

1 SENATE BILL 38

2 **56TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2023**

3 INTRODUCED BY

4 William E. Sharer

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10 AN ACT

11 RELATING TO TAXATION; AMENDING THE TAX BRACKETS PURSUANT TO THE
12 INCOME TAX ACT AND CORPORATE INCOME AND FRANCHISE TAX ACT;
13 REDUCING THE RATES OF THE GROSS RECEIPTS TAX, GOVERNMENTAL
14 GROSS RECEIPTS TAX, COMPENSATING TAX, LEASED VEHICLE GROSS
15 RECEIPTS TAX AND GAMING TAX ON MANUFACTURER LICENSEES ON THE
16 TRANSFER OF GAMING DEVICES AND INCREASING THE RATE OF THE BINGO
17 AND RAFFLE TAX; REPEALING THE ESTATE TAX ACT, INTERSTATE
18 TELECOMMUNICATIONS GROSS RECEIPTS TAX ACT, RAILROAD CAR COMPANY
19 TAX ACT, MOTOR VEHICLE EXCISE TAX ACT, ALTERNATIVE FUEL TAX
20 ACT, COUNTY AND MUNICIPAL GASOLINE TAX ACT AND INSURANCE
21 PREMIUM TAX ACT; REPEALING THE VENTURE CAPITAL INVESTMENT ACT,
22 RURAL JOB TAX CREDIT, FILM PRODUCTION TAX CREDIT ACT,
23 INVESTMENT CREDIT ACT, LABORATORY PARTNERSHIP WITH SMALL
24 BUSINESS TAX CREDIT ACT, TECHNOLOGY JOBS AND RESEARCH AND
25 DEVELOPMENT TAX CREDIT ACT, HIGH-WAGE JOBS TAX CREDIT, ADVANCED

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1 ENERGY COMBINED REPORTING TAX CREDIT, AFFORDABLE HOUSING TAX
2 CREDIT ACT, ALTERNATIVE ENERGY PRODUCT MANUFACTURERS TAX CREDIT
3 ACT AND CERTAIN CREDITS, DEDUCTIONS AND EXEMPTIONS PURSUANT TO
4 THE INCOME TAX ACT, CORPORATE INCOME AND FRANCHISE TAX ACT AND
5 GROSS RECEIPTS AND COMPENSATING TAX ACT; PROVIDING SUNSET DATES
6 FOR CERTAIN CREDITS, DEDUCTIONS AND EXEMPTIONS PURSUANT TO THE
7 INCOME TAX ACT, CORPORATE INCOME AND FRANCHISE TAX ACT AND
8 GROSS RECEIPTS AND COMPENSATING TAX ACT; REDUCING THE CAPITAL
9 GAINS DEDUCTION PURSUANT TO THE INCOME TAX ACT; ENACTING A
10 GROSS RECEIPTS TAX EXEMPTION FOR DONATIONS TO NONPROFIT
11 ORGANIZATIONS; IMPOSING ADDITIONAL REGISTRATION FEES FOR
12 ELECTRIC AND PLUG-IN HYBRID ELECTRIC VEHICLES; REPEALING
13 CERTAIN GROSS RECEIPTS TAX DISTRIBUTIONS TO MUNICIPALITIES;
14 REMOVING AUTHORIZATION FOR A TAX INCREMENT DEVELOPMENT DISTRICT
15 TO DEDICATE AN INCREMENT OF THE STATE GROSS RECEIPTS TAX;
16 RECONCILING CONFLICTING AMENDMENTS TO THE SAME SECTION OF LAW
17 BY REPEALING LAWS 2021, CHAPTER 65, SECTION 13; MAKING AN
18 APPROPRIATION.

19
20 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

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

23 "3-31-1. REVENUE BONDS--AUTHORITY TO ISSUE--PLEDGE OF
24 REVENUES--LIMITATION ON TIME OF ISSUANCE.--

25 A. In addition to any other law and constitutional

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1 home rule powers authorizing a municipality to issue revenue
2 bonds, a municipality may issue revenue bonds pursuant to
3 Chapter 3, Article 31 NMSA 1978 for the purposes specified in
4 this section.

