforcement division or any  
14 successor organizational unit; and

15 (2) the following; provided that a person  
16 who receives the confidential information on behalf of the  
17 human services department shall not reveal the information  
18 and shall be subject to the penalties in Section 7-1-76 NMSA  
19 1978 if the person fails to maintain the confidentiality  
20 required:

21 (a) that information needed for  
22 reports required to be made to the federal government  
23 concerning the use of federal funds for low-income working  
24 families; and

25 (b) the names and addresses of

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1 low-income taxpayers for the limited purpose of outreach to  
2 those taxpayers; provided that the human services department  
3 shall pay the department for expenses incurred by the  
4 department to derive the information requested by the human  
5 services department if the information requested is not  
6 readily available in reports for which the department's  
7 information systems are programmed;

8 E. the department of information technology, by  
9 electronic media, a database updated quarterly that contains  
10 the names, addresses, county of address and taxpayer  
11 identification numbers of New Mexico personal income tax  
12 filers, but only for the purpose of producing the random jury  
13 list for the selection of petit or grand jurors for the state  
14 courts pursuant to Section 38-5-3 NMSA 1978;

15 F. the state courts, the random jury lists  
16 produced by the department of information technology under  
17 Subsection E of this section;

18 G. the director of the New Mexico department of  
19 agriculture or the director's authorized representative, upon  
20 request of the director or representative, the names and  
21 addresses of all gasoline or special fuel distributors,  
22 wholesalers and retailers;

23 H. the public regulation commission, return  
24 information [~~with respect to the Corporate Income and~~  
25 ~~Franchise Tax Act~~] required to enable the commission to carry

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1 out its duties;

2 I. the state racing commission, return  
3 information with respect to the state, municipal and county  
4 gross receipts taxes paid by racetracks;

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

8 K. the director of the workers' compensation  
9 administration or to the director's representatives  
10 authorized for this purpose, return information to facilitate  
11 the identification of taxpayers that are delinquent or  
12 noncompliant in payment of fees required by Section 52-1-9.1  
13 or 52-5-19 NMSA 1978;

14 L. the secretary of workforce solutions or the  
15 secretary's delegate, return information for use in  
16 enforcement of unemployment insurance collections pursuant to  
17 the terms of a written reciprocal agreement entered into by  
18 the department with the secretary of workforce solutions for  
19 exchange of information; and

20 M. the New Mexico finance authority, information  
21 with respect to the amount of municipal and county gross  
22 receipts taxes collected by municipalities and counties  
23 pursuant to any local option municipal or county gross  
24 receipts taxes imposed, and information with respect to the  
25 amount of governmental gross receipts taxes paid by every

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1 agency, institution, instrumentality or political subdivision  
2 of the state pursuant to Section 7-9-4.3 NMSA 1978."

3 SECTION 33. Section 7-1-10 NMSA 1978 (being Laws 1965,  
4 Chapter 248, Section 15, as amended) is amended to read:

5 "7-1-10. RECORDS REQUIRED BY STATUTE--TAXPAYER  
6 RECORDS--ACCOUNTING METHODS--REPORTING METHODS--INFORMATION  
7 RETURNS.--

8 A. Every person required by the provisions of any  
9 statute administered by the department to keep records and  
10 documents and every taxpayer shall maintain books of account  
11 or other records in a manner that will permit the accurate  
12 computation of state taxes or provide information required by  
13 the statute under which the person is required to keep  
14 records.

15 B. Methods of accounting shall be consistent for  
16 the same business. A taxpayer engaged in more than one  
17 business may use a different method of accounting for each  
18 business.

19 C. Prior to changing the method of accounting in  
20 keeping books and records for tax purposes, a taxpayer shall  
21 first secure the consent of the secretary or the secretary's  
22 delegate. If consent is not secured, the department upon  
23 audit may require the taxpayer to compute the amount of tax  
24 due on the basis of the accounting method earlier used.

25 D. Prior to changing the method of reporting

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1 taxes, other than for changes required by law, a taxpayer  
2 shall first secure the consent of the secretary or the  
3 secretary's delegate. Consent shall be granted or withheld  
4 pursuant to the provisions of Section 7-4-19 NMSA 1978. If  
5 consent is not secured, the secretary or the secretary's  
6 delegate upon audit may require the taxpayer to compute the  
7 amount of tax due on the basis of the reporting method  
8 earlier used.

9 E. Upon the written application of a taxpayer and  
10 at the sole discretion of the secretary or the secretary's  
11 delegate, the secretary or the secretary's delegate may enter  
12 into an agreement with a taxpayer allowing the taxpayer to  
13 report values, gross receipts, deductions or the value of  
14 property on an estimated basis for gross receipts [~~and~~  
15 ~~compensating~~] tax, oil and gas severance tax, oil and gas  
16 conservation tax, oil and gas emergency school tax and oil  
17 and gas ad valorem production tax purposes for a limited  
18 period of time not to exceed four years. As used in this  
19 section, "estimated basis" means a methodology that is  
20 reasonably expected to approximate the tax that will be due  
21 over the period of the agreement using summary rather than  
22 detail data or alternate valuation applications or methods,  
23 provided that:

24 (1) nothing in this section shall be  
25 construed to require the secretary or the secretary's

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1 delegate to enter into such an agreement; and

2 (2) the agreement must:

3 (a) specify the receipts, deductions  
4 or values to be reported on an estimated basis and the  
5 methodology to be followed by the taxpayer in making the  
6 estimates;

7 (b) state the term of the agreement  
8 and the procedures for terminating the agreement prior to its  
9 expiration;

10 (c) be signed by the taxpayer or the  
11 taxpayer's representative and the secretary or the  
12 secretary's delegate; and

13 (d) contain a declaration by the  
14 taxpayer or the taxpayer's representative that all statements  
15 of fact made by the taxpayer or the taxpayer's representative  
16 in the taxpayer's application and the agreement are true and  
17 correct as to every material matter.

18 F. The secretary may, by regulation, require any  
19 person doing business in the state to submit to the  
20 department information reports that are considered reasonable  
21 and necessary for the administration of any provision of law  
22 to which the Tax Administration Act applies."

23 **SECTION 34.** Section 7-1-13.1 NMSA 1978 (being Laws  
24 1988, Chapter 99, Section 3, as amended) is amended to read:

25 "7-1-13.1. METHOD OF PAYMENT OF CERTAIN TAXES DUE.--

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

8                   (1) Group 1: all taxes due under the  
9 Withholding Tax Act, the Gross Receipts [~~and Compensating~~]  
10 Tax Act, local option gross receipts tax acts and the  
11 Interstate Telecommunications Gross Receipts Tax Act [~~and the~~  
12 ~~Leased Vehicle Gross Receipts Tax Act~~];

13                   (2) Group 2: all taxes due under the Oil  
14 and Gas Severance Tax Act, the Oil and Gas Conservation Tax  
15 Act, the Oil and Gas Emergency School Tax Act and the Oil and  
16 Gas Ad Valorem Production Tax Act;

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

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

22           For taxpayers who have more than one identification  
23 number issued by the department, the average tax payment  
24 shall be computed by combining the amounts paid under the  
25 several identification numbers.



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1           B. Taxpayers who are required to make payment in  
2 accordance with the provisions of this section shall make  
3 payment by one or more of the following means on or before  
4 the due date so that funds are immediately available to the  
5 state on or before the due date:

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

9                   (2) currency of the United States;

10                   (3) check drawn on and payable at any New  
11 Mexico financial institution provided that the check is  
12 received by the department at the place and time required by  
13 the department at least one banking day prior to the due  
14 date; or

15                   (4) check drawn on and payable at any  
16 domestic non-New Mexico financial institution provided that  
17 the check is received by the department at the time and place  
18 required by the department at least two banking days prior to  
19 the due date.

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

24           D. For the purposes of this section, "average tax  
25 payment" means the total amount of taxes paid with respect to

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1 a group of taxes listed under Subsection A of this section  
2 during a calendar year divided by the number of months in  
3 that calendar year containing a due date on which the  
4 taxpayer was required to pay one or more taxes in the group."

5 SECTION 35. Section 7-1-14 NMSA 1978 (being Laws 1969,  
6 Chapter 145, Section 1, as amended) is amended to read:

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

11 A. By regulation, the secretary may require any  
12 person maintaining one or more places of business to report  
13 the person's taxable gross receipts and deductions for each  
14 municipality or county or area within an Indian reservation  
15 or pueblo grant in which the person maintains a place of  
16 business.

17 B. For persons engaged in the construction  
18 business, the place where the construction project is  
19 performed is a "place of business", and all receipts from  
20 that project are to be reported from that place of business.

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

25 D. For a person engaged in the business of

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1 selling real estate, the location of the real property sold  
2 or leased or manufactured home leased is the "place of  
3 business", and all receipts from that sale or lease are to be  
4 reported from that place of business.

5 E. For persons engaged in the business of earning  
6 a wage, the "place of business" is that person's employer's  
7 New Mexico place of business where the person primarily  
8 performs the work, and all receipts from wages are to be  
9 reported from that place of business.

10 F. For persons engaged in the business of  
11 investing, the "place of business" for dividends or interest  
12 earned is the person's primary place of residence, and all  
13 receipts from dividends or interest earned are to be reported  
14 from that place of business."

15 SECTION 36. Section 7-1-15 NMSA 1978 (being Laws 1969,  
16 Chapter 31, Section 1, as amended) is amended to read:

17 "7-1-15. SECRETARY MAY SET TAX REPORTING AND PAYMENT  
18 INTERVALS.--The secretary may, pursuant to regulation, allow  
19 taxpayers with an anticipated tax liability of less than two  
20 hundred dollars (\$200) a month to report and pay taxes at  
21 intervals ~~[which]~~ that the secretary may specify. However,  
22 unless specifically permitted by law, an interval shall not  
23 exceed six months. ~~[The secretary may also allow direct~~  
24 ~~marketers who have entered into an agreement with the~~  
25 ~~department to collect and remit compensating tax to report~~

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1 ~~and pay on a quarterly or semi-annual basis.]"~~

2 SECTION 37. Section 7-1-26 NMSA 1978 (being Laws 1965,  
3 Chapter 248, Section 28, as amended) is amended to read:

4 "7-1-26. DISPUTING LIABILITIES--CLAIM FOR CREDIT,  
5 REBATE OR REFUND.--

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

- 17 (1) the taxpayer's name, address and  
18 identification number;
- 19 (2) the type of tax for which a refund is  
20 being claimed, the credit or rebate denied or the property  
21 levied upon;
- 22 (3) the sum of money or other property being  
23 claimed;
- 24 (4) with respect to refund, the period for  
25 which overpayment was made; and

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

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

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

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

24 C. A person may elect to pursue no more than one  
25 of the remedies in Paragraphs (1) and (2) of this subsection.

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1 A person who timely pursues more than one remedy shall be  
2 deemed to have elected the first remedy invoked. The person  
3 may:

4 (1) direct to the secretary, pursuant to the  
5 provisions of Section 7-1-24 NMSA 1978, a written protest  
6 that shall set forth:

7 (a) the circumstances of: 1) an  
8 alleged overpayment; 2) a denied credit; 3) a denied rebate;  
9 or 4) a denial of a prior right to property levied upon by  
10 the department;

11 (b) an allegation that, because of  
12 that overpayment or denial, the state is indebted to the  
13 taxpayer for a specified amount, including any allowed  
14 interest, or for the property;

15 (c) demanding the refund to the  
16 taxpayer of that amount or that property; and

17 (d) reciting the facts of the claim  
18 for refund; or

19 (2) commence a civil action in the district  
20 court for Santa Fe county by filing a complaint setting forth  
21 the circumstance of the claimed overpayment, denied credit or  
22 rebate or denial of a prior right to property levied upon by  
23 the department alleging that on account thereof the state is  
24 indebted to the plaintiff in the amount or property stated,  
25 together with any interest allowable, demanding the refund to

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1 the plaintiff of that amount or property and reciting the  
2 facts of the claim for refund. The plaintiff or the  
3 secretary may appeal from any final decision or order of the  
4 district court to the court of appeals.

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

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

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

14 (b) the final determination of value  
15 occurs with respect to any overpayment that resulted from a  
16 disapproval by any agency of the United States or the state  
17 of New Mexico or any court of increase in value of a product  
18 subject to taxation under the Oil and Gas Severance Tax Act,  
19 the Oil and Gas Conservation Tax Act, the Oil and Gas  
20 Emergency School Tax Act, the Oil and Gas Ad Valorem  
21 Production Tax Act or the Natural Gas Processors Tax Act;

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

24 (d) an overpayment of New Mexico tax  
25 resulted from: 1) an internal revenue service audit

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1 adjustment or a federal refund paid due to an adjustment of  
2 an audit by the internal revenue service or an amended  
3 federal return; or 2) making a change to a federal return for  
4 which federal approval is required by the Internal Revenue  
5 Code;

6 ~~[(2) when an amount of a claim for credit~~  
7 ~~under the provisions of the Investment Credit Act, Laboratory~~  
8 ~~Partnership with Small Business Tax Credit Act or Technology~~  
9 ~~Jobs Tax Credit Act or for the rural job tax credit pursuant~~  
10 ~~to Section 7-2E-1.1 NMSA 1978 or similar credit has been~~  
11 ~~denied, the taxpayer may claim a refund of the credit no~~  
12 ~~later than one year after the date of the denial;~~

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

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

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

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

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

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

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1 or a managed audit covering multiple periods an overpayment  
2 of tax is found in any period under the audit, that  
3 overpayment may be credited against an underpayment of the  
4 same tax found in another period under audit pursuant to  
5 Section 7-1-29 NMSA 1978, provided that the taxpayer files a  
6 claim for refund for the overpayments identified in the audit.

7 G. Any refund of tax paid under any tax or tax  
8 act administered under Subsection B of Section 7-1-2 NMSA  
9 1978 may be made, at the discretion of the department, in the  
10 form of credit against future tax payments if future tax  
11 liabilities in an amount at least equal to the credit amount  
12 reasonably may be expected to become due.

13 H. For the purposes of this section, "oil and gas  
14 tax return" means a return reporting tax due with respect to  
15 oil, natural gas, liquid hydrocarbons, carbon dioxide, helium  
16 or nonhydrocarbon gas pursuant to the Oil and Gas Severance  
17 Tax Act, the Oil and Gas Conservation Tax Act, the Oil and  
18 Gas Emergency School Tax Act, the Oil and Gas Ad Valorem  
19 Production Tax Act, the Natural Gas Processors Tax Act or the  
20 Oil and Gas Production Equipment Ad Valorem Tax Act.

21 I. The filing of a fully completed original  
22 income tax return, [~~corporate income tax return, corporate~~  
23 ~~income and franchise tax return~~] estate tax return or special  
24 fuel excise tax return that shows a balance due the taxpayer  
25 or a fully completed amended income tax return, [~~an amended~~

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1 ~~corporate income tax return, an amended corporate income and~~  
2 ~~franchise tax return]~~ an amended estate tax return, an  
3 amended special fuel excise tax return or an amended oil and  
4 gas tax return that shows a lesser tax liability than the  
5 original return constitutes the filing of a claim for refund  
6 for the difference in tax due shown on the original and  
7 amended returns."

8 SECTION 38. Section 7-1-29 NMSA 1978 (being Laws 1965,  
9 Chapter 248, Section 31, as amended) is amended to read:

10 "7-1-29. AUTHORITY TO MAKE REFUNDS OR CREDITS.--

11 A. In response to a claim for refund, credit or  
12 rebate made as provided in Section 7-1-26 NMSA 1978, but  
13 before a court acquires jurisdiction of the matter, the  
14 secretary or the secretary's delegate may authorize payment  
15 to a person in the amount of the [~~creditor~~] credit or rebate  
16 claimed or refund an overpayment of tax determined by the  
17 secretary or the secretary's delegate to have been  
18 erroneously made by the person, together with allowable  
19 interest. A payment of a credit rebate claimed or a refund  
20 of tax and interest erroneously paid amounting to twenty  
21 thousand dollars (\$20,000) or more shall be made with the  
22 prior approval of the attorney general, except that the  
23 secretary or the secretary's delegate may make refunds with  
24 respect to the Oil and Gas Severance Tax Act, the Oil and Gas  
25 Conservation Tax Act, the Oil and Gas Emergency School Tax

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1 Act, the Oil and Gas Ad Valorem Production Tax Act, the  
2 Natural Gas Processors Tax Act or the Oil and Gas Production  
3 Equipment Ad Valorem Tax Act, Section 7-13-17 NMSA 1978 and  
4 the Cigarette Tax Act without the prior approval of the  
5 attorney general regardless of the amount.