5 B. Utility revenue bonds may be issued for
6 acquiring, extending, enlarging, bettering, repairing or
7 otherwise improving a municipal utility or for any combination
8 of the foregoing purposes. The municipality may pledge
9 irrevocably any or all of the net revenues from the operation
10 of the municipal utility or of any one or more of other such
11 municipal utilities for payment of the interest on and
12 principal of the revenue bonds.

13 C. Joint utility revenue bonds may be issued for
14 acquiring, extending, enlarging, bettering, repairing or
15 otherwise improving joint water facilities, sewer facilities,
16 gas facilities or electric facilities or for any combination of
17 the foregoing purposes. The municipality may pledge
18 irrevocably any or all of the net revenues from the operation
19 of these municipal utilities for the payment of the interest on
20 and principal of the bonds.

21 D. Gross receipts tax revenue bonds may be issued
22 for any municipal purpose. A municipality may pledge
23 irrevocably any or all of the gross receipts tax revenue
24 received by the municipality pursuant to Section ~~[7-1-6.4 or]~~
25 7-1-6.12 NMSA 1978 to the payment of the interest on and

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

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

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1 interest on and principal of the gasoline tax revenue bonds.

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

25 G. Fire district revenue bonds may be issued for

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

23 H. Law enforcement protection revenue bonds may be
24 issued for the repair and purchase of law enforcement apparatus
25 and equipment that meet nationally recognized standards. The

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1 municipality may pledge irrevocably any or all of the revenues
2 received by the municipality from the law enforcement
3 protection fund distributions pursuant to the Law Enforcement
4 Protection Fund Act to the payment of the interest on and
5 principal of the law enforcement protection revenue bonds.

6 I. Except for the purpose of refunding previous
7 revenue bond issues, no municipality may sell revenue bonds
8 payable from pledged revenues after the expiration of two years
9 from the date of the ordinance authorizing the issuance of the
10 bonds or, for bonds to be issued and sold to the New Mexico
11 finance authority as authorized in Subsection C of Section
12 3-31-4 NMSA 1978, after the expiration of two years from the
13 date of the resolution authorizing the issuance of the bonds.
14 However, any period of time during which a particular revenue
15 bond issue is in litigation shall not be counted in determining
16 the expiration date of that issue."

17 SECTION 2. Section 3-31-1.1 NMSA 1978 (being Laws 2019,
18 Chapter 274, Section 2) is amended to read:

19 "3-31-1.1. DEFINITIONS.--As used in Chapter 3, Article 31
20 NMSA 1978:

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

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

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

6 D. "gross receipts tax revenue" means the amount of
7 money [~~distributed to a municipality pursuant to Section~~
8 ~~7-1-6.4 NMSA and~~] transferred to a municipality pursuant to
9 Section 7-1-6.12 NMSA 1978 for any municipal gross receipts tax
10 imposed pursuant to the Municipal Local Option Gross Receipts
11 and Compensating Taxes Act;

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

14 F. "joint utility revenue bonds" or "joint utility
15 bonds" means the bonds authorized by Subsection C of Section
16 3-31-1 NMSA 1978;

17 G. "pledged revenues" means the revenues, net
18 income or net revenues authorized to be pledged to the payment
19 of revenue bonds as specifically provided in Chapter 3, Article
20 31 NMSA 1978;

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

23 I. "utility revenue bonds" or "utility bonds" means
24 the bonds authorized by Subsection B of Section 3-31-1 NMSA
25 1978."

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

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

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

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

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1 documents and pledging stadium surcharge receipts and gross
2 receipts tax revenues of the municipality to make the loan
3 payments.