6 B. Pursuant to the final order of the district  
7 court, the court of appeals, the supreme court of New Mexico  
8 or a federal court, from which order, appeal or review is not  
9 successfully taken, adjudging that a person has properly  
10 claimed a credit or rebate or made an overpayment of tax, the  
11 secretary shall authorize the payment to the person of the  
12 amount thereof.

13 C. In the discretion of the secretary, any amount  
14 of credit or rebate to be paid or tax to be refunded may be  
15 offset against any amount of tax for which the person due to  
16 receive the credit, rebate payment or refund is liable. The  
17 secretary or the secretary's delegate shall give notice to  
18 the taxpayer that the credit, rebate payment or refund will  
19 be made in this manner, and the taxpayer shall be entitled to  
20 interest pursuant to Section 7-1-68 NMSA 1978 until the tax  
21 liability is credited with the credit, rebate or refund  
22 amount.

23 D. In an audit by the department or a managed  
24 audit covering multiple reporting periods in which both  
25 underpayments and overpayments of a tax have been made in

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1 different reporting periods, the department shall credit the  
2 tax overpayments against the underpayments, provided that the  
3 taxpayer files a claim for refund of the overpayments. An  
4 overpayment shall be applied as a credit first to the  
5 earliest underpayment and then to succeeding underpayments.  
6 An underpayment of tax to which an overpayment is credited  
7 pursuant to this section shall be deemed paid in the period  
8 in which the overpayment was made or the period to which the  
9 overpayment was credited against an underpayment, whichever  
10 is later. If the overpayments credited pursuant to this  
11 section exceed the underpayments of a tax, the amount of the  
12 net overpayment for the periods covered in the audit shall be  
13 refunded to the taxpayer.

14 E. When a taxpayer makes a payment identified to  
15 a particular return or assessment, and the department  
16 determines that the payment exceeds the amount due pursuant  
17 to that return or assessment, the secretary may apply the  
18 excess to the taxpayer's other liabilities pursuant to the  
19 tax acts to which the return or assessment applies, without  
20 requiring the taxpayer to file a claim for a refund. The  
21 liability to which an overpayment is applied pursuant to this  
22 section shall be deemed paid in the period in which the  
23 overpayment was made or the period to which the overpayment  
24 was applied, whichever is later.

25 F. If the department determines, upon review of

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1 an original or amended income tax return, [~~corporate income~~  
2 ~~and franchise tax return~~] estate tax return, special [~~fuels~~  
3 fuel] excise tax return or oil and gas tax return, that there  
4 has been an overpayment of tax for the taxable period to  
5 which the return or amended return relates in excess of the  
6 amount due to be refunded to the taxpayer pursuant to the  
7 provisions of Subsection I of Section 7-1-26 NMSA 1978, the  
8 department may refund that excess amount to the taxpayer  
9 without requiring the taxpayer to file a refund claim.

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

15 H. In response to a timely refund claim pursuant  
16 to Section 7-1-26 NMSA 1978 and notwithstanding any other  
17 provision of the Tax Administration Act, the secretary or the  
18 secretary's delegate may refund or credit a portion of an  
19 assessment of tax paid, including applicable penalties and  
20 interest representing the amount of tax previously paid by  
21 another person on behalf of the taxpayer on the same  
22 transaction, provided that the requirements of equitable  
23 recoupment are met. For purposes of this subsection, the  
24 refund claim may be filed by the taxpayer to whom the  
25 assessment was issued or by another person who claims to have

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1 previously paid the tax on behalf of the taxpayer. Prior to  
2 granting the refund or credit, the secretary may require a  
3 waiver of all rights to claim a refund or credit of the tax  
4 previously paid by another person paying a tax on behalf of  
5 the taxpayer."

6 SECTION 39. Section 7-1-68 NMSA 1978 (being Laws 1965,  
7 Chapter 248, Section 69, as amended) is amended to read:

8 "7-1-68. INTEREST ON OVERPAYMENTS.--

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

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

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

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1 preceding by not more than thirty days the date of the credit  
2 or refund to any person.

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

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

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

8 (a) fifty-five days of the date of the  
9 claim for refund of income tax, pursuant to ~~[either]~~ the  
10 Income Tax Act ~~[or the Corporate Income and Franchise Tax~~  
11 ~~Act]~~ for the tax year immediately preceding the tax year in  
12 which the claim is made;

13 (b) sixty days of the date of the  
14 claim for refund of any tax not provided for in this  
15 paragraph;

16 (c) seventy-five days of the date of  
17 the claim for refund of gasoline tax to users of gasoline off  
18 the highways;

19 (d) one hundred twenty days of the  
20 date of the claim for refund of tax imposed pursuant to the  
21 Resources Excise Tax Act, the Severance Tax Act, the Oil and  
22 Gas Severance Tax Act, the Oil and Gas Conservation Tax Act,  
23 the Oil and Gas Emergency School Tax Act, the Oil and Gas Ad  
24 Valorem Production Tax Act, the Natural Gas Processors Tax  
25 Act or the Oil and Gas Production Equipment Ad Valorem Tax

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1 Act; or

2 (e) one hundred twenty days of the  
3 date of the claim for refund of income tax, pursuant to the  
4 Income Tax Act [~~or the Corporate Income and Franchise Tax~~  
5 ~~Act~~] for any tax year more than one year prior to the year in  
6 which the claim is made;

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

11 (4) the credit results from overpayments  
12 found in an audit of multiple reporting periods and applied  
13 to underpayments found in that audit or refunded as a net  
14 overpayment to the taxpayer pursuant to Section 7-1-29 NMSA  
15 1978;

16 (5) the department applies the credit or  
17 refund to an intercept program, to the taxpayer's estimated  
18 payment prior to the due date for the estimated payment or to  
19 offset prior liabilities of the taxpayer pursuant to  
20 Subsection E of Section 7-1-29 NMSA 1978; or

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

25 ~~(7) the refund results from a film~~

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1 ~~production tax credit pursuant to Section 7-2F-1 NMSA 1978].~~

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

4 SECTION 40. Section 7-1-69 NMSA 1978 (being Laws 1965,  
5 Chapter 248, Section 70, as amended) is amended to read:

6 "7-1-69. CIVIL PENALTY FOR FAILURE TO PAY TAX OR FILE A  
7 RETURN.--

8 A. Except as provided in Subsection C of this  
9 section, in the case of failure due to negligence or  
10 disregard of department rules and regulations, but without  
11 intent to evade or defeat a tax, to pay when due the amount  
12 of tax required to be paid, to pay in accordance with the  
13 provisions of Section 7-1-13.1 NMSA 1978 when required to do  
14 so or to file by the date required a return regardless of  
15 whether a tax is due, there shall be added to the amount  
16 assessed a penalty in an amount equal to the greater of:

17 (1) two percent per month or any fraction of  
18 a month from the date the tax was due multiplied by the  
19 amount of tax due but not paid, not to exceed twenty percent  
20 of the tax due but not paid;

21 (2) two percent per month or any fraction of  
22 a month from the date the return was required to be filed  
23 multiplied by the tax liability established in the late  
24 return, not to exceed twenty percent of the tax liability  
25 established in the late return; or

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

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

10                  C. If a different penalty is specified in a  
11 compact or other interstate agreement to which New Mexico is  
12 a party, the penalty provided in the compact or other  
13 interstate agreement shall be applied to amounts due under  
14 the compact or other interstate agreement at the rate and in  
15 the manner prescribed by the compact or other interstate  
16 agreement.

17                  D. In the case of failure, with willful intent to  
18 evade or defeat a tax, to pay when due the amount of tax  
19 required to be paid, there shall be added to the amount  
20 [~~fifty~~] one hundred percent of the tax or a minimum of  
21 twenty-five dollars (\$25.00), whichever is greater, as  
22 penalty.

23                  E. If demand is made for payment of a tax,  
24 including penalty imposed pursuant to this section, and if  
25 the tax is paid within ten days after the date of such

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1 demand, no penalty shall be imposed for the period after the  
2 date of the demand with respect to the amount paid.

3 F. If a taxpayer makes electronic payment of a  
4 tax but the payment does not include all of the information  
5 required by the department pursuant to the provisions of  
6 Section 7-1-13.1 NMSA 1978 and if the department does not  
7 receive the required information within five business days  
8 from the later of the date a request by the department for  
9 that information is received by the taxpayer or the due date,  
10 the taxpayer shall be subject to a penalty of two percent per  
11 month or any fraction of a month from the fifth day following  
12 the date the request is received. If a penalty is imposed  
13 under Subsection A of this section with respect to the same  
14 transaction for the same period, no penalty shall be imposed  
15 under this subsection.

16 G. No penalty shall be imposed on:

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

20 (2) tax due as the result of a managed  
21 audit; or

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

25 SECTION 41. A new section of the Tax Administration Act

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1 is enacted to read:

2 "[NEW MATERIAL] DISTRIBUTION--BONDS ISSUED BY A TAX  
3 INCREMENT DEVELOPMENT DISTRICT.--A distribution pursuant to  
4 Section 7-1-6.1 NMSA 1978 shall be made to a tax increment  
5 development district from the net receipts attributable to  
6 the gross receipts tax in an amount necessary to make the  
7 required bond debt service payments for which revenue  
8 attributable to the gross receipts tax is pledged pursuant to  
9 Sections 5-15-21 and 5-15A-1 NMSA 1978, as those sections  
10 were in effect prior to January 1, 2017, as determined by the  
11 New Mexico finance authority. The distribution shall be  
12 made:

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

17 B. prior to any other distribution of net  
18 receipts attributable to the gross receipts tax."

19 SECTION 42. A new section of the Tax Administration Act  
20 is enacted to read:

21 "[NEW MATERIAL] DISTRIBUTION--GROSS RECEIPTS TAX--BOAT  
22 SUSPENSE FUND.--A distribution pursuant to Section 7-1-6.1  
23 NMSA 1978 shall be made to the "boat suspense fund", hereby  
24 created in the state treasury, of the net receipts  
25 attributable to the gross receipts tax from the sale of every

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1 boat required to be registered in the state pursuant to the  
2 Boat Act. At the end of each month, the state treasurer  
3 shall transfer fifty percent of the net revenue in the boat  
4 suspense fund to the state parks division of the energy,  
5 minerals and natural resources department. The amount  
6 transferred is appropriated for use by the division for  
7 improvements and maintenance of lakes and boating facilities  
8 owned or leased by the state and for administration and  
9 enforcement of the Boat Act."

10 SECTION 43. Section 7-2-2 NMSA 1978 (being Laws 1986,  
11 Chapter 20, Section 26, as amended) is amended to read:

12 "7-2-2. DEFINITIONS.--For the purpose of the Income Tax  
13 Act and unless the context requires otherwise:

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

17 B. "base income":

18 (1) means, for estates and trusts, that part  
19 of the estate's or trust's income defined as taxable income  
20 and upon which the federal income tax is calculated in the  
21 Internal Revenue Code for income tax purposes plus, for  
22 taxable years beginning on or after January 1, 1991, the  
23 amount of the net operating loss deduction allowed by Section  
24 172(a) of the Internal Revenue Code, as that section may be  
25 amended or renumbered, and taken by the taxpayer for that

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1 year;

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

9 (3) includes, for all taxpayers, any other  
10 income of the taxpayer not included in adjusted gross income  
11 but upon which a federal tax is calculated pursuant to the  
12 Internal Revenue Code for income tax purposes, except amounts  
13 for which a calculation of tax is made pursuant to Section 55  
14 of the Internal Revenue Code, as that section may be amended  
15 or renumbered; [~~"base income" also includes interest received~~  
16 ~~on a state or local bond~~] and

17 (4) [~~includes, for all taxpayers, an amount~~  
18 ~~deducted pursuant to Section 7-2-32 NMSA 1978 in a prior~~  
19 ~~taxable year if:~~

20 (a) ~~such amount is transferred to~~  
21 ~~another qualified tuition program, as defined in Section 529~~  
22 ~~of the Internal Revenue Code, not authorized in the Education~~  
23 ~~Trust Act; or~~

24 (b) ~~a distribution or refund is made~~  
25 ~~for any reason other than: 1) to pay for qualified higher~~

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1 ~~education expenses, as defined pursuant to Section 529 of the~~  
2 ~~Internal Revenue Code; or 2) upon the beneficiary's death,~~  
3 ~~disability or receipt of a scholarship] does not include~~  
4 interest received on a bond, note, loan, warrant, debenture,  
5 lease-purchase agreement or other instrument evidencing an  
6 obligation of a taxpayer to make payments;

7 C. "compensation" means wages, salaries,  
8 commissions and any other form of remuneration paid to  
9 employees for personal services;

10 D. "department" means the taxation and revenue  
11 department, the secretary or any employee of the department  
12 exercising authority lawfully delegated to that employee by  
13 the secretary;

14 E. "fiduciary" means a guardian, trustee,  
15 executor, administrator, committee, conservator, receiver,  
16 individual or corporation acting in any fiduciary capacity;

17 F. "filing status" means "married filing joint  
18 returns", "married filing separate returns", "head of  
19 household", "surviving spouse" and "single", as those terms  
20 are generally defined for federal tax purposes;

21 G. "fiscal year" means any accounting period of  
22 twelve months ending on the last day of any month other than  
23 December;

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



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1 I. "individual" means a natural person, an  
2 estate, a trust or a fiduciary acting for a natural person,  
3 trust or estate;

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

6 K. "lump-sum amount" means, for the purpose of  
7 determining liability for federal income tax, an amount that  
8 was not included in adjusted gross income but upon which the  
9 five-year-averaging or the ten-year-averaging method of tax  
10 computation provided in Section 402 of the Internal Revenue  
11 Code, as that section may be amended or renumbered, was  
12 applied;

13 L. "modified gross income" means all income of  
14 the taxpayer and, if any, the taxpayer's spouse and  
15 dependents, undiminished by losses and from whatever source,  
16 including:

- 17 (1) compensation;  
18 (2) net profit from business;  
19 (3) gains from dealings in property;  
20 (4) interest;  
21 (5) net rents;  
22 (6) royalties;  
23 (7) dividends;  
24 (8) alimony and separate maintenance  
25 payments;

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- 1 (9) annuities;  
2 (10) income from life insurance and  
3 endowment contracts;  
4 (11) pensions;  
5 (12) discharge of indebtedness;  
6 (13) distributive share of partnership  
7 income;  
8 (14) income in respect of a decedent;  
9 (15) income from an interest in an estate or  
10 a trust;  
11 (16) social security benefits;  
12 (17) unemployment compensation benefits;  
13 (18) workers' compensation benefits;  
14 (19) public assistance and welfare benefits;  
15 and  
16 (20) cost-of-living allowances; [~~and~~  
17 ~~(21) gifts~~]  
18 M. "modified gross income" excludes:  
19 (1) payments for hospital, dental, medical  
20 or drug expenses to or on behalf of the taxpayer;  
21 (2) the value of room and board provided by  
22 federal, state or local governments or by private individuals  
23 or agencies based upon financial need and not as a form of  
24 compensation;  
25 (3) payments pursuant to a federal, state or

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1 local government program directly or indirectly to a third  
2 party on behalf of the taxpayer when identified to a  
3 particular use or invoice by the payer; or

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

7 N. "net income" means, for estates and trusts,  
8 base income adjusted to exclude amounts that the state is  
9 prohibited from taxing because of the laws or constitution of  
10 this state or the United States and means, for taxpayers  
11 other than estates or trusts, base income adjusted to  
12 exclude:

13 (1) an amount equal to the standard  
14 deduction allowed the taxpayer for the taxpayer's taxable  
15 year by Section 63 of the Internal Revenue Code, as that  
16 section may be amended or renumbered;

17 (2) an amount equal to the itemized  
18 deductions defined in Section 63 of the Internal Revenue  
19 Code, as that section may be amended or renumbered, allowed  
20 the taxpayer for the taxpayer's taxable year less the amount  
21 excluded pursuant to Paragraph (1) of this subsection and  
22 less the amount of state and local income and sales taxes  
23 included in the taxpayer's itemized deductions;

24 (3) an amount equal to the product of the  
25 exemption amount allowed for the taxpayer's taxable year by

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1 Section 151 of the Internal Revenue Code, as that section may  
2 be amended or renumbered, multiplied by the number of  
3 personal exemptions allowed for federal income tax purposes;

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

6 (5) other amounts that the state is  
7 prohibited from taxing because of the laws or constitution of  
8 this state or the United States;

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

11 (a) net operating loss carryback  
12 deductions to that year from taxable years beginning prior to  
13 January 1, 1991 claimed and allowed, as provided by the  
14 Internal Revenue Code; and

15 (b) net operating loss carryover  
16 deductions to that year claimed and allowed;

17 (7) for taxable years beginning on or after  
18 January 1, 1991 and prior to January 1, 2013, an amount equal  
19 to the sum of any net operating loss carryover deductions to  
20 that year claimed and allowed, provided that the amount of  
21 any net operating loss carryover from a taxable year  
22 beginning on or after January 1, 1991 and prior to January 1,  
23 2013 may be excluded only as follows:

24 (a) in the case of a timely filed  
25 return, in the taxable year immediately following the taxable

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1 year for which the return is filed; or

2 (b) in the case of amended returns or  
3 original returns not timely filed, in the first taxable year  
4 beginning after the date on which the return or amended  
5 return establishing the net operating loss is filed; and

6 (c) in either case, if the net  
7 operating loss carryover exceeds the amount of net income  
8 exclusive of the net operating loss carryover for the taxable  
9 year to which the exclusion first applies, in the next four  
10 succeeding taxable years in turn until the net operating loss  
11 carryover is exhausted for any net operating loss carryover  
12 from a taxable year prior to January 1, 2013; in no event  
13 shall a net operating loss carryover from a taxable year  
14 beginning prior to January 1, 2013 be excluded in any taxable  
15 year after the fourth taxable year beginning after the  
16 taxable year to which the exclusion first applies;

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

22 (a) in the case of a timely filed  
23 return, in the taxable year immediately following the taxable  
24 year for which the return is filed; or

25 (b) in the case of amended returns or

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

1 original returns not timely filed, in the first taxable year  
2 beginning after the date on which the return or amended  
3 return establishing the net operating loss is filed; and

4 (c) in either case, if the net  
5 operating loss carryover exceeds the amount of net income  
6 exclusive of the net operating loss carryover for the taxable  
7 year to which the exclusion first applies, in the next  
8 nineteen succeeding taxable years in turn until the net  
9 operating loss carryover is exhausted for any net operating  
10 loss carryover from a taxable year beginning on or after  
11 January 1, 2013; in no event shall a net operating loss  
12 carryover from a taxable year beginning: 1) prior to January  
13 1, 2013 be excluded in any taxable year after the fourth  
14 taxable year beginning after the taxable year to which the  
15 exclusion first applies; and 2) on or after January 1, 2013  
16 be excluded in any taxable year after the nineteenth taxable  
17 year beginning after the taxable year to which the exclusion  
18 first applies; and

19 (9) for taxable years beginning on or after  
20 January 1, 2011, an amount equal to the amount included in  
21 adjusted gross income that represents a refund of state and  
22 local income and sales taxes that were deducted for federal  
23 tax purposes in taxable years beginning on or after January  
24 1, 2010;

25 0. "net operating loss" means any net operating

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1 loss, as defined by Section 172(c) of the Internal Revenue  
2 Code, as that section may be amended or renumbered, for a  
3 taxable year as further increased by the income, if any, from  
4 obligations of the United States for that year less related  
5 expenses;

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

11 Q. "nonresident" means every individual not a  
12 resident of this state;

13 R. "person" means any individual, estate, trust,  
14 receiver, cooperative association, club, corporation,  
15 company, firm, partnership, limited liability company, joint  
16 venture, syndicate or other association; "person" also means,  
17 to the extent permitted by law, any federal, state or other  
18 governmental unit or subdivision or agency, department or  
19 instrumentality thereof;

20 S. "resident" means an individual who is  
21 domiciled in this state during any part of the taxable year  
22 or an individual who is physically present in this state for  
23 one hundred eighty-five days or more during the taxable year;  
24 but any individual, other than someone who was physically  
25 present in the state for one hundred eighty-five days or more

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1 during the taxable year, who, on or before the last day of  
2 the taxable year, changed the individual's place of abode to  
3 a place without this state with the bona fide intention of  
4 continuing actually to abide permanently without this state  
5 is not a resident for the purposes of the Income Tax Act for  
6 periods after that change of abode;

7 T. "secretary" means the secretary of taxation  
8 and revenue or the secretary's delegate;

9 U. "state" means any state of the United States,  
10 the District of Columbia, the commonwealth of Puerto Rico,  
11 any territory or possession of the United States or any  
12 political subdivision of a foreign country;

13 V. "state or local bond" means a bond issued by a  
14 state other than New Mexico or by a local government other  
15 than one of New Mexico's political subdivisions, the interest  
16 from which is excluded from income for federal income tax  
17 purposes under Section 103 of the Internal Revenue Code, as  
18 that section may be amended or renumbered;

19 W. "surviving spouse" means "surviving spouse" as  
20 generally defined for federal income tax purposes;

21 X. "taxable income" means net income less any  
22 lump-sum amount;

23 Y. "taxable year" means the calendar year or  
24 fiscal year upon the basis of which the net income is  
25 computed under the Income Tax Act and includes, in the case



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1 of the return made for a fractional part of a year under the  
2 provisions of the Income Tax Act, the period for which the  
3 return is made; and

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

6 SECTION 44. Section 7-2-7 NMSA 1978 (being Laws 2005,  
7 Chapter 104, Section 4) is amended to read:

8 "7-2-7. INDIVIDUAL INCOME TAX RATES.--

9 A. Except as provided in Subsection B of this  
10 section, the tax imposed by Section 7-2-3 NMSA 1978 shall be  
11 at the [following rates for any taxable year beginning on or  
12 after January 1, 2008:

13 ~~A. For married individuals filing separate~~  
14 ~~returns:~~

<del>If the taxable income is:</del>	<del>The tax shall be:</del>
<del>Not over \$4,000</del>	<del>1.7% of taxable income</del>
<del>Over \$ 4,000 but not over \$ 8,000</del>	<del>\$ 68.00 plus 3.2% of</del>
	<del>excess over \$ 4,000</del>
<del>Over \$ 8,000 but not over \$ 12,000</del>	<del>\$ 196 plus 4.7% of</del>
	<del>excess over \$ 8,000</del>
<del>Over \$ 12,000</del>	<del>\$ 384 plus 4.9% of</del>
	<del>excess over \$ 12,000.</del>

23 ~~B. For heads of household, surviving spouses and~~  
24 ~~married individuals filing joint returns:~~

25 ~~If the taxable income is: The tax shall be:~~

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1 ~~Not over \$8,000~~ ~~1.7% of taxable income~~  
2 ~~Over \$ 8,000 but not over \$ 16,000~~ ~~\$ 136 plus 3.2% of~~  
3 ~~excess over \$ 8,000~~  
4 ~~Over \$ 16,000 but not over \$ 24,000~~ ~~\$ 392 plus 4.7% of~~  
5 ~~excess over \$ 16,000~~  
6 ~~Over \$ 24,000~~ ~~\$ 768 plus 4.9% of~~  
7 ~~excess over \$ 24,000.~~

8 ~~C. For single individuals and for estates and~~  
9 ~~trusts:~~

10 ~~If the taxable income is:~~ ~~The tax shall be:~~  
11 ~~Not over \$5,500~~ ~~1.7% of taxable income~~  
12 ~~Over \$ 5,500 but not over \$ 11,000~~ ~~\$ 93.50 plus 3.2% of~~  
13 ~~excess over \$ 5,500~~  
14 ~~Over \$ 11,000 but not over \$ 16,000~~ ~~\$ 269.50 plus 4.7% of~~  
15 ~~excess over \$ 11,000~~  
16 ~~Over \$ 16,000~~ ~~\$ 504.50 plus 4.9% of~~  
17 ~~excess over \$ 16,000]~~

18 rate of two and one-half percent for the following taxpayers:

19 (1) married individuals filing separate  
20 returns who have a taxable income of at least one hundred  
21 forty-one thousand nine hundred seventy-five dollars  
22 (\$141,975);

23 (2) heads of household, surviving spouses  
24 and married individuals filing joint returns who have a  
25 taxable income of at least two hundred eighty-three thousand

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1 nine hundred fifty dollars (\$283,950); and

2 (3) single individuals and estates and  
3 trusts that have a taxable income of at least one hundred  
4 eighty-nine thousand three hundred dollars (\$189,300).

5 B. For taxable years beginning on or after  
6 January 1, 2018 and each subsequent taxable year, the taxable  
7 income amounts in Paragraphs (1) through (3) of Subsection A  
8 of this section shall be adjusted to account for inflation.  
9 The department shall make the adjustment by multiplying the  
10 taxable income amount for the taxable year beginning on or  
11 after January 1, 2016 by a fraction, the numerator of which  
12 is the consumer price index ending in the prior taxable year  
13 and the denominator of which is the consumer price index  
14 ending in 2016. The result of the multiplication shall be  
15 rounded down to the nearest one dollar (\$1.00), except that  
16 if the result would be an amount less than the corresponding  
17 amount for the preceding tax year, then no adjustment shall  
18 be made. For purposes of this subsection, "consumer price  
19 index" means the consumer price index for all urban consumers  
20 published by the United States department of labor for the  
21 month ending September 30. The department shall publish  
22 annually the amount determined by the calculation and post it  
23 to the department's web site no later than December 1 of each  
24 tax year.

25 [~~D-~~] C. The tax on the sum of any lump-sum

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1 amounts included in net income is an amount equal to five  
2 multiplied by the difference between:

3 (1) the amount of tax due on the taxpayer's  
4 taxable income; and

5 (2) the amount of tax that would be due on  
6 an amount equal to the taxpayer's taxable income and twenty  
7 percent of the taxpayer's lump-sum amounts included in net  
8 income."

9 SECTION 45. A new section of the Income Tax Act is  
10 enacted to read:

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

16 SECTION 46. Section 7-2C-2 NMSA 1978 (being Laws 1985,  
17 Chapter 106, Section 2, as amended by Laws 2006, Chapter 52,  
18 Section 1 and by Laws 2006, Chapter 53, Section 1) is amended  
19 to read:

20 "7-2C-2. PURPOSE.--

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

23 (1) by enhancing the enforcement of child  
24 support and medical support obligations;

25 (2) to aid collection of outstanding debts

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1 owed for:

2 (a) overpayment of public assistance  
3 and overissuance of food stamps;

4 (b) overpayment of unemployment  
5 compensation benefits and nonpayment of contributions or  
6 payments in lieu of contributions or other amounts due under  
7 the Unemployment Compensation Law;

8 (c) nonpayment of reimbursements owed  
9 to the uninsured employers' fund under the Workers'  
10 Compensation Act; and

11 (d) nonpayment of the workers'  
12 compensation fee due under the Workers' Compensation  
13 Administration Act;

14 (3) to promote repayment of educational  
15 loans;

16 (4) to aid collection of fines, fees and  
17 costs owed to the district, magistrate and municipal courts;  
18 and

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

21 ~~(6) to aid in the payment to the state~~  
22 ~~investment officer of film production tax credit amounts owed~~  
23 ~~to the state investment officer due to loans made against the~~  
24 ~~credit pursuant to Subsection D of Section 7-27-5.26 NMSA~~  
25 ~~1978].~~

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1           B. Efforts to accomplish the purpose of the Tax  
2 Refund Intercept Program Act may be enhanced by establishing  
3 a system to collect debts, in particular, outstanding child  
4 support obligations, educational loans, amounts due under the  
5 Unemployment Compensation Law, the Workers' Compensation Act  
6 and the Workers' Compensation Administration Act, fines, fees  
7 and costs owed to the district, magistrate and municipal  
8 courts [~~film production tax credit amounts owed to the state~~  
9 ~~investment officer~~] and fines, fees and costs owed to the  
10 Bernalillo county metropolitan court, by setting off the  
11 amount of such debts against the state income tax refunds [~~or~~  
12 ~~film production tax credit amounts~~] due the debtors."

13           SECTION 47. Section 7-2C-3 NMSA 1978 (being Laws 1985,  
14 Chapter 106, Section 3, as amended by Laws 2006, Chapter 52,  
15 Section 2 and by Laws 2006, Chapter 53, Section 2) is amended  
16 to read:

17           "7-2C-3. DEFINITIONS.--As used in the Tax Refund  
18 Intercept Program Act:

19           A. "claimant agency" means the taxation and  
20 revenue department or any of its divisions, the human  
21 services department, the [~~employment security division of the~~  
22 ~~labor~~] workforce transition services division of the  
23 workforce solutions department, the workers' compensation  
24 administration, any corporation authorized to be formed under  
25 the Educational Assistance Act, a district, magistrate or

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1 municipal court or the Bernalillo county metropolitan court;

2 B. "debt" means a legally enforceable obligation  
3 of an employer subject to the Unemployment Compensation Law,  
4 the Workers' Compensation Act and the Workers' Compensation  
5 Administration Act, or an individual to pay a liquidated  
6 amount of money that:

7 (1) is equal to or more than one hundred  
8 dollars (\$100);

9 (2) is due and owing a claimant agency,  
10 which a claimant agency is obligated by law to collect or  
11 which, in the case of an educational loan, a claimant agency  
12 has lawfully contracted to collect;

13 (3) has accrued through contract, tort,  
14 subrogation or operation of law; and

15 (4) either:

16 (a) has been secured by a warrant of  
17 levy and lien for amounts due under the Unemployment  
18 Compensation Law or workers' compensation fees due under the  
19 Workers' Compensation Administration Act; or

20 (b) has been reduced to judgment for  
21 all other cases;

22 C. "debtor" means any employer subject to the  
23 Unemployment Compensation Law, the Workers' Compensation Act  
24 and the Workers' Compensation Administration Act, or any  
25 individual owing a debt;

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1           D. "department" or "division" means, unless the  
2 context indicates otherwise, the taxation and revenue  
3 department, the secretary of taxation and revenue or any  
4 employee of the department exercising authority lawfully  
5 delegated to that employee by the secretary;

6           E. "educational loan" means any loan for  
7 educational purposes owned by a public post-secondary  
8 educational institution or owned or guaranteed by any  
9 corporation authorized to be formed under the Educational  
10 Assistance Act;

11           F. "medical support" means amounts owed to the  
12 human services department pursuant to the provisions of  
13 Subsection B of Section 40-4C-12 NMSA 1978;

14           G. "public post-secondary educational  
15 institution" means a publicly owned or operated institution  
16 of higher education or other publicly owned or operated post-  
17 secondary educational facility located within New Mexico;

18           H. "spouse" means an individual who is or was a  
19 spouse of the debtor and who has joined with the debtor in  
20 filing a joint return of income tax pursuant to the  
21 provisions of the Income Tax Act, which joint return has  
22 given rise to a refund that may be subject to the provisions  
23 of the Tax Refund Intercept Program Act; and

24           I. "refund" means a refund, including any amount  
25 of tax rebates or credits, under the Income Tax Act ~~[or the~~

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1 ~~Corporate Income and Franchise Tax Act~~] that the department  
2 has determined to be due to [~~an individual or corporation~~] a  
3 taxpayer."

4 SECTION 48. Section 7-2C-6 NMSA 1978 (being Laws 1985,  
5 Chapter 106, Section 6, as amended by Laws 2006, Chapter 52,  
6 Section 3 and by Laws 2006, Chapter 53, Section 3) is amended  
7 to read:

8 "7-2C-6. PROCEDURES FOR SETOFF--NOTIFICATIONS TO  
9 DEBTOR.--

10 A. Each year, a claimant agency seeking to  
11 collect a debt through setoff shall notify the department in  
12 the manner and by the date required by the department, which  
13 date shall be in the period from November 1 through December  
14 15. The notice to the department shall include the amount of  
15 the debt, the name and identification number of the debtor  
16 and such other information as the department may require.  
17 The notice shall also include certification that the debt is  
18 due and owing the claimant agency or that the claimant agency  
19 is obligated by law to collect the debt. This notice shall  
20 be effective only to initiate setoff against refunds that  
21 would be made in the calendar year subsequent to the year in  
22 which notification is made to the department.

23 B. The claimant agency shall inform the  
24 department within one week of any changes in the status of  
25 any debt submitted by the claimant agency for setoff.

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1           C. Upon proper and timely notification from the  
2 claimant agency, the department shall determine whether the  
3 debtor is entitled to a refund of at least fifty dollars  
4 (\$50.00). The department shall notify the claimant agency in  
5 writing, or in such other manner as the department and the  
6 claimant agency may agree, with respect to each debt accepted  
7 for setoff whether the debtor is due a refund of fifty  
8 dollars (\$50.00) or more and, if so, the amount of refund,  
9 the address of the debtor entered upon the return and, if the  
10 refund arises from a joint return, the name and address of  
11 the spouse as entered upon the return.