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

10 SECTION 4. Section 3-66-8 NMSA 1978 (being Laws 2005,
11 Chapter 351, Section 10) is amended to read:

12 "3-66-8. ISSUANCE OF BONDS.--

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

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

23 C. An action shall not be brought questioning the
24 legality of the pledge of event center revenues, event center
25 surcharge receipts or gross receipts tax revenues, bonds issued

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

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

15 SECTION 5. Section 5-10-17 NMSA 1978 (being Laws 2021
16 (1st S.S.), Chapter 2, Section 2) is amended to read:

17 "5-10-17. GROSS RECEIPTS TAX AND COMPENSATING TAX REVENUE
18 AS PUBLIC SUPPORT FOR CERTAIN PROJECTS.--

19 A. Prior to July 1, 2033, a qualifying entity that
20 meets the following requirements may receive public support for
21 the qualifying entity's economic development project from funds
22 in the Local Economic Development Act fund pursuant to
23 Subsection B of Section 5-10-14 NMSA 1978 in an amount equal to
24 fifty percent of the net receipts attributable to the state
25 gross receipts tax and state compensating tax imposed on the

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1 expenses related to the construction of the qualifying entity's
2 project, as determined by the department, related to the
3 economic development project and the amount dedicated pursuant
4 to Subsection B of this section; provided that the public
5 support shall be provided for a period of no more than ten
6 years, beginning on the date the applicable project
7 participation agreement with the qualifying entity is executed:

8 (1) the qualifying entity signs a project
9 participation agreement with the governing body of each local
10 government that has jurisdiction of the area in which the
11 qualifying entity's economic development project is located and
12 the local government has passed an ordinance dedicating local
13 government gross receipts tax revenue pursuant to Subsection B
14 of this section;

15 (2) the qualifying entity signs a project
16 participation agreement with the department; provided that the
17 department shall not sign the agreement unless the applicable
18 local governments have signed a project participation agreement
19 pursuant to Paragraph (1) of this subsection; and provided
20 further that the project participation agreement shall provide
21 that if, at the end of the ten-year period, the economic
22 development project fails to meet the three-hundred-fifty-
23 million-dollar (\$350,000,000) requirement pursuant to Paragraph
24 (3) of this subsection, the department shall seek to recover
25 some or all of the public support provided to the qualifying

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1 entity and shall transfer any amount recovered to the general
2 fund and to the contributing local government based on each
3 entity's pro rata share of public support to the economic
4 development project;

5 (3) the economic development project has a
6 reasonable expectation to incur, within ten years of the date
7 the project participation agreement with the local government
8 and the department is executed, at least three hundred fifty
9 million dollars (\$350,000,000) in expenses related to the
10 construction and infrastructure of the project in the state;

11 (4) the qualifying entity and the economic
12 development project meet all other requirements to receive
13 public support pursuant to the Local Economic Development Act;
14 and

15 (5) prior to the end of each month, the
16 qualifying entity submits the appropriate documents, including
17 tax documents of the qualifying entity and its contractors
18 submitted to the taxation and revenue department, to the
19 department and to the local governments with which the
20 qualifying entity signed a project participation agreement, on
21 forms and in a manner determined by the department, of the
22 taxable expenses related to the construction of the economic
23 development project for the previous month.

24 B. A local government may dedicate, by ordinance,
25 fifty percent of the tax revenue attributable to the gross

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1 receipts and compensating taxes imposed by the local government
2 on the qualifying entity's receipts for expenses related to the
3 construction of the economic development project to the Local
4 Economic Development Act fund for the purposes provided in
5 Subsection B of Section 5-10-14 NMSA 1978.

6 C. Within thirty days after execution of a project
7 participation agreement with a qualifying entity, the
8 department shall issue a report to the department of finance
9 and administration and the legislative finance committee that
10 shall identify the qualifying entity intended to receive public
11 support pursuant to this section, the estimated expenses
12 related to the construction of the qualifying entity's project
13 as determined by the department, the location of the project,
14 the amount of public support pledged by the department and each
15 local government for the project pursuant to this section and
16 the amount of any other public support pledged for the project
17 pursuant to the Local Economic Development Act.

18 D. As soon as practicable, the taxation and revenue
19 department shall implement a rate type to identify gross
20 receipts and compensating taxes reported and paid to the
21 taxation and revenue department for expenses related to the
22 construction of an economic development project. Once
23 implemented, all such gross receipts and compensating taxes
24 shall be reported and paid with that rate type.

25 E. If the taxation and revenue department has not

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1 implemented the rate type provided in Subsection D of this
2 section, and if the requirements of Subsection A of this
3 section have been met, the economic development department and
4 the local governments that signed a project participation
5 agreement with the qualifying entity shall:

6 (1) review the documents submitted by a
7 qualifying entity pursuant to Paragraph (5) of Subsection A of
8 this section;

9 (2) estimate the amount equal to fifty percent
10 of the tax revenue attributable to the gross receipts tax and
11 compensating tax imposed on the taxable expenses related to the
12 construction of the economic development project appropriate
13 to:

14 (a) the local government's gross
15 receipts and compensating taxes if a local government; and

16 (b) the state gross receipts and
17 compensating taxes if the department;

18 (3) if a local government, on the first
19 business day of each month, submit the estimated amount and the
20 supporting documents to the department; and

21 (4) if the department, on or before the
22 twenty-fifth day of December, March, June and September,
23 provide the estimates and any supporting documentation to the
24 taxation and revenue department, on forms and in a manner
25 determined by that department.

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1 F. The taxation and revenue department shall review
2 the amounts estimated pursuant to Subsection E of this section
3 for accuracy and computation, make any necessary corrections or
4 adjustments and make a final determination of the amounts to be
5 distributed from the relevant tax revenue pursuant to Section
6 [~~5 of this 2021 act~~] 7-1-6.67 NMSA 1978."

7 **SECTION 6.** Section 5-15-3 NMSA 1978 (being Laws 2006,
8 Chapter 75, Section 3, as amended by Laws 2019, Chapter 212,
9 Section 199 and also by Laws 2019, Chapter 275, Section 1) is
10 amended to read:

11 "5-15-3. DEFINITIONS.--As used in the Tax Increment for
12 Development Act:

13 A. "base gross receipts taxes" means:
14 (1) the total amount of gross receipts taxes
15 collected within a tax increment development district, as
16 estimated by the governing body that adopted a resolution to
17 form that district, in consultation with the taxation and
18 revenue department, in the calendar year preceding the
19 formation of the tax increment development district or, when an
20 area is added to an existing district, the amount of gross
21 receipts taxes collected in the calendar year preceding the
22 effective date of the modification of the tax increment
23 development plan and designated by the governing body to be
24 available as part of the gross receipts tax increment; and

25 (2) any amount of gross receipts taxes that

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1 would have been collected in such year if any applicable
2 additional gross receipts taxes imposed after that year had
3 been imposed in that year;

4 B. "base property taxes" means:

5 (1) the portion of property taxes produced by
6 the total of all property tax levied at the rate fixed each
7 year by each governing body levying a property tax on the
8 assessed value of taxable property within the tax increment
9 development area last certified for the year ending immediately
10 prior to the year in which a tax increment development plan is
11 approved for the tax increment development area, or, when an
12 area is added to an existing tax increment development area,
13 "base property taxes" means that portion of property taxes
14 produced by the total of all property tax levied at the rate
15 fixed each year by each governing body levying a property tax
16 upon the assessed value of taxable property within the tax
17 increment development area on the date of the modification of
18 the tax increment development plan and designated by the
19 governing body to be available as part of the property tax
20 increment; and

21 (2) any amount of property taxes that would
22 have been collected in such year if any applicable additional
23 property taxes imposed after that year had been imposed in that
24 year;

25 C. "county option gross receipts taxes" means gross

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1 receipts taxes imposed by counties pursuant to the County Local
2 Option Gross Receipts and Compensating Taxes Act and designated
3 by the governing body of the county to be available as part of
4 the gross receipts tax increment;

5 D. "district" means a tax increment development
6 district;

7 E. "district board" means a board formed in
8 accordance with the provisions of the Tax Increment for
9 Development Act to govern a tax increment development district;