12           D. Within ten days after receiving the  
13 notification from the department pursuant to Subsection C of  
14 this section, the claimant agency shall send a notice by  
15 first class mail to the debtor at the debtor's last known  
16 address. The notice required by this subsection shall  
17 include:

18                   (1) a statement that a transfer of the  
19 refund will be made and that the claimant agency intends to  
20 set off the amount of the transfer against a claimed debt;

21                   (2) the amount of the debt asserted and a  
22 description of how the debt asserted arose;

23                   (3) the name, address and telephone number  
24 of the claimant agency;

25                   (4) the amount of refund to be set off

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1 against the debt asserted;

2 (5) a statement that the debtor has thirty  
3 days from the date indicated on the notice to contest the  
4 setoff by applying to the claimant agency for a hearing with  
5 respect to the validity of the debt asserted by that agency;  
6 and

7 (6) a statement that failure of the debtor  
8 to apply for a hearing within thirty days will be deemed a  
9 waiver of the opportunity to contest the setoff and to a  
10 hearing.

11 E. If the refund against which a debt is intended  
12 to be set off results from a joint tax return, the claimant  
13 agency shall send a notice by first class mail to the spouse  
14 named on the return within ten days after receiving the  
15 notification from the department pursuant to Subsection C of  
16 this section. The notice to the spouse shall contain the  
17 following information:

18 (1) a statement that a transfer of the  
19 refund will be made and that the claimant agency intends to  
20 set off the amount of the transfer against a claimed debt;

21 (2) the total amount of the refund and the  
22 amount of each claimed debt;

23 (3) the name, address and telephone number  
24 of the claimant agency;

25 (4) a statement that no debt is claimed

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1 against the spouse and that the spouse may be entitled to  
2 receive all or part of the refund regardless of the claimed  
3 debt against the debtor spouse;

4 (5) a statement that to assert a claim to  
5 all or part of the refund, the spouse shall apply to the  
6 claimant agency for a hearing within thirty days from the  
7 date indicated on the notice with respect to the entitlement  
8 of the spouse to all or part of the refund from which a  
9 transfer will be made at the request of the claimant agency;  
10 and

11 (6) a statement that failure of the spouse  
12 to apply for a hearing within thirty days may be deemed a  
13 waiver of any claim of the spouse with respect to the refund.

14 F. A debtor may contest the setoff of a debt by  
15 applying to the claimant agency for a hearing within thirty  
16 days of the date the notice required by Subsection D of this  
17 section is sent to the debtor. Failure of the debtor to  
18 apply for a hearing within the time required shall constitute  
19 a waiver of the right to contest the debt or the setoff of  
20 the debt.

21 G. A spouse may contest the setoff of a debt  
22 against a refund to which the spouse claims entitlement in  
23 whole or in part by applying to the claimant agency for a  
24 hearing within thirty days of the date the notice required by  
25 Subsection E of this section was sent to the spouse. Failure

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1 of the spouse to apply for a hearing within the time required  
2 shall constitute a waiver of the right to contest the setoff  
3 of the debt against a refund to which the spouse may claim  
4 entitlement.

5 H. The department shall apply against the refund  
6 the amount of the claimed debt, not to exceed the amount of  
7 the refund, and shall transfer that amount to the claimant  
8 agency with an accounting of the amount transferred. When  
9 the amount of refund due exceeds the amount of all applied  
10 debts, the department shall treat the excess as it does other  
11 refunds relating to income taxes.

12 I. Whether or not the refund due the debtor  
13 exceeds the amount of the applied debt, the department shall  
14 notify the debtor at the time of the transfer to the claimant  
15 agency of:

16 (1) the fact of the transfer and that the  
17 claimant agency intends to set off the amount of the transfer  
18 against the asserted debt;

19 (2) the total amount of the refund;

20 (3) the amount of debt asserted by the  
21 claimant agency; and

22 (4) the name, address and telephone number  
23 of the claimant agency.

24 J. Once the department has sent to the debtor the  
25 notice required by Subsection I of this section, together

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1 with any excess of the amount of refund over the amount of  
2 asserted debts, the department shall be deemed to have made  
3 the refund required by the Income Tax Act [~~or the Corporate~~  
4 ~~Income and Franchise Tax Act~~]."

5 SECTION 49. Section 7-3-3 NMSA 1978 (being Laws 1961,  
6 Chapter 243, Section 3, as amended) is amended to read:

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

8 A. Every employer who deducts and withholds a  
9 portion of an employee's wages for payment of income tax  
10 under the provisions of the Internal Revenue Code shall  
11 deduct and withhold an amount for each payroll period  
12 computed from a state withholding tax table furnished by the  
13 department; provided:

14 (1) if the employee instructs the employer  
15 to withhold a greater amount, the employer shall deduct and  
16 withhold the greater amount;

17 (2) if the employee is not a resident of New  
18 Mexico and is to perform services in New Mexico for fifteen  
19 or fewer days cumulatively during the calendar year, the  
20 employer is not required to deduct and withhold an amount  
21 from that employee's wages; and

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

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1           B. The department shall devise and furnish a  
2 state withholding tax table based on statutes made and  
3 provided to employers required to withhold amounts under this  
4 section. This table shall be devised to provide for a yearly  
5 aggregate withholding that will approximate the state income  
6 tax and gross receipts tax liability of average taxpayers in  
7 each exemption category and from wages received.

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

19           D. Every person in New Mexico who is required by  
20 the provisions of the Internal Revenue Code to deduct and  
21 withhold federal tax from payment of winnings that are  
22 subject to withholding shall deduct and withhold from such  
23 payment a tax in an amount equal to six percent of the  
24 winnings, except that an Indian nation, tribe or pueblo or an  
25 agency, department, subdivision or instrumentality thereof is

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1 not required to deduct or withhold from payments made to  
2 members or spouses of members of that Indian nation, tribe or  
3 pueblo."

4 SECTION 50. Section 7-3-9 NMSA 1978 (being Laws 1961,  
5 Chapter 243, Section 11, as amended) is amended to read:

6 "7-3-9. WITHHELD AMOUNTS CREDITED AGAINST TAX.--The  
7 entire amount of income upon which tax was deducted and  
8 withheld shall be included in the gross income of the  
9 withholdee for state income tax and gross receipts tax  
10 purposes. The amount of tax deducted and withheld under the  
11 provisions of the Withholding Tax Act during the taxable year  
12 shall be credited against any state income tax or gross  
13 receipts tax liability for that taxable year."

14 SECTION 51. Section 7-3-13 NMSA 1978 (being Laws 2010,  
15 Chapter 53, Section 7) is amended to read:

16 "7-3-13. WITHHOLDING INFORMATION RETURN REQUIRED--  
17 PENALTY.--

18 A. An employer that has more than fifty employees  
19 and is not required to file an unemployment insurance tax  
20 form with the workforce solutions department or a payor shall  
21 file quarterly a withholding information return with the  
22 department on or before the last day of the month following  
23 the close of the calendar quarter.

24 B. The quarterly withholding information return  
25 required by this section shall contain all information



1 required by the department, including:

2 (1) each employee's or payee's social  
3 security number;

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

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

7 (4) each employee's or payee's state income  
8 tax or gross receipts tax withheld; and

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

11 C. Each quarterly withholding information return  
12 shall be filed with the department using a department-  
13 approved electronic medium.

14 D. Any employer or payor required to file the  
15 quarterly withholding information return who fails to do so  
16 by the due date or to file the return in accordance with  
17 Subsection C of this section is subject to a penalty in the  
18 amount of fifty dollars (\$50.00)."

19 **SECTION 52.** Section 7-3A-2 NMSA 1978 (being Laws 2003,  
20 Chapter 86, Section 5, as amended) is amended to read:

21 "7-3A-2. DEFINITIONS.--As used in the Oil and Gas  
22 Proceeds and Pass-Through Entity Withholding Tax Act:

23 A. "department" means the taxation and revenue  
24 department, the secretary of taxation and revenue or any  
25 employee of the department exercising authority lawfully

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1 delegated to that employee by the secretary;

2 B. "Internal Revenue Code" means the Internal  
3 Revenue Code of 1986, as amended;

4 C. "net income" means, for any pass-through  
5 entity,

6 [~~(1) in the case of an owner that is taxed~~  
7 ~~as a corporation for federal income tax purposes "net income"~~  
8 ~~as defined in the Corporate Income and Franchise Tax Act; and~~

9 ~~(2) for all other owners]~~ "net income" as  
10 defined in the Income Tax Act;

11 D. "oil and gas" means crude oil, natural gas,  
12 liquid hydrocarbons or any combination thereof, or carbon  
13 dioxide;

14 E. "oil and gas proceeds" means any amount  
15 derived from oil and gas production from any well located in  
16 New Mexico and payable as royalty interest, overriding  
17 royalty interest, production payment interest, working  
18 interest or any other obligation expressed as a right to a  
19 specified interest in the cash proceeds received from the  
20 sale of oil and gas production or in the cash value of that  
21 production, subject to all taxes withheld therefrom pursuant  
22 to law; "oil and gas proceeds" excludes "net profits  
23 interest" and other types of interest the extent of which  
24 cannot be determined with reference to a specified share of  
25 the oil and gas production and excludes any amounts deducted

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1 by the remitter from payments to interest owners or paid by  
2 interest owners to the remitter that are for expenses related  
3 to the production from the well or cessation of production  
4 from the well for which the interest owner is liable;

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

14 G. "partnership" means a combination of persons,  
15 including a partnership, joint venture, common trust fund,  
16 association, pool or working agreement, or any other  
17 combination of persons that is treated as a partnership for  
18 federal income tax purposes;

19 H. "pass-through entity" means [~~a personal~~  
20 ~~services business or~~] any [~~other~~] business association other  
21 than:

- 22 (1) a sole proprietorship;  
23 (2) an estate or trust that does not  
24 distribute income to beneficiaries;  
25 (3) a corporation, limited liability

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1 company, partnership or other entity not a sole  
2 proprietorship taxed as a corporation for federal income tax  
3 purposes for the taxable year;

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

8 (5) a single member limited liability  
9 company that is treated as a disregarded entity for federal  
10 income tax purposes; or

11 (6) a publicly traded partnership as defined  
12 in Subsection (b) of Section 7704 of the Internal Revenue  
13 Code;

14 I. "person" means an individual, club, company,  
15 cooperative association, corporation, estate, firm, joint  
16 venture, partnership, receiver, syndicate, trust or other  
17 association, limited liability company, limited liability  
18 partnership or gas, water or electric utility owned or  
19 operated by a county or municipality and, to the extent  
20 permitted by law, a federal, state or other governmental unit  
21 or subdivision or an agency, a department or an  
22 instrumentality thereof;

23 ~~[J. "personal services business" means a business~~  
24 ~~organization that receives payments for the services of a~~  
25 ~~performing artist for purposes of the film production tax~~

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1 ~~credit;~~

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

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

6 **SECTION 53.** Section 7-3A-3 NMSA 1978 (being Laws 2003,  
7 Chapter 86, Section 6, as amended) is amended to read:

8 "7-3A-3. WITHHOLDING FROM OIL AND GAS PROCEEDS AND NET  
9 INCOME.--

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

16 B. Except as otherwise provided in this section,  
17 a pass-through entity shall deduct and withhold from each  
18 owner's allocable share of net income for that calendar year  
19 an amount equal to the rate specified in Subsection D of this  
20 section multiplied by the owner's allocable share of that net  
21 income, reduced, but not below zero, by the amount required  
22 to be withheld from the owner's allocable share of net income  
23 under Subsection A of this section.

24 C. The obligation to deduct and withhold from  
25 payments or allocable net income as provided in Subsections A

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1 and B of this section does not apply to payments that are  
2 made to:

3 (1) a corporation whose principal place of  
4 business is in New Mexico or an individual who is a resident  
5 of New Mexico;

6 (2) remittees with a New Mexico address as  
7 shown on internal revenue service form 1099-Misc or a  
8 successor form or on a pro forma 1099-Misc or a successor  
9 form for those entities that do not receive an internal  
10 revenue service form 1099-Misc;

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

13 (4) any federally recognized Indian nation,  
14 tribe or pueblo or any agency, instrumentality or political  
15 subdivision thereof; or

16 (5) organizations that have been granted  
17 exemption from the federal income tax by the United States  
18 commissioner of internal revenue as organizations described  
19 in Section 501(c)(3) of the Internal Revenue Code. However,  
20 the obligation to deduct and withhold from payments of  
21 allocable net income to organizations identified in this  
22 paragraph applies if that income constitutes unrelated  
23 business income.

24 D. ~~[Except as provided in Subsection H of this~~  
25 ~~section]~~ The rate of withholding shall be set by a department

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1 directive; provided that the rate may not exceed [~~the higher~~  
2 ~~of~~] the maximum bracket rate set by Section 7-2-7 NMSA 1978  
3 for the taxable year [~~or the maximum bracket rate set by~~  
4 ~~Section 7-2A-5 NMSA 1978 for the taxable year~~]; and provided  
5 further that remitters shall be given ninety days' notice of  
6 a change in the rate.

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

18 F. If the amount to be withheld from all payments  
19 to a remittee in a calendar quarter has not exceeded thirty  
20 dollars (\$30.00) and a payment to a remittee is less than ten  
21 dollars (\$10.00), no withholding is required. If the amount  
22 to be withheld from an owner's allocable share of net income  
23 in any calendar year is less than one hundred dollars (\$100),  
24 no withholding is required.

25 G. [~~Except as provided in Subsection H of this~~

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

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

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

19 **SECTION 54.** Section 7-3A-7 NMSA 1978 (being Laws 2003,  
20 Chapter 86, Section 10, as amended) is amended to read:

21 "7-3A-7. STATEMENTS OF WITHHOLDING.--

22 A. Every remitter shall:

23 (1) file an annual statement of withholding  
24 for each remittee that:

25 (a) is in electronic format and



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1 includes a form 1099-Misc or a successor form or on a pro  
2 forma 1099-Misc or a successor form for those entities that  
3 do not receive an internal revenue service form 1099-Misc;

4 (b) is filed with the department on or  
5 before the last day of February of the year following that  
6 for which the statement is made; and

7 (c) includes the total oil and gas  
8 proceeds paid to the remittee and the total amount of tax  
9 withheld for the calendar year; and

10 (2) provide a copy of the annual statement  
11 of withholding to the remittee on or before February 15 of  
12 the year following the year for which the statement is made.

13 B. The department shall develop and adopt rules  
14 regarding the filing of a report pursuant to this section and  
15 the attachment of form 1099-Misc or a successor form or a pro  
16 forma 1099-Misc or a successor form, if the remitter is not  
17 able to file those forms in an electronic format.

18 C. Every remitter shall file an electronic report  
19 of the remittees who have certified that the remittee is  
20 responsible for filing the remittee's own oil and gas  
21 proceeds tax report and for paying the remittee's oil and gas  
22 proceeds tax liability due.

23 D. Every pass-through entity doing business in  
24 New Mexico shall:

25 (1) file an annual information return with

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1 the department that:

2 (a) is filed on or before: 1) the due  
3 date of the entity's federal return for the taxable year; or  
4 2) if the entity's taxable year is a calendar year, if the  
5 entity is approved by the department to use electronic media  
6 for filing and if the entity uses electronic media to file  
7 the annual information return, the end of the month in which  
8 the entity's federal return is due;

9 (b) is signed by the business manager  
10 or one of the owners of the pass-through entity; and

11 (c) contains all information required  
12 by the department, including the pass-through entity's gross  
13 income; the pass-through entity's net income; the amount of  
14 each owner's allocable share of the pass-through entity's net  
15 income; and the name, address and tax identification number  
16 of each owner entitled to an allocable share of net income;  
17 and

18 (2) provide to each of its owners sufficient  
19 information to enable the owner to comply with the provisions  
20 of the Income Tax Act [~~and the Corporate Income and Franchise~~  
21 ~~Tax Act~~] with respect to the owner's allocable share of net  
22 income.

23 E. The department shall compile each year the  
24 annual statements of withholding received from the remitters  
25 and the annual information returns received from pass-through

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1 entities and compare the compilations with the records of  
2 corporations, individuals, estates or trusts filing income  
3 tax returns."

4 SECTION 55. Section 7-3A-8 NMSA 1978 (being Laws 2003,  
5 Chapter 86, Section 11, as amended) is amended to read:

6 "7-3A-8. WITHHELD AMOUNTS CREDITED AGAINST INCOME  
7 TAX.--The entire amount of oil and gas proceeds and an  
8 allocable share of net income upon which the tax was deducted  
9 and withheld or upon which payments were made by owners in  
10 lieu of withholding shall be included in the base income of  
11 the remittee for purposes of the Income Tax Act [~~and the~~  
12 ~~Corporate Income and Franchise Tax Act~~]. The amount of tax  
13 deducted and withheld or payments made by owners in lieu of  
14 withholding pursuant to the Oil and Gas Proceeds and Pass-  
15 Through Entity Withholding Tax Act during the taxable year  
16 shall be credited against any income tax [~~or corporate income~~  
17 ~~tax~~] due from the remittee or owner."

18 SECTION 56. Section 7-3A-9 NMSA 1978 (being Laws 2003,  
19 Chapter 86, Section 12, as amended) is amended to read:

20 "7-3A-9. INTERPRETATION OF ACT--ADMINISTRATION AND  
21 ENFORCEMENT OF ACT--REPORT TO LEGISLATURE.--

22 A. The department shall interpret the provisions  
23 of the Oil and Gas Proceeds and Pass-Through Entity  
24 Withholding Tax Act.

25 B. The department shall administer and enforce

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1 the Oil and Gas Proceeds and Pass-Through Entity Withholding  
2 Tax Act, and the Tax Administration Act applies to the  
3 administration and enforcement of the Oil and Gas Proceeds  
4 and Pass-Through Entity Withholding Tax Act.

5 C. No later than December 1 of each year, the  
6 department shall submit a report to the legislature showing:

7 (1) the total amount of taxes withheld by  
8 remitters and paid to the department during the previous  
9 calendar year pursuant to the Oil and Gas Proceeds and  
10 Pass-Through Entity Withholding Tax Act; and

11 (2) the amount of taxes withheld by  
12 remitters pursuant to the Oil and Gas Proceeds and Pass-  
13 Through Entity Withholding Tax Act that were credited against  
14 income taxes [~~or corporate income taxes~~] by remittees during  
15 the previous calendar year."

16 SECTION 57. Section 7-5-2 NMSA 1978 (being Laws 1967,  
17 Chapter 56, Section 2, as amended) is amended to read:

18 "7-5-2. ELECTION OF ALTERNATIVE TAX.--Any person may  
19 elect to pay a tax of three-fourths percent of the person's  
20 annual gross receipts derived from sales in or into New  
21 Mexico in lieu of paying an income tax if:

22 A. [~~who~~] the person is required by the Income Tax  
23 Act [~~or the Corporate Income and Franchise Tax Act~~] to file a  
24 return;

25 B. [~~whose~~] the person's only activities in New

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1 Mexico consist of making sales;

2 C. ~~[who]~~ the person does not own or rent real  
3 estate within the state of New Mexico; and

4 D. ~~[whose]~~ the person's annual gross sales in or  
5 into New Mexico amount to not more than one hundred thousand  
6 dollars (\$100,000). ~~[may elect to pay a tax of three-fourths~~  
7 ~~of one percent of his annual gross receipts derived from~~  
8 ~~sales in or into New Mexico in lieu of paying an income~~  
9 ~~tax.]"~~

10 SECTION 58. Section 7-5A-3 NMSA 1978 (being Laws 2005,  
11 Chapter 225, Section 3) is amended to read:

12 "7-5A-3. DEFINITIONS.--As used in the Streamlined Sales  
13 and Use Tax Administration Act:

14 A. "agreement" means the streamlined sales and  
15 use tax agreement;

16 B. "certified automated system" means software  
17 certified jointly by member states to:

18 (1) calculate the sales tax imposed by each  
19 jurisdiction on a transaction;

20 (2) determine the amount of tax to remit to  
21 the appropriate state; and

22 (3) maintain a record of the transaction;

23 C. "certified service provider" means an agent  
24 that performs all of the sales tax functions of a seller and  
25 that is certified jointly by member states to perform all of

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1 the sales tax functions of the seller;

2 D. "member state" means a state of the United  
3 States that enters into the agreement with another state and  
4 the District of Columbia if it enters into the agreement with  
5 another state;

6 E. "person" means an individual, trust, estate,  
7 fiduciary, partnership, limited liability company, limited  
8 liability partnership, corporation and any other legal  
9 entity;

10 F. "sales tax" means the gross receipts tax  
11 levied pursuant to the Gross Receipts [~~and Compensating~~] Tax  
12 Act or a tax imposed by a state on the sale of goods or  
13 services; and

14 G. "seller" means a person making sales, leases  
15 and rentals of personal property and services [~~and~~

16 H. ~~"use tax" means the compensating tax levied  
17 pursuant to the Gross Receipts and Compensating Tax Act]."~~

18 SECTION 59. Section 7-9-1 NMSA 1978 (being Laws 1966,  
19 Chapter 47, Section 1, as amended) is amended to read:

20 "7-9-1. SHORT TITLE.--Chapter 7, Article 9 NMSA 1978  
21 may be cited as the "Gross Receipts [~~and Compensating~~] Tax  
22 Act"."

23 SECTION 60. Section 7-9-3 NMSA 1978 (being Laws 1978,  
24 Chapter 46, Section 1, as amended) is amended to read:

25 "7-9-3. DEFINITIONS.--As used in the Gross Receipts

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1     ~~[and Compensating]~~ Tax Act:

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

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

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

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

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

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

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

24                   (4) inspection of preliminary prototypes  
25 developed by the performer of services; or

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1 (5) similar activities;

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

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

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

25 H. "manufacturing" means combining or processing



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1 components or materials to increase their value for sale in  
2 the ordinary course of business, but does not include  
3 construction;

4 I. "person" means:

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

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

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

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

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

25 ~~(2) advancing technology in a field of~~

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1 ~~technical endeavor;~~

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

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

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

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

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

23 ~~M.]~~ L. "service" means all activities engaged in  
24 for other persons for a consideration, which activities  
25 involve predominantly the performance of a service as

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

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

20 SECTION 61. Section 7-9-3.3 NMSA 1978 (being Laws 2003,  
21 Chapter 272, Section 4) is amended to read:

22 "7-9-3.3. DEFINITION--ENGAGING IN BUSINESS.--As used in  
23 the Gross Receipts [~~and Compensating~~] Tax Act, "engaging in  
24 business" means carrying on or causing to be carried on any  
25 activity with the purpose of direct or indirect benefit

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1 ~~[except that:~~

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

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

13           SECTION 62. Section 7-9-3.5 NMSA 1978 (being Laws 2003,  
14 Chapter 272, Section 3, as amended) is amended to read:

15           "7-9-3.5. DEFINITION--GROSS RECEIPTS.--

16           A. As used in the Gross Receipts [~~and~~  
17 ~~Compensating~~] Tax Act:

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

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1 consideration received does not represent the value of the  
2 property or service exchanged, "gross receipts" means the  
3 reasonable value of the property or service exchanged;

4 (2) "gross receipts" includes:

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

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

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

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

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

25 (f) the receipts of a home service

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

13 (3) "gross receipts" excludes:

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

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

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

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

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

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

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

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

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1           SECTION 63. Section 7-9-4 NMSA 1978 (being Laws 1966,  
2 Chapter 47, Section 4, as amended) is amended to read:

3           "7-9-4. IMPOSITION AND RATE OF TAX--DENOMINATION AS  
4 "GROSS RECEIPTS TAX".--

5           A. For the privilege of engaging in business, an  
6 excise tax equal to [~~five and one-eighth~~] one percent of  
7 gross receipts is imposed on any person engaging in business  
8 in New Mexico, except as provided in Subsection B of this  
9 section.

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

12           B. On or before December 1 of each year, the  
13 department shall make a recommendation to the revenue  
14 stabilization and tax policy committee and the legislative  
15 finance committee for legislation that may be necessary to  
16 keep the gross receipts tax rate at or below one percent and  
17 the local option gross receipts taxes, in the aggregate,  
18 below one percent."

19           SECTION 64. Section 7-9-4.3 NMSA 1978 (being Laws 1991,  
20 Chapter 8, Section 2, as amended by Laws 1993, Chapter 332,  
21 Section 1 and by Laws 1993, Chapter 352, Section 1) is  
22 amended to read:

23           "7-9-4.3. IMPOSITION AND RATE OF TAX--DENOMINATION AS  
24 "GOVERNMENTAL GROSS RECEIPTS TAX".--For the privilege of  
25 engaging in certain activities by governments, there is



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1 imposed on every agency, institution, instrumentality or  
2 political subdivision of the state, except any school  
3 district and any entity licensed by the department of health  
4 that is principally engaged in providing health care  
5 services, an excise tax of [~~five~~] one percent of governmental  
6 gross receipts. The tax imposed by this section shall be  
7 referred to as the "governmental gross receipts tax".

8 SECTION 65. Section 7-9-13.2 NMSA 1978 (being Laws  
9 1992, Chapter 100, Section 3, as amended) is amended to read:

10 "7-9-13.2. EXEMPTION--GOVERNMENTAL GROSS RECEIPTS TAX--  
11 RECEIPTS SUBJECT TO CERTAIN OTHER TAXES.--Exempted from the  
12 governmental gross receipts tax are receipts from  
13 transactions involving tangible personal property or services  
14 on which receipts or transactions the gross receipts tax,  
15 [~~compensating tax, motor vehicle excise tax~~] gasoline tax,  
16 [~~special fuel tax~~] special fuel excise tax, oil and gas  
17 emergency school tax, resources tax, processors tax or  
18 service tax [~~or the excise tax imposed under Section~~  
19 ~~66-12-6.1 NMSA 1978~~] is imposed."

20 SECTION 66. Section 7-9-26 NMSA 1978 (being Laws 1969,  
21 Chapter 144, Section 19, as amended) is amended to read:

22 "7-9-26. EXEMPTION--GROSS RECEIPTS [~~AND COMPENSATING~~]  
23 TAX--FUEL.--Exempted from the gross receipts [~~and~~  
24 ~~compensating~~] tax are the receipts from selling [~~and the use~~  
25 ~~of~~] gasoline, special fuel or alternative fuel on which the

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1 tax imposed by Section 7-13-3, [~~7-16-3 or~~] 7-16A-3 or 7-16B-4  
2 NMSA 1978 [~~or the Alternative Fuel Tax Act~~] has been paid and  
3 not refunded."

4 SECTION 67. Section 7-9-44 NMSA 1978 (being Laws 1969,  
5 Chapter 144, Section 34, as amended) is amended to read:

6 "7-9-44. SUSPENSION OF THE RIGHT TO USE A NONTAXABLE  
7 TRANSACTION CERTIFICATE.--

8 [~~A. The secretary may suspend for not more than~~  
9 ~~one year the privilege of a person to execute nontaxable~~  
10 ~~transaction certificates if that person:~~

11 ~~(1) fails to pay, within one year of the~~  
12 ~~date the tax is due, the compensating tax on the subsequent~~  
13 ~~use of property or services purchased through the execution~~  
14 ~~of a nontaxable transaction certificate; or~~

15 ~~(2) executes with the seller or lessor a~~  
16 ~~nontaxable transaction certificate inapplicable to the~~  
17 ~~transaction when no compensating tax is due on that buyer's~~  
18 ~~or lessee's use of the property or service.~~

19 ~~B.]~~ A. The secretary may suspend for not more  
20 than six months the privilege of a person to execute  
21 nontaxable transaction certificates, to claim deductions on  
22 the basis of nontaxable transaction certificates accepted by  
23 that person or both if that person fails to account in the  
24 manner and time required by the department, in accordance  
25 with Subsection E of Section 7-9-43 NMSA 1978, for the

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1 certificates executed or accepted by that person.

2 ~~[G-]~~ B. A suspension under this section voids the  
3 department's approval of the person's application for the  
4 privilege of executing nontaxable transaction certificates  
5 and, prior to resumption of the privilege, the person whose  
6 privilege to execute nontaxable transaction certificates has  
7 been suspended shall reapply for the privilege of executing  
8 such certificates in accordance with Section 7-9-43 NMSA  
9 1978.

10 ~~[D-]~~ C. Notwithstanding the provisions of Section  
11 7-1-8 NMSA 1978, the department may notify the public or  
12 provide for notice to the public of the suspension of a  
13 person's privilege to execute nontaxable transaction  
14 certificates."

15 **SECTION 68.** Section 7-9-45 NMSA 1978 (being Laws 1969,  
16 Chapter 144, Section 35, as amended) is amended to read:

17 "7-9-45. DEDUCTIONS.--

18 A. In computing the gross receipts tax or  
19 governmental gross receipts tax due, ~~[only those receipts~~  
20 ~~specified in Sections 7-9-46 through 7-9-76.2, 7-9-77.1,~~  
21 ~~7-9-83, 7-9-85 through 7-9-87 and 7-9-89 NMSA 1978 may be~~  
22 ~~deducted]~~ receipts ~~[whether specified once or several times~~  
23 ~~in those sections]~~ may be deducted only once from gross  
24 receipts or governmental gross receipts.

25 B. Receipts that are exempted from the gross

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1 receipts tax [~~may~~] shall not be deducted from gross receipts.  
2 Receipts that are deducted from gross receipts [~~may~~] shall  
3 not be exempted from the gross receipts tax.

4 C. Receipts that are exempted from the  
5 governmental gross receipts tax shall not be deducted from  
6 governmental gross receipts. Receipts that are deducted from  
7 governmental gross receipts shall not be exempted from the  
8 governmental gross receipts tax."

9 SECTION 69. A new section of the Gross Receipts Tax Act  
10 is enacted to read:

11 "[NEW MATERIAL] EXEMPTION--GROSS RECEIPTS--DONATIONS TO  
12 CERTAIN ORGANIZATIONS.--Exempted from the gross receipts tax  
13 are the receipts of donations to an organization that is  
14 exempt from the federal income tax as an organization  
15 described in Section 501(c)(3) of the Internal Revenue Code  
16 of 1986, as amended or renumbered."

17 SECTION 70. A new section of the Gross Receipts Tax Act  
18 is enacted to read:

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

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

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

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

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

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

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

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

18           SECTION 71. Section 7-19D-1 NMSA 1978 (being Laws 1993,  
19 Chapter 346, Section 1) is amended to read:

20           "7-19D-1. SHORT TITLE.--Chapter 7, Article 19D NMSA  
21 1978 may be cited as the "Municipal Local Option Gross  
22 Receipts [~~Taxes~~] Tax Act".

23           SECTION 72. Section 7-19D-4 NMSA 1978 (being Laws 1993,  
24 Chapter 346, Section 4) is amended to read:

25           "7-19D-4. ORDINANCE SHALL CONFORM TO CERTAIN PROVISIONS

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1 OF THE GROSS RECEIPTS [~~AND COMPENSATING~~] TAX ACT AND  
2 REQUIREMENTS OF THE DEPARTMENT.--

3 A. An ordinance imposing a tax [~~under~~] pursuant  
4 to the provisions of the Municipal Local Option Gross  
5 Receipts [~~Taxes~~] Tax Act shall adopt by reference the same  
6 definitions and the same provisions relating to exemptions  
7 [~~and deductions~~] as are contained in the Gross Receipts [~~and~~  
8 ~~Compensating~~] Tax Act then in effect and as it may be amended  
9 from time to time.

10 B. The governing body of any municipality  
11 imposing a tax [~~under~~] pursuant to provisions of the  
12 Municipal Local Option Gross Receipts [~~Taxes~~] Tax Act shall  
13 impose the tax by adopting the model ordinance with respect  
14 to the tax furnished to the municipality by the department.  
15 An ordinance that does not conform substantially to the model  
16 ordinance of the department is not valid."

17 SECTION 73. Section 7-19D-9 NMSA 1978 (being Laws 1978,  
18 Chapter 151, Section 1, as amended) is repealed and a new  
19 Section 7-19D-9 NMSA 1978 is enacted to read:

20 "7-19D-9. [NEW MATERIAL] MUNICIPAL GROSS RECEIPTS TAX--  
21 AUTHORITY TO IMPOSE RATE.--

22 A. The majority of the members of the governing  
23 body of a municipality may impose by ordinance an excise tax  
24 at a rate not to exceed one-half percent of the gross  
25 receipts of a person engaging in business in the municipality

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1 for the privilege of engaging in business. The tax may be  
2 imposed in increments of five-hundredths percent or any  
3 multiple of five-hundredths percent.

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

6 C. The governing body of a municipality may, at  
7 the time of enacting an ordinance imposing the municipal  
8 gross receipts tax, dedicate the revenue for a specific  
9 purpose or area of municipal government services. If the  
10 governing body proposes to dedicate such revenue, the  
11 ordinance and, if any election is held, the ballot shall  
12 clearly state the purpose to which the revenue will be  
13 dedicated, and any revenue so dedicated shall be used by the  
14 municipality for that purpose unless a subsequent ordinance  
15 is adopted to change the purpose to which the revenue is  
16 dedicated or to place the revenue in the general fund of the  
17 municipality.

18 D. Ordinances enacted by a governing body of a  
19 municipality that, in the aggregate, impose increments less  
20 than or equal to twenty-five hundredths percent shall not be  
21 subject to referendum.