10 F. "enhanced services" means public services
11 provided by a municipality or county within the district at a
12 higher level or to a greater degree than otherwise available to
13 the land located in the district from the municipality or
14 county, including such services as public safety, fire
15 protection, street or sidewalk cleaning or landscape
16 maintenance in public areas; provided that "enhanced services"
17 does not include the basic operation and maintenance related to
18 infrastructure improvements financed by the district pursuant
19 to the Tax Increment for Development Act;

20 G. "governing body" means the city council or city
21 commission of a city, the board of trustees or council of a
22 town or village or the board of county commissioners of a
23 county;

24 H. "gross receipts tax increment" means the county
25 and municipal option gross receipts taxes collected within a

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1 tax increment development district in excess of the base gross
2 receipts taxes collected in the district;

3 I. "gross receipts tax increment bonds" means bonds
4 issued by a district in accordance with the Tax Increment for
5 Development Act, the pledged revenue for which is a gross
6 receipts tax increment;

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

9 K. "municipal option gross receipts taxes" means
10 those gross receipts taxes imposed by municipalities pursuant
11 to the Municipal Local Option Gross Receipts and Compensating
12 Taxes Act and designated by the governing body of the
13 municipality to be available as part of the gross receipts tax
14 increment;

15 L. "municipality" means an incorporated city, town
16 or village;

17 M. "new full-time economic base job" means a job:
18 (1) that is primarily performed in New Mexico;
19 (2) that is held by an employee who is hired
20 to work an average of at least thirty-two hours per week for at
21 least forty-eight weeks per year;

22 (3) that is:
23 (a) involved, directly or in a
24 supervisory capacity, with the production of: 1) a service;
25 provided that the majority of the revenue generated from the

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1 service is from sources outside the state; or 2) tangible or
2 intangible personal property for sale; or

3 (b) held by an employee that is employed
4 at a regional, national or international headquarters operation
5 or at an operation that primarily provides services for other
6 operations of the qualifying entity that are located outside
7 the state; and

8 (4) that is not directly involved with natural
9 resources extraction or processing, on-site services where the
10 customer is present for the delivery of the service, retail,
11 construction or agriculture except for value-added processing
12 performed on agricultural products that would then be sold for
13 wholesale or retail consumption;

14 N. "owner" means a person owning real property
15 within the boundaries of a district;

16 O. "person" means an individual, corporation,
17 association, partnership, limited liability company or other
18 legal entity;

19 P. "project" means a tax increment development
20 project;

21 Q. "property tax increment" means all property tax
22 collected on real property within the designated tax increment
23 development area that is in excess of the base property tax
24 until termination of the district and distributed to the
25 district in the same manner as distributions are made under the

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1 provisions of the Tax Administration Act;

2 R. "property tax increment bonds" means bonds
3 issued by a district in accordance with the Tax Increment for
4 Development Act, the pledged revenue for which is a property
5 tax increment;

6 S. "public improvements" means on-site improvements
7 and off-site improvements that directly or indirectly benefit a
8 tax increment development district or facilitate development
9 within a tax increment development area and that are dedicated
10 to the governing body in which the district lies. "Public
11 improvements" includes:

12 (1) sanitary sewage systems, including
13 collection, transport, treatment, dispersal, effluent use and
14 discharge;

15 (2) drainage and flood control systems,
16 including collection, transport, storage, treatment, dispersal,
17 effluent use and discharge;

18 (3) water systems for domestic, commercial,
19 office, hotel or motel, industrial, irrigation, municipal or
20 fire protection purposes, including production, collection,
21 storage, treatment, transport, delivery, connection and
22 dispersal;

23 (4) highways, streets, roadways, bridges,
24 crossing structures and parking facilities, including all areas
25 for vehicular use for travel, ingress, egress and parking;

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1 (5) trails and areas for pedestrian,
2 equestrian, bicycle or other non-motor vehicle use for travel,
3 ingress, egress and parking;