22 E. Except as provided in Subsection D of this  
23 section, an ordinance imposing an increment of the municipal  
24 gross receipts tax shall not go into effect until after an  
25 election is held and a majority of the voters of the



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1 municipality voting in the election votes in favor of  
2 imposing the tax. The governing body shall adopt a  
3 resolution calling for an election on the question of  
4 imposing the tax at the next regular municipal election. The  
5 question shall be submitted to the voters of the municipality  
6 as a separate question. If the question of imposing the tax  
7 fails, the governing body shall not again propose the  
8 imposition of any increment of the tax for a period of one  
9 year from the date of the election."

10 SECTION 74. Section 7-20E-1 NMSA 1978 (being Laws 1993,  
11 Chapter 354, Section 1) is amended to read:

12 "7-20E-1. SHORT TITLE.--Chapter 7, Article 20E NMSA  
13 1978 may be cited as the "County Local Option Gross Receipts  
14 [~~Taxes~~] Tax Act".

15 SECTION 75. Section 7-20E-4 NMSA 1978 (being Laws 1993,  
16 Chapter 354, Section 4) is amended to read:

17 "7-20E-4. ORDINANCE SHALL CONFORM TO CERTAIN PROVISIONS  
18 OF THE GROSS RECEIPTS [~~AND COMPENSATING~~] TAX ACT AND  
19 REQUIREMENTS OF THE DEPARTMENT.--

20 A. An ordinance imposing a tax [~~under~~] pursuant  
21 to the provisions of the County Local Option Gross Receipts  
22 [~~Taxes~~] Tax Act shall adopt by reference the same definitions  
23 and the same provisions relating to exemptions [~~and~~  
24 ~~deductions~~] as are contained in the Gross Receipts [~~and~~  
25 ~~Compensating~~] Tax Act then in effect and as it may be amended

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1 from time to time.

2 B. The governing body of any county imposing a  
3 tax ~~[under]~~ authorized by the County Local Option Gross  
4 Receipts ~~[Taxes]~~ Tax Act shall impose the tax by adopting the  
5 model ordinance with respect to the tax furnished to the  
6 county by the department. An ordinance that does not conform  
7 substantially to the model ordinance of the department is not  
8 valid."

9 SECTION 76. Section 7-20E-9 NMSA 1978 (being Laws 1983,  
10 Chapter 213, Section 30, as amended) is repealed and a new  
11 Section 7-20E-9 NMSA 1978 is enacted to read:

12 "7-20E-9. [NEW MATERIAL] COUNTY GROSS RECEIPTS TAX--  
13 AUTHORITY TO IMPOSE RATE.--

14 A. The majority of the members of the governing  
15 body of a county may impose by ordinance an excise tax at a  
16 rate not to exceed one-half percent of the gross receipts of  
17 a person engaging in business in the county or county area  
18 for the privilege of engaging in business. The tax may be  
19 imposed in an increment of five-hundredths percent or any  
20 multiple of five-hundredths percent.

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

23 C. The governing body of a county may, at the  
24 time of enacting an ordinance imposing the county gross  
25 receipts tax, dedicate the revenue for a specific purpose or

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1 area of county government services. If the governing body  
2 proposes to dedicate such revenue, the ordinance and, if any  
3 election is held, the ballot shall clearly state the purpose  
4 to which the revenue will be dedicated, and any revenue so  
5 dedicated shall be used by the county for that purpose unless  
6 a subsequent ordinance is adopted to change the purpose to  
7 which the revenue is dedicated or to place the revenue in the  
8 general fund of the county.

9 D. Ordinances enacted by a governing body of a  
10 county that, in the aggregate, impose increments less than or  
11 equal to twenty-five hundredths percent shall not be subject  
12 to referendum.

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

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1 conducted and canvassed in substantially the same manner as  
2 provided by law for general elections. If the question of  
3 imposing the tax fails, the governing body shall not again  
4 propose the tax for a period of one year after the election.  
5 A certified copy of any ordinance imposing the tax shall be  
6 mailed to the department within five days after the ordinance  
7 is adopted in any election called for that purpose."

8 SECTION 77. Section 7-27-5.26 NMSA 1978 (being Laws  
9 2000 (2nd S.S.), Chapter 6, Section 2, as amended) is amended  
10 to read:

11 "7-27-5.26. INVESTMENT IN FILMS TO BE PRODUCED IN  
12 NEW MEXICO.--

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

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

22 C. The state investment officer shall make  
23 investments pursuant to this section only upon approval of  
24 the council after a review by the New Mexico film division of  
25 the economic development department. The state investment

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1 officer may make debt or equity investments pursuant to this  
2 section only in New Mexico film projects or New Mexico film  
3 private equity funds that invest only in film 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 council in accordance with its  
7 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 council shall establish guidelines for the state~~  
25 ~~investment officer's initiation of a loan and the terms of~~

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1 ~~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 78. 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 79.** 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 80. 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 81. 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 82. Section 53-8-28 NMSA 1978 (being Laws 1975,  
5 Chapter 217, Section 28, as amended) is amended to read:

6 "53-8-28. SHARES OF STOCK AND DIVIDENDS PROHIBITED  
7 ~~[EXEMPTION FROM FRANCHISE TAX].--[A.]~~ A corporation shall not  
8 have or issue shares of stock. No dividend shall be paid and  
9 no part of the income, profit or assets of a corporation  
10 shall be distributed to its members, directors or officers.  
11 A corporation may pay compensation in a reasonable amount to  
12 its members, directors or officers for services rendered and  
13 may confer benefits upon its members in conformity with its  
14 purposes and upon dissolution or final liquidation may make  
15 distributions as permitted by the Nonprofit Corporation Act.

16 ~~[B. A corporation incorporated under the~~  
17 ~~Nonprofit Corporation Act shall not be subject to or required~~  
18 ~~to pay a franchise tax, unless the corporation receives~~  
19 ~~unrelated business income, as that term is defined in the~~  
20 ~~Internal Revenue Code of 1986, as amended.]"~~

21 SECTION 83. Section 53-11-2 NMSA 1978 (being Laws 1967,  
22 Chapter 81, Section 2, as amended) is amended to read:

23 "53-11-2. DEFINITIONS.--As used in the Business  
24 Corporation Act, unless the text otherwise requires:

25 A. "corporation" or "domestic corporation" means

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1 a corporation for profit subject to the provisions of the  
2 Business Corporation Act, except a foreign corporation;

3 B. "foreign corporation" means a corporation for  
4 profit organized under laws other than the laws of this state  
5 for a purpose for which a corporation may be organized under  
6 the Business Corporation Act;

7 C. "articles of incorporation" means the original  
8 or restated articles of incorporation or articles of  
9 consolidation and all amendments thereto, including articles  
10 of merger;

11 D. "shares" means the units into which the  
12 proprietary interests in a corporation are divided;

13 E. "subscriber" means one who subscribes for  
14 shares in a corporation, whether before or after  
15 incorporation;

16 F. "shareholder" means one who is a holder of  
17 record of shares in a corporation;

18 G. "authorized shares" means the shares of all  
19 classes ~~[which]~~ that the corporation is authorized to issue;

20 H. "annual report" means the corporate report  
21 required by the Corporate Reports Act;

22 I. "distribution" means a direct or indirect  
23 transfer of money or other property (except its own shares)  
24 or incurrence of indebtedness, by a corporation to or for the  
25 benefit of any of its shareholders in respect of any of its

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1 shares, whether by dividend or by purchase redemption or  
2 other acquisition of its shares, or otherwise;

3 ~~[J. "franchise tax" means the franchise tax~~  
4 ~~imposed by the Corporate Income and Franchise Tax Act;~~

5 ~~K.]~~ J. "fees" means the fees imposed by Section  
6 53-2-1 NMSA 1978;

7 ~~[L.]~~ K. "commission" ~~[means the]~~ or "public  
8 regulation commission" ~~[or its delegate]~~ means the secretary  
9 of state or the secretary's designee;

10 ~~[M.]~~ L. "address" means:

11 (1) the mailing address and the street  
12 address, if within a municipality; or

13 (2) the mailing address and a rural route  
14 number and box number, if any, or the geographical location,  
15 using well-known landmarks, if outside a municipality; and

16 ~~[N.]~~ M. "delivery" means:

17 (1) if personally served, the date on which  
18 the documentation is received by the ~~[corporations bureau of~~  
19 ~~the]~~ commission; and

20 (2) if mailed, the date of the postmark plus  
21 three days, upon proof thereof by the party delivering the  
22 documentation."

23 SECTION 84. Section 58-31-3 NMSA 1978 (being Laws 2005,  
24 Chapter 128, Section 3, as amended) is amended to read:

25 "58-31-3. DEFINITIONS.--As used in the Spaceport

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1 Development Act:

2 A. "authority" means the spaceport authority;

3 B. "project" means any land, building or other  
4 improvements acquired as part of a spaceport or associated  
5 with a spaceport or to aid commerce in connection with a  
6 spaceport and all real and personal property deemed necessary  
7 in connection with the spaceport;

8 C. "revenue" means municipal [~~regional spaceport~~]  
9 gross receipts tax and county [~~regional spaceport~~] gross  
10 receipts tax revenue received from a regional spaceport  
11 district, revenue generated by a project and any other  
12 legally available funds of the authority;

13 D. "space vehicle" means a vehicle capable of  
14 being flown in space or launching a payload into space; and

15 E. "spaceport" means a facility in New Mexico at  
16 which space vehicles may be launched or landed, including all  
17 facilities and support infrastructure related to launch,  
18 landing or payload processing."

19 SECTION 85. Section 58-31-5 NMSA 1978 (being Laws 2005,  
20 Chapter 128, Section 5, as amended) is amended to read:

21 "58-31-5. AUTHORITY POWERS AND DUTIES.--

22 A. The authority shall:

23 (1) hire an executive director, who shall  
24 employ the necessary professional, technical and clerical  
25 staff to enable the authority to function efficiently and

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1 shall direct the affairs and business of the authority,  
2 subject to the direction of the authority;

3 (2) be located within fifty miles of a  
4 southwest regional spaceport;

5 (3) advise the governor, the governor's  
6 staff and the New Mexico finance authority oversight  
7 committee on methods, proposals, programs and initiatives  
8 involving a southwest regional spaceport that may further  
9 stimulate space-related business and employment opportunities  
10 in New Mexico;

11 (4) initiate, develop, acquire, own,  
12 construct, maintain and lease space-related projects;

13 (5) make and execute all contracts and other  
14 instruments necessary or convenient to the exercise of its  
15 powers and duties;

16 (6) create programs to expand high-  
17 technology economic opportunities within New Mexico;

18 (7) create avenues of communication among  
19 federal government agencies, the space industry, users of  
20 space launch services and academia concerning space business;

21 (8) promote legislation that will further  
22 the goals of the authority and development of space business;

23 (9) oversee and fund production of  
24 promotional literature related to the authority's goals;

25 (10) identify science and technology trends

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1 that are significant to space enterprise and the state and  
2 act as a clearinghouse for space enterprise issues and  
3 information;

4 (11) coordinate and expedite the involvement  
5 of the state executive branch's space-related development  
6 efforts; and

7 (12) perform environmental, transportation,  
8 communication, land use and other technical studies necessary  
9 or advisable for projects and programs or to secure licensing  
10 by appropriate United States agencies.

11 B. The authority may:

12 (1) advise and cooperate with  
13 municipalities, counties, state agencies and organizations,  
14 appropriate federal agencies and organizations and other  
15 interested persons and groups;

16 (2) solicit and accept federal, state, local  
17 and private grants of funds or property and financial or  
18 other aid for the purpose of carrying out the provisions of  
19 the Spaceport Development Act;

20 (3) adopt rules governing the manner in  
21 which its business is transacted and the manner in which the  
22 powers of the authority are exercised and its duties  
23 performed;

24 (4) operate spaceport facilities, including  
25 acquisition of real property necessary for spaceport

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1 facilities and the filing of necessary documents with  
2 appropriate agencies;

3 (5) construct, purchase, accept donations of  
4 or lease projects located within the state;

5 (6) sell, lease or otherwise dispose of a  
6 project upon terms and conditions acceptable to the authority  
7 and in the best interests of the state;

8 (7) issue revenue bonds and borrow money for  
9 the purpose of defraying the cost of acquiring a project by  
10 purchase or construction and of securing the payment of the  
11 bonds or repayment of a loan;

12 (8) enter into contracts with regional  
13 spaceport districts and issue bonds on behalf of regional  
14 spaceport districts for the purpose of financing the  
15 purchase, construction, renovation, equipping or furnishing  
16 of a regional spaceport or a spaceport-related project;

17 (9) refinance a project;

18 (10) contract with any competent private or  
19 public organization or individual to assist in the  
20 fulfillment of its duties;

21 (11) fix, alter, charge and collect tolls,  
22 fees or rentals and impose any other charges for the use of  
23 or for services rendered by any authority facility, program  
24 or service; and

25 (12) contract with regional spaceport

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1 districts to receive municipal [~~spaceport~~] gross receipts tax  
2 and county [~~regional spaceport~~] gross receipts tax revenues.

3 C. The authority shall not:

4 (1) incur debt as a general obligation of  
5 the state or pledge the full faith and credit of the state to  
6 repay debt; or

7 (2) expend funds or incur debt for the  
8 improvement, maintenance, repair or addition to property  
9 unless it is owned by the authority, the state or a political  
10 subdivision of the state."

11 SECTION 86. Section 58-31-6 NMSA 1978 (being Laws 2005,  
12 Chapter 128, Section 6, as amended) is amended to read:

13 "58-31-6. SPACEPORT AUTHORITY--BONDING AUTHORITY--POWER  
14 TO ISSUE REVENUE BONDS.--

15 A. The authority may issue revenue bonds on its  
16 own behalf or on behalf of a regional spaceport district, for  
17 regional spaceport purposes and spaceport-related projects.  
18 Revenue bonds so issued may be considered appropriate  
19 investments for the severance tax permanent fund or  
20 collateral for the deposit of public funds if the bonds are  
21 rated not less than "A" by a national rating service and both  
22 the principal and interest of the bonds are fully and  
23 unconditionally guaranteed by a lease agreement executed by  
24 an agency of the United States government or by a corporation  
25 organized and operating within the United States, that

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1 corporation or the long-term debt of that corporation being  
2 rated not less than "A" by a national rating service. All  
3 bonds issued by the authority are legal and authorized  
4 investments for banks, trust companies, savings and loan  
5 associations and insurance companies.

6 B. The authority may pay from the bond proceeds  
7 all expenses, premiums and commissions that the authority  
8 deems necessary or advantageous in connection with the  
9 authorization, sale and issuance of the bonds.

10 C. Authority revenue bonds:

11 (1) may have interest or appreciated  
12 principal value or any part thereof payable at intervals  
13 determined by the authority;

14 (2) may be subject to prior redemption or  
15 mandatory redemption at the authority's option at the time  
16 and upon such terms and conditions with or without the  
17 payment of a premium as may be provided by resolution of the  
18 authority;

19 (3) may mature at any time not exceeding  
20 twenty years after the date of issuance if secured by revenue  
21 from ~~[the]~~ a county or municipal ~~[regional-spaceport]~~ gross  
22 receipts tax or thirty years if secured by revenue from other  
23 sources;

24 (4) may be serial in form and maturity;  
25 consist of one or more bonds payable at one time or in

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1 installments; or may be in such other form as determined by  
2 the authority;

3 (5) may be in registered or bearer form or  
4 in book-entry form through facilities of a securities  
5 depository either as to principal or interest or both;

6 (6) shall be sold for cash at, above or  
7 below par and at a price that results in a net effective  
8 interest rate that conforms to the Public Securities Act; and

9 (7) may be sold at public or negotiated  
10 sale.

11 D. Subject to the approval of the state board of  
12 finance, the authority may enter into other financial  
13 arrangements if it determines that the arrangements will  
14 assist the authority."

15 **SECTION 87.** Section 66-3-7 NMSA 1978 (being Laws 1978,  
16 Chapter 35, Section 27, as amended) is amended to read:

17 "66-3-7. GROUNDS FOR REFUSING, SUSPENDING OR REVOKING  
18 REGISTRATION OR CERTIFICATE OF TITLE.--The division may  
19 refuse, suspend or revoke registration or issuance of a  
20 certificate of title or a transfer of registration upon the  
21 [~~ground~~] grounds that:

22 A. the application contains a false or fraudulent  
23 statement or that the applicant failed to furnish the  
24 required information or reasonable additional information  
25 requested by the division or that the applicant is not

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1 entitled to the issuance of a certificate of title or  
2 registration of the vehicle under the Motor Vehicle Code;

3 B. the vehicle is mechanically unfit or unsafe to  
4 be operated or moved upon the highways;

5 C. a commercial motor vehicle is operated by a  
6 commercial motor carrier that is prohibited from operating  
7 the vehicle by order of a state or federal agency;

8 D. the division has [~~a~~] reasonable [~~ground~~]  
9 grounds to believe that the vehicle is a stolen or embezzled  
10 vehicle or that the granting of registration or the issuance  
11 of a certificate of title would constitute a fraud against  
12 the rightful owner or other person having valid lien upon the  
13 vehicle;

14 E. the registration of the vehicle stands  
15 suspended or revoked for any reason as provided in the motor  
16 vehicle laws of this state;

17 F. the required fee has not been paid;

18 [~~G.~~ ~~the motor vehicle excise tax has not been~~  
19 ~~paid;~~

20 [~~H.~~] G. the weight distance tax has not been paid;

21 [~~I.~~] H. international fuel tax agreement taxes  
22 have not been paid;

23 [~~J.~~] I. if the vehicle is a mobile home, the  
24 property tax has not been paid;

25 [~~K.~~] J. the owner's address, as shown in the

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1 records of the division, is within a class A county or within  
2 a municipality that has a vehicle emission inspection and  
3 maintenance program and the applicant has applied at an  
4 office outside the designated county or municipality; or

5 ~~[H.]~~ K. the owner is required to but has failed  
6 to provide proof of compliance with a vehicle emission  
7 inspection and maintenance program, if required in the county  
8 or municipality in which the owner resides."

9 SECTION 88. Section 66-3-118 NMSA 1978 (being Laws  
10 1978, Chapter 35, Section 65, as amended) is amended to read:

11 "66-3-118. MANUFACTURER'S CERTIFICATE OF ORIGIN--  
12 TRANSFER OF VEHICLE NOT PREVIOUSLY REGISTERED.--

13 A. Whenever a manufacturer or the agent or  
14 distributor of a manufacturer transfers a vehicle, not  
15 previously registered, to a dealer in this state, the  
16 manufacturer, agent or distributor at the time of transfer of  
17 the vehicle shall deliver to the dealer a manufacturer's  
18 certificate of origin. The certificate shall be signed by  
19 the manufacturer and shall specify that the vehicle described  
20 has been transferred to the dealer named and that the  
21 transfer is the first transfer of the vehicle in ordinary  
22 trade and commerce.

23 B. The certificate shall contain a description of  
24 the vehicle, number of cylinders, type of body, engine  
25 number, serial number or other standard identification number

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1 provided by the manufacturer of the vehicle and space for  
2 proper reassignment to a New Mexico dealer or to a dealer  
3 duly licensed or recognized as such in another state,  
4 territory or possession of the United States.

5 C. Any dealer when transferring a vehicle, not  
6 previously registered, to another dealer shall, at the time  
7 of transfer, give the transferee the proper manufacturer's  
8 certificate of origin fully assigned to the transferee.

9 D. When a vehicle not previously registered is  
10 transferred to a dealer who does not hold a franchise granted  
11 by the manufacturer of the vehicle to sell that type or model  
12 of vehicle, the transferee must obtain a registration of the  
13 vehicle and certificate of title [~~but shall not be required~~  
14 ~~to pay the excise tax imposed by Section 7-14-3 NMSA 1978~~]."

15 SECTION 89. Section 66-3-401 NMSA 1978 (being Laws  
16 1978, Chapter 35, Section 80, as amended) is amended to read:

17 "66-3-401. OPERATION OF VEHICLES UNDER DEALER PLATES.--

18 A. Any vehicle that is required to be registered  
19 pursuant to the Motor Vehicle Code and that is included in  
20 the inventory of a dealer may be operated or moved upon the  
21 highways for any purpose, provided that the vehicle display  
22 in the manner prescribed in Section 66-3-18 NMSA 1978 a  
23 unique plate issued to the dealer as provided in Section  
24 66-3-402 NMSA 1978. This subsection shall not be construed  
25 as limiting the use of temporary registration permits issued

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1 to dealers pursuant to Section 66-3-6 NMSA 1978. Each dealer  
2 plate shall be issued for a specific vehicle in a dealer's  
3 inventory. If a dealer wishes to use the plate on a  
4 different vehicle, the dealer must reregister that plate to  
5 the different vehicle.

6 B. The provisions of this section do not apply to  
7 work or service vehicles used by a dealer. For the purposes  
8 of this subsection, "work or service vehicle" includes any  
9 vehicle used substantially as a:

10 (1) parts or delivery vehicle;

11 (2) vehicle used to tow another vehicle;

12 (3) courtesy shuttle; or

13 (4) vehicle loaned to customers for their  
14 convenience.

15 C. Each vehicle included in a dealer's inventory  
16 required to be registered pursuant to the provisions of  
17 Subsection A of this section must conform to the registration  
18 provisions of the Motor Vehicle Code, but is not required to  
19 be titled pursuant to the provisions of that code. When a  
20 vehicle is no longer included in a dealer's inventory, and is  
21 not sold or leased to an unrelated entity, the dealer must  
22 title the vehicle ~~[and pay the motor vehicle excise tax that~~  
23 ~~would have been due when the vehicle was first registered by~~  
24 ~~the dealer]~~.

25 D. In lieu of the use of dealer plates pursuant

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1 to this section, a dealer may register and title a vehicle  
2 included in a dealer's inventory in the name of the dealer  
3 upon payment of the registration fee applicable to that  
4 vehicle; [~~but without payment of the motor vehicle excise~~  
5 ~~tax~~] provided the vehicle is subsequently sold or leased in  
6 the ordinary course of business in a transaction subject to  
7 the [~~motor vehicle excise tax or the leased vehicle~~] gross  
8 receipts tax."

9 SECTION 90. Section 66-3-1006 NMSA 1978 (being Laws  
10 1978, Chapter 35, Section 202, as amended) is amended to  
11 read:

12 "66-3-1006. GROUNDS FOR REFUSING REGISTRATION OR  
13 CERTIFICATE OF TITLE.--The division may refuse registration  
14 or issuance of a certificate of title or any transfer of a  
15 registration certificate if:

16 A. the division has reasonable grounds to believe  
17 that the application contains any false or fraudulent  
18 statement or that the applicant has failed to furnish the  
19 required information or reasonable additional information  
20 requested by the division or that the applicant is not  
21 entitled to the issuance of a certificate of title or  
22 registration certificate of the off-highway motor vehicle  
23 under the Motor Vehicle Code or laws of this state;

24 B. the division has reasonable grounds to believe  
25 that the off-highway motor vehicle is stolen or embezzled or

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1 that the granting of a registration certificate or the  
2 issuance of a certificate of title would constitute a fraud  
3 against the rightful owner or other person having a valid  
4 lien upon the off-highway motor vehicle;

5 C. the division has reasonable grounds to believe  
6 that a nonresident applicant is not entitled to registration  
7 issuance under the laws of the nonresident applicant's state  
8 of residence; or

9 D. the required fees have not been paid [~~or~~

10 ~~E. the motor vehicle excise tax has not been paid~~  
11 ~~pursuant to Chapter 7, Article 14 NMSA 1978]."~~

12 SECTION 91. Section 66-12-5.2 NMSA 1978 (being Laws  
13 1987, Chapter 247, Section 7) is amended to read:

14 "66-12-5.2. OWNER'S CERTIFICATE OF TITLE--FEES--  
15 DUPLICATES.--

16 A. Except as provided in Subsection C of this  
17 section, every owner of a boat subject to titling under the  
18 provisions of the Boat Act shall apply to the division for  
19 issuance of a certificate of title for the boat within thirty  
20 days after acquisition. The application shall be on forms  
21 the division prescribes and accompanied by the required fee.  
22 The application shall be signed and sworn to before a notary  
23 public or other person who administers oaths, or include a  
24 certification signed in writing containing substantially the  
25 representation that statements made are true and correct to

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1 the best of the applicant's knowledge, information and  
2 belief, under penalty of perjury. The application shall  
3 contain the date of sale and gross price of the boat or the  
4 fair market value if no sale immediately preceded the  
5 transfer and any additional information the division  
6 requires. If the application is made for a boat last  
7 previously registered or titled in another state or foreign  
8 country, it shall contain this information and any other  
9 information the division requires.

10 B. The division shall not issue or renew a  
11 certificate of number to any boat required to be registered  
12 and numbered in the state unless the division has issued a  
13 certificate of title to the owner, if the boat is required to  
14 be titled.

15 C. Any person who, on July 1, 1987, is the owner  
16 of a boat with a valid certificate of number issued by the  
17 state is not required to file an application for a  
18 certificate of title for the boat until [~~he~~] the person  
19 transfers any part of [~~his~~] the person's interest in the boat  
20 or [~~he~~] renews the certificate of number for the boat.

21 D. If a dealer buys or acquires a used boat for  
22 resale, [~~he~~] the dealer shall report the acquisition to the  
23 division on forms the division provides, or [~~he~~] the dealer  
24 may apply for and obtain a certificate of title as provided  
25 in this section. If a dealer buys or acquires a used

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1 unnumbered boat, ~~he~~ the dealer shall apply for a  
2 certificate of title in ~~his~~ the dealer's name within thirty  
3 days. If a dealer buys or acquires a new boat for resale,  
4 ~~he~~ the dealer may apply for a certificate of title in ~~his~~  
5 the dealer's name.

6 E. Every dealer transferring a boat requiring  
7 titling under this section shall assign the title to the new  
8 owner or, in the case of a new boat, assign the certificate  
9 of origin. Within thirty days, the dealer or purchaser, as  
10 applicable, shall file with the division the necessary  
11 application and fee required under this section.

12 F. The division shall maintain a record of any  
13 certificate of title it issues.

14 G. No person shall sell, assign or transfer a  
15 boat titled by the state without delivering to the purchaser  
16 or transferee a certificate of title with an assignment on it  
17 showing title in the purchaser or transferee and with a  
18 statement of all liens upon the title. No person may  
19 purchase or otherwise acquire a boat required to be titled by  
20 the state without obtaining a certificate of title for it in  
21 ~~his~~ the person's name.

22 H. The division shall charge a ~~ten-dollar~~ ten-  
23 dollar (\$10.00) fee to issue a certificate of title, a  
24 transfer of title, a duplicate or corrected certificate of  
25 title.

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1 I. If a certificate of title is lost, stolen,  
2 mutilated, destroyed or becomes illegible, the first  
3 lienholder or, if there is none, the owner named in the  
4 certificate, as shown by the division's records, shall within  
5 thirty days obtain a duplicate by applying to the division.  
6 The applicant shall furnish information concerning the  
7 original certificate and the circumstances of its loss,  
8 mutilation or destruction as the division requires.  
9 Mutilated or illegible certificates shall be returned to the  
10 division with the application for a duplicate. [~~Issuance of~~  
11 ~~a duplicate certificate of title is not subject to the excise~~  
12 ~~tax imposed under Section 66-12-6.1 NMSA 1978.~~]

13 J. The duplicate certificate of title shall be  
14 plainly marked "duplicate" across its face and mailed or  
15 delivered to the applicant.

16 K. If a lost or stolen original certificate of  
17 title for which a duplicate has been issued is recovered, the  
18 original shall be surrendered promptly to the division for  
19 cancellation."

20 SECTION 92. TEMPORARY PROVISION--OUTSTANDING REVENUE  
21 BONDS AND LOAN GUARANTEES.--

22 A. The repeal of certain taxes made in this act  
23 shall not impair outstanding revenue bonds or loan guarantees  
24 that are secured by a pledge of those taxes.

25 B. If a municipality or county has issued a

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1 revenue bond or made a loan guarantee that is secured by a  
2 pledge of any of tax being repealed by Section 96 of this  
3 act, the municipality or county shall:

4 (1) enact an ordinance imposing an increment  
5 of the municipal gross receipts tax or county gross receipts  
6 tax, as applicable, that is transferred to the municipality  
7 pursuant to Section 7-1-6.12 NMSA 1978 or the county pursuant  
8 to 7-1-6.13 NMSA 1978 and will result in the amount of  
9 revenue necessary to make the required bond debt service  
10 payments or loan guarantee payments, as determined by the  
11 department of finance and administration and the taxation and  
12 revenue department; and

13 (2) pledge the increment imposed pursuant to  
14 Paragraph (1) of this subsection to the payment of the  
15 revenue bond or loan guarantee until the revenue bond or loan  
16 guarantee has been discharged in full or provision has been  
17 fully made therefor.

18 C. Notwithstanding the provisions of Sections  
19 7-19D-9 and 7-20E-9 NMSA 1978, an ordinance enacted pursuant  
20 to Paragraph (1) of Subsection B of this section shall not be  
21 subject to referendum.

22 **SECTION 93. TEMPORARY PROVISION--AMNESTY FOR INTEREST**  
23 **AND PENALTIES IMPOSED ON CERTAIN TAXES OWED.--Notwithstanding**  
24 **the provisions of Sections 7-1-67 and 7-1-69 NMSA 1978 and**  
25 **prior to July 1, 2018, no interest or penalty shall be**

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1 assessed for nonpayment of a tax if that tax was due prior to  
2 January 1, 2017; provided that the taxpayer pays the tax on  
3 or before July 1, 2018 and the taxation and revenue  
4 department has not issued a notice of commencement of an  
5 audit to the taxpayer pursuant to Section 7-1-11.2 NMSA 1978  
6 before the tax is paid.

7 SECTION 94. TEMPORARY PROVISION--REFERENCES IN LAW.--

8 A. All references in law to the Gross Receipts  
9 and Compensating Tax Act shall be deemed to be references to  
10 the Gross Receipts Tax Act.

11 B. All references in law to the Municipal Local  
12 Option Gross Receipts Taxes Act shall be deemed to be  
13 references to the Municipal Local Option Gross Receipts Tax  
14 Act.

15 C. All references in law to the County Local  
16 Option Gross Receipts Taxes Act shall be deemed to be  
17 references to the County Local Option Gross Receipts Tax Act.

18 D. All references in law to the county-supported  
19 medicaid fund shall be deemed to be references to the  
20 medicaid fund.

21 SECTION 95. TEMPORARY PROVISION--REPEALED INCOME TAX  
22 PROVISIONS.--The provisions of the sections of law being  
23 repealed by Section 97 of this act shall not apply to taxable  
24 years beginning on or after January 1, 2017.

25 SECTION 96. REPEAL.--

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1           A. Section 5-15-21 NMSA 1978 (being Laws 2006,  
2 Chapter 75, Section 21, as amended) is repealed.

3           B. Sections 5-15A-1 through 5-15A-3 NMSA 1978  
4 (being Laws 2007, Chapter 310, Section 1 and Laws 2007,  
5 Chapter 313, Section 1; Laws 2007, Chapter 310, Section 2 and  
6 Laws 2007, Chapter 313, Section 2; and Laws 2007, Chapter  
7 310, Section 3 and Laws 2007, Chapter 313, Section 3) are  
8 repealed.

9           C. Section 5-16-13 NMSA 1978 (being Laws 2006,  
10 Chapter 15, Section 13) is repealed.

11           D. Section 6-21-5.1 NMSA 1978 (being Laws 1998,  
12 Chapter 65, Section 1) is repealed.

13           E. Sections 7-1-6.4, 7-1-6.46, 7-1-6.47,  
14 7-1-6.55, 7-1-6.60 and 7-1-15.2 NMSA 1978 (being Laws 1983,  
15 Chapter 211, Section 9, Laws 2004, Chapter 116, Sections 1  
16 and 2, Laws 2007, Chapter 331, Section 4, Laws 2010, Chapter  
17 31, Section 2 and Laws 1998, Chapter 105, Section 1, as  
18 amended) are repealed.

19           F. Sections 7-2A-1 through 7-2A-28 NMSA 1978  
20 (being Laws 1981, Chapter 37, Section 34, Laws 1986, Chapter  
21 20, Section 33, Laws 1981, Chapter 37, Sections 36 through  
22 38, Laws 1986, Chapter 20, Section 37, Laws 1981, Chapter 37,  
23 Sections 39 through 41, Laws 1983, Chapter 213, Sections 12  
24 and 13, Laws 1984, Chapter 34, Section 2, Laws 1998, Chapter  
25 97, Section 3, Laws 2003, Chapter 331, Section 8, Laws 1981,

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1 Chapter 37, Section 42, Laws 1986, Chapter 5, Section 1, Laws  
2 1990, Chapter 23, Section 2, Laws 1981, Chapter 37, Sections  
3 43 through 46, Laws 1983, Chapter 218, Section 1, Laws 1994,  
4 Chapter 115, Section 2, Laws 1997, Chapter 58, Section 1,  
5 Laws 2003, Chapter 400, Section 2, Laws 2001, Chapter 73,  
6 Section 2, Laws 2002, Chapter 59, Section 1, Laws 2007,  
7 Chapter 204, Sections 4 and 8, Laws 2009, Chapter 271,  
8 Section 2, Laws 2009, Chapter 279, Section 2, Laws 2010,  
9 Chapter 84, Section 2, Laws 2012, Chapter 55, Section 2 and  
10 Laws 2015, chapter 130, Section 2, as amended) are repealed.