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

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

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

12 (9) electrical generation, transmission and
13 distribution facilities;

14 (10) natural gas distribution facilities;

15 (11) lighting systems;

16 (12) cable or other telecommunications lines
17 and related equipment;

18 (13) traffic control systems and devices,
19 including signals, controls, markings and signage;

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

24 (15) library and other public educational or
25 cultural facilities;

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1 (16) equipment, vehicles, furnishings and
2 other personal property related to the items listed in this
3 subsection;

4 (17) inspection, construction management,
5 planning and program management and other professional services
6 costs incidental to the project;

7 (18) workforce housing; and

8 (19) any other improvement that the governing
9 body determines to be for the use or benefit of the public;

10 ~~[F.] "state gross receipts tax" means the gross~~
11 ~~receipts tax imposed pursuant to the Gross Receipts and~~
12 ~~Compensating Tax Act, but does not include that portion~~
13 ~~distributed to municipalities pursuant to Sections 7-1-6.4 and~~
14 ~~7-1-6.46 NMSA 1978 or to counties pursuant to Section 7-1-6.47~~
15 ~~NMSA 1978;~~

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

22 ~~[V.] U.~~ U. "tax increment development area" means the
23 land included within the boundaries of a tax increment
24 development district;

25 ~~[W.] V.~~ V. "tax increment development district" means

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1 a district formed for the purposes of carrying out tax
2 increment development projects;

3 [~~X.~~] W. "tax increment development plan" means a
4 plan for the undertaking of a tax increment development
5 project;

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

12 (1) acquisition of land within a designated
13 tax increment development area or a portion of that tax
14 increment development area;

15 (2) demolition and removal of buildings and
16 improvements and installation, construction or reconstruction
17 of streets, utilities, parks, playgrounds and improvements
18 necessary to carry out the objectives of the Tax Increment for
19 Development Act;

20 (3) installation, construction or
21 reconstruction of streets, water utilities, sewer utilities,
22 parks, playgrounds and other public improvements necessary to
23 carry out the objectives of the Tax Increment for Development
24 Act;

25 (4) disposition of property acquired or held

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1 by a tax increment development district as part of the
2 undertaking of a tax increment development project at the fair
3 market value of such property for uses in accordance with the
4 Tax Increment for Development Act;

5 (5) payments for professional services
6 contracts necessary to implement a tax increment development
7 plan or project;

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

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

15 ~~[Z-]~~ Y. "taxing entity" means the governing body of
16 a political subdivision of the state, the gross receipts tax
17 increment or property tax increment of which may be used for a
18 tax increment development project; and

19 ~~[AA-]~~ Z. "workforce housing" means decent, safe and
20 sanitary dwellings, apartments, single-family dwellings or
21 other living accommodations that are affordable for persons or
22 families earning less than eighty percent of the median income
23 within the county in which the tax increment development
24 project is located; provided that an owner-occupied housing
25 unit is affordable to a household if the expected sales price

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1 is reasonably anticipated to result in monthly housing costs
2 that do not exceed thirty-three percent of the household's
3 gross monthly income; provided that:

4 (1) determination of mortgage amounts and
5 payments is to be based on down payment rates and interest
6 rates generally available to lower- and moderate-income
7 households; and

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

13 SECTION 7. Section 5-15-15 NMSA 1978 (being Laws 2006,
14 Chapter 75, Section 15, as amended by Laws 2019, Chapter 274,
15 Section 8 and by Laws 2019, Chapter 275, Section 2) is amended
16 to read:

17 "5-15-15. TAX INCREMENT FINANCING--GROSS RECEIPTS TAX
18 INCREMENT TO SECURE BONDS.--

19 A. A tax increment development plan, as originally
20 approved or as later modified, may contain a provision that
21 gross receipts tax increments collected within the tax
22 increment development area after the effective date of approval
23 of the tax increment development plan may be dedicated for the
24 purpose of securing gross receipts tax increment bonds pursuant
25 to the Tax Increment for Development Act.