11 G. Sections 7-2D-1 through 7-2D-14 NMSA 1978  
12 (being Laws 1993, Chapter 313, Sections 1, 2 and 4 through 8,  
13 Laws 1995, Chapter 89, Section 8 and Laws 1993, Chapter 313,  
14 Sections 9 through 14, as amended) are repealed.

15 H. Section 7-2E-1.1 NMSA 1978 (being Laws 2007,  
16 Chapter 172, Section 2) is repealed.

17 I. Sections 7-2F-1 through 7-2F-12 NMSA 1978  
18 (being Laws 2002, Chapter 36, Section 1; Laws 2011, Chapter  
19 165, Section 2 and Laws 2011, Chapter 177, Section 3; Laws  
20 2003, Chapter 127, Section 2; Laws 2015, Chapter 143, Section  
21 4; Laws 2011, Chapter 165, Sections 4 and 5; Laws 2015,  
22 Chapter 62, Section 1; and Laws 2015, Chapter 143, Sections 5  
23 through 11, as amended) are repealed.

24 J. Sections 7-7-1 through 7-7-20 NMSA 1978 (being  
25 Laws 1973, Chapter 345, Sections 1 through 12 and Laws 1983

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1 Chapter 209, Sections 1 through 6, as amended) are repealed.

2 K. Sections 7-9-7 through 7-9-10, 7-9-12,  
3 7-9-13.1, 7-9-13.3 through 7-9-13.5, 7-9-15 through 7-9-23.1,  
4 7-9-26.1, 7-9-27, 7-9-29 through 7-9-31, 7-9-36 through  
5 7-9-41.1, 7-9-41.4, 7-9-46 through 7-9-52.1, 7-9-54 through  
6 7-9-54.5, 7-9-56.1 through 7-9-60, 7-9-61.2 through 7-9-69,  
7 7-9-71 through 7-9-86 and 7-9-90 through 7-9-115 NMSA 1978  
8 (being Laws 1966, Chapter 47, Section 7; Laws 1993, Chapter  
9 45, Section 1; Laws 1966, Chapter 47, Sections 8 through 10;  
10 Laws 1969, Chapter 144, Section 5; Laws 1989, Chapter 262,  
11 Section 4; Laws 2001, Chapter 231, Section 12; Laws 2002,  
12 Chapter 20, Section 1; Laws 2005, Chapter 351, Section 2;  
13 Laws 1970, Chapter 12, Section 1; Laws 1969, Chapter 144,  
14 Sections 9 through 11; Laws 1987, Chapter 264, Section 13;  
15 and Laws 1987, Chapter 304, Section 1; Laws 1969, Chapter  
16 144, Section 12; Laws 1988, Chapter 82, Section 1; Laws 1969,  
17 Chapter 144, Section 15; Laws 1987, Chapter 247, Section 1;  
18 Laws 1969, Chapter 144, Section 16; Laws 1987, Chapter 247,  
19 Section 2; Laws 2003, Chapter 62, Section 1; Laws 1969,  
20 Chapter 144, Section 20; Laws 1970, Chapter 12, Section 3;  
21 Laws 1969, Chapter 144, Section 23; Laws 1969, Chapter 144,  
22 Sections 24 and 29 through 31; Laws 1992, Chapter 50, Section  
23 12 and Laws 1992, Chapter 67, Section 12; Laws 2002, Chapter  
24 18, Section 2; Laws 1969, Chapter 144, Section 32; Laws 1970,  
25 Chapter 60, Section 2; Laws 1972, Chapter 61, Section 2; Laws

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1 2007, Chapter 117, Section 1; Laws 2009, Chapter 62, Section  
2 1; Laws 1969, Chapter 144, Sections 36 through 42; Laws 2012,  
3 Chapter 5, Section 6; Laws 1969, Chapter 144, Section 44;  
4 Laws 1992, Chapter 40, Section 1; Laws 1995, Chapter 183,  
5 Section 2; Laws 2002, Chapter 37, Section 8; Laws 2003,  
6 Chapter 62, Section 4; Laws 2004, Chapter 16, Section 3; Laws  
7 1998, Chapter 92, Sections 1 and 2; Laws 2003, Chapter 232,  
8 Section 1; Laws 1969, Chapter 144, Section 47; Laws 1998,  
9 Chapter 92, Section 3; Laws 2002, Chapter 10, Section 1; Laws  
10 1969, Chapter 144, Sections 48 and 49; Laws 1970, Chapter 12,  
11 Section 4; Laws 2000, Chapter 48, Section 1; Laws 1969,  
12 Chapter 144, Section 52; Laws 2000 (2nd S.S.), Chapter 4,  
13 Section 2; Laws 1969, Chapter 144, Sections 53, 54, 56 and  
14 57; Laws 1984, Chapter 129, Section 2; Laws 1969, Chapter  
15 144, Sections 58, 60, 61 and 63; Laws 1970, Chapter 78,  
16 Section 2; Laws 1991, Chapter 8, Section 3; Laws 1998,  
17 Chapter 95, Section 2 and Laws 1998, Chapter 99, Section 4;  
18 Laws 2014, Chapter 26, Section 1; Laws 1971, Chapter 217,  
19 Section 2; Laws 1972, Chapter 39, Section 2; Laws 1977,  
20 Chapter 288, Section 2; Laws 1979, Chapter 338, Section 7;  
21 Laws 1984, Chapter 2, Section 6; Laws 1966, Chapter 47,  
22 Section 15; Laws 1998, Chapter 96, Section 1; Laws 1969,  
23 Chapter 144, Section 65; Laws 1999, Chapter 231, Section 4;  
24 Laws 1966, Chapter 47, Section 16; Laws 1989, Chapter 262,  
25 Section 8; Laws 2007, Chapter 204, Section 9; Laws 1993,

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1 Chapter 364, Sections 1 and 2; Laws 1994, Chapter 43, Section  
2 1; Laws 1995, Chapter 80, Section 1; Laws 1999, Chapter 231,  
3 Section 3; Laws 2001, Chapter 135, Section 1; Laws 2004,  
4 Chapter 116, Sections 5 and 6; Laws 2005, Chapter 104,  
5 Sections 23, 25 and 26; Laws 2007, Chapter 361, Sections 7  
6 and 8; Laws 2005, Chapter 169, Section 1; Laws 2005, Chapter  
7 179, Section 1; Laws 2006, Chapter 35, Sections 1 and 2; Laws  
8 2007, Chapter 3, Sections 16 through 18; Laws 2012, Chapter  
9 12, Sections 2 and 3; Laws 2007, Chapter 33, Section 1; Laws  
10 2007, Chapter 45, Section 6; Laws 2007, Chapter 172, Sections  
11 8 through 11; Laws 2011, Chapter 60, Section 1 and Laws 2011,  
12 Chapter 61, Section 1; Laws 2011, Chapter 60, Section 2 and  
13 Laws 2011, Chapter 61, Section 2; Laws 2011, Chapter 60,  
14 Section 3 and Laws 2011, Chapter 361, Section 3; Laws 2007,  
15 Chapter 361, Section 6; Laws 2007, Chapter 204, Section 10;  
16 Laws 2010, Chapter 77, Section 1 and Laws 2010, Chapter 78,  
17 Section 1; and Laws 2015 (1st S.S.), Chapter 2, Section 9, as  
18 amended) are repealed.

19 L. Sections 7-9A-1 through 7-9A-11 NMSA 1978  
20 (being Laws 1979, Chapter 347, Sections 1 and 2; Laws 2001,  
21 Chapter 57, Section 2 and Laws 2001, Chapter 337, Section 2;  
22 Laws 1979, Chapter 347, Sections 3 through 7; Laws 1983,  
23 Chapter 206, Section 6; Laws 1979, Chapter 347, Sections 8  
24 and 9; and Laws 1997, Chapter 62, Section 2, as amended) are  
25 repealed.

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1 M. Sections 7-9E-1 through 7-9E-11 NMSA 1978  
2 (being Laws 2000 (2nd S.S.), Chapter 20, Sections 1 through 9  
3 and Laws 2007, Chapter 172, Sections 19 and 20, as amended)  
4 are repealed.

5 N. Sections 7-9F-1 through 7-9F-13 NMSA 1978  
6 (being Laws 2000 (2nd S.S.), Chapter 22, Sections 1 through  
7 9; Laws 2015 (1st S.S.), Chapter 2, Section 17; Laws 2000  
8 (2nd S.S.), Chapter 22, Sections 11 and 12; and Laws 2015  
9 (1st S.S.), Chapter 2, Section 18, as amended) are repealed.

10 O. Sections 7-9G-1 and 7-9G-2 NMSA 1978 (being  
11 Laws 2004, Chapter 15, Section 1 and Laws 2007, Chapter 229,  
12 Section 1, as amended) are repealed.

13 P. Sections 7-9I-1 through 7-9I-6 NMSA 1978  
14 (being Laws 2005, Chapter 104, Sections 17 through 22, as  
15 amended) are repealed.

16 Q. Sections 7-9J-1 through 7-9J-8 NMSA 1978  
17 (being Laws 2007, Chapter 204, Sections 11 through 18, as  
18 amended) are repealed.

19 R. Sections 7-14-1 through 7-14-11 NMSA 1978  
20 (being Laws 1988, Chapter 73, Sections 11 through 17, Laws  
21 1991, Chapter 197, Section 4, Laws 1988, Chapter 73, Sections  
22 18 and 19, Laws 1993, Chapter 347, Sections 4 and 5 and Laws  
23 1988, Chapter 73, Sections 20 and 21, as amended) are  
24 repealed.

25 S. Sections 7-14A-1 through 7-14A-11 NMSA 1978

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1 (being Laws 1991, Chapter 197, Sections 5 through 7, Laws  
2 1993, Chapter 359, Section 1 and Laws 1991, Chapter 197,  
3 Sections 8 through 15, as amended) are repealed.

4 T. Sections 7-19-10 through 7-19-18 NMSA 1978  
5 (being Laws 1979, Chapter 397, Sections 1 through 8, Laws  
6 1997, Chapter 219, Section 4 and Laws 1979, Chapter 397,  
7 Section 9, as amended) are repealed.

8 U. Sections 7-19D-10 through 7-19D-18 NMSA 1978  
9 (being Laws 1990, Chapter 99, Section 51, Laws 1991, Chapter  
10 9, Section 3, Laws 2001, Chapter 172, Section 1, Laws 2005,  
11 Chapter 212, Section 2, Laws 2006, Chapter 15, Section 14,  
12 Laws 2007, Chapter 148, Section 1, Laws 2012, Chapter 58,  
13 Section 1 and Laws 2013, Chapter 160, Section 11, as amended)  
14 are repealed.

15 V. Sections 7-20C-1 through 7-20C-17 NMSA 1978  
16 (being Laws 1991, Chapter 176, Sections 1 through 9, Laws  
17 1993, Chapter 306, Section 4, Laws 1991, Chapter 176,  
18 Sections 10 through 15 and Laws 1996, Chapter 18, Sections 3  
19 and 4, as amended) are repealed.

20 W. Sections 7-20E-10 through 7-20E-28 NMSA 1978  
21 (being Laws 1983, Chapter 213, Sections 32 and 35, Laws 1989,  
22 Chapter 239, Section 1, Laws 1994, Chapter 14, Section 1,  
23 Laws 1987, Chapter 45, Sections 3 and 8, Laws 1979, Chapter  
24 398, Sections 3 and 8, Laws 1990, Chapter 99, Section 58,  
25 Laws 1991, Chapter 212, Section 7, Laws 1998, Chapter 90,

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1 Section 7, Laws 2001, Chapter 328, Section 1, Laws 2001,  
2 Chapter 172, Section 2, Laws 2002, Chapter 14, Section 1,  
3 Laws 2004, Chapter 17, Section 2, Laws 2005, Chapter 212,  
4 Section 1, Laws 2006, Chapter 15, Section 15, Laws 2007,  
5 Chapter 346, Section 1, Laws 2010, Chapter 31, Section 1 and  
6 Laws 2013, Chapter 160, Section 12, as amended) are repealed.

7 X. Sections 7-20F-1 through 7-20F-12 NMSA 1978  
8 (being Laws 1993, Chapter 303, Sections 1 through 12, as  
9 amended) are repealed.

10 Y. Sections 7-24B-1 through 7-24B-9 NMSA 1978  
11 (being Laws 1987, Chapter 45, Sections 10 through 13, Laws  
12 1990, Chapter 88, Section 16 and Laws 1987, Chapter 45,  
13 Sections 15 through 18, as amended) are repealed.

14 Z. Sections 27-5-2 and 27-5-6.2 NMSA 1978 (being  
15 Laws 1965, Chapter 234, Section 2 and Laws 2014, Chapter 79,  
16 Section 16, as amended) are repealed.

17 AA. Sections 27-10-2 and 27-10-4 NMSA 1978 (being  
18 Laws 1991, Chapter 212, Sections 2 and 4, as amended) are  
19 repealed.

20 BB. Section 60-2E-47.1 NMSA 1978 (being Laws  
21 2010, Chapter 31, Section 3) is repealed.

22 CC. Section 66-12-6.1 NMSA 1978 (being Laws 1987,  
23 Chapter 247, Section 9) is repealed.

24 SECTION 97. ADDITIONAL REPEAL.--

25 A. That version of Section 7-2-7 NMSA 1978 (being  
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1 Laws 2005 (1st S.S.), Chapter 3, Section 2) is repealed.

2 B. Sections 7-2-4 through 7-2-5.2, 7-2-5.6  
3 through 7-2-5.11, 7-2-7.2, 7-2-7.3, 7-2-14 through 7-2-18.29  
4 and 7-2-32 through 7-2-37 NMSA 1978 (being Laws 1965, Chapter  
5 202, Section 4; Laws 1985, Chapter 114, Section 1; Laws 1995,  
6 Chapter 93, Section 8; Laws 2002, Chapter 58, Section 1; Laws  
7 2005, Chapter 104, Sections 5 and 6; Laws 2006, Chapter 50,  
8 Section 1; Laws 2007, Chapter 45, Section 11; Laws 2005 (1st  
9 S.S.), Chapter 3, Sections 3 and 4; Laws 1972, Chapter 20,  
10 Section 2; Laws 1994, Chapter 111, Sections 1 through 3; Laws  
11 1977, Chapter 196, Section 1; Laws 1981, Chapter 170, Section  
12 1; Laws 1984, Chapter 34, Section 1; Laws 1994, Chapter 115,  
13 Section 1; Laws 1998, Chapter 97, Section 2; Laws 2000,  
14 Chapter 64, Section 1 and Laws 2000, Chapter 78, Section 1;  
15 Laws 2001, Chapter 73, Section 1; Laws 2003, Chapter 331,  
16 Section 7; Laws 2003, Chapter 400, Section 1; Laws 2005,  
17 Chapter 267, Section 1; Laws 2006, Chapter 93, Section 1;  
18 Laws 2007, Chapter 45, Sections 9 and 10; Laws 2007, Chapter  
19 172, Section 1; Laws 2007, Chapter 204, Sections 2, 3 and 7;  
20 Laws 2007, Chapter 361, Section 2; Laws 2008 (2nd S.S.),  
21 Chapter 3, Section 1; Laws 2009, Chapter 271, Section 1; Laws  
22 2009, Chapter 279, Section 1; Laws 2010, Chapter 84, Section  
23 1; Laws 2011, Chapter 89, Section 1; Laws 2012, Chapter 55,  
24 Section 1; Laws 2015, Chapter 130, Section 1; Laws 1997,  
25 Chapter 259, Section 8; Laws 1999, Chapter 205, Section 1;

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1 Laws 2005, Chapter 113, Section 1; and Laws 2015 (1st S.S.),  
2 Chapter 2, Section 3, as amended) are repealed.

3 SECTION 98. APPLICABILITY.--The provisions of Sections  
4 43 and 44 of this act apply to taxable years beginning on or  
5 after January 1, 2017.

6 SECTION 99. EFFECTIVE DATE.--

7 A. The effective date of the provisions of  
8 Sections 1 through 96 of this act is January 1, 2017.

9 B. The effective date of the provisions of  
10 Section 97 of this act is January 1, 2018.