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1 B. A municipality may dedicate a portion of [~~a~~
2 ~~gross receipts tax increment from any of the following taxes]~~
3 an increment of a municipal option gross receipts tax that is
4 dedicated by the ordinance imposing the increment to the
5 project to pay the principal of, the interest on and any
6 premium due in connection with the bonds of, loans or advances
7 to, or any indebtedness incurred by, whether funded, refunded,
8 assumed or otherwise, the authority for financing or
9 refinancing, in whole or in part, a tax increment development
10 project within the tax increment development area

11 ~~[(1) an increment of a municipal option gross~~
12 ~~receipts tax that is dedicated by the ordinance imposing the~~
13 ~~increment to the tax increment development project; and~~

14 ~~(2) an amount distributed to municipalities~~
15 ~~pursuant to Sections 7-1-6.4 and 7-1-6.46 NMSA 1978].~~

16 C. A county may dedicate a portion of [~~a gross~~
17 ~~receipts tax increment from any of the following taxes]~~ an
18 increment of a county option gross receipts tax that is
19 dedicated by the ordinance imposing the increment to the
20 project to pay the principal of, the interest on and any
21 premium due in connection with the bonds of, loans or advances
22 to or any indebtedness incurred by, whether funded, refunded,
23 assumed or otherwise, the district for financing or
24 refinancing, in whole or in part, a tax increment development
25 project within the tax increment development area.

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1 ~~[(1) an increment of a county option gross~~
2 ~~receipts tax that is dedicated by the ordinance imposing the~~
3 ~~increment to the tax increment development project; and~~

4 ~~(2) the amount distributed to counties~~
5 ~~pursuant to Section 7-1-6.47 NMSA 1978.~~

6 ~~D. Subject to the provisions of Subsection G of~~
7 ~~this section, the state board of finance may dedicate a gross~~
8 ~~receipts tax increment attributable to the state gross receipts~~
9 ~~tax to pay the financing and refinancing costs, the principal~~
10 ~~of, the interest on and any premium due in connection with~~
11 ~~gross receipts tax increment bonds issued to finance a tax~~
12 ~~increment development project within the tax increment~~
13 ~~development area; provided that:~~

14 ~~(1) beginning July 1, 2029 the increment from~~
15 ~~the state gross receipts tax is no more than the average of:~~

16 ~~(a) the increment from municipal option~~
17 ~~gross receipts taxes dedicated by resolution by the~~
18 ~~municipality, if the district is located in a municipality; and~~

19 ~~(b) the increment from county option~~
20 ~~gross receipts taxes dedicated by resolution by the county;~~

21 ~~(2) the state board of finance has adopted a~~
22 ~~resolution dedicating an increment attributable to the state~~
23 ~~gross receipts tax for the purpose of securing gross receipts~~
24 ~~tax increment bonds pursuant to Subsection G of this section;~~
25 ~~and~~

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1 ~~(3) the dedication shall be conditioned on the~~
2 ~~gross receipts tax increment bonds being issued no later than~~
3 ~~four years after the state board of finance has adopted the~~
4 ~~resolution dedicating the increment.~~

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

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

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underscoring material = new
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1 effective only on January 1 or July 1 of the calendar year.

2 ~~[G. The state board of finance shall condition a~~
3 ~~dedication of a gross receipts tax increment attributable to~~
4 ~~the state gross receipts tax on the approval required pursuant~~
5 ~~to Section 5-15-21 NMSA 1978 and that the initial gross~~
6 ~~receipts tax increment bonds issuance secured by a portion of~~
7 ~~the gross receipts tax increment attributable to the state~~
8 ~~gross receipts tax shall be issued no later than four years~~
9 ~~after the state board of finance has adopted the resolution~~
10 ~~making the dedication. Subject to the limitations provided in~~
11 ~~Subsection D of this section, the state board of finance shall~~
12 ~~not agree to dedicate more than seventy-five percent of the~~
13 ~~gross receipts tax increment attributable to the state gross~~
14 ~~receipts tax within the district. The resolution of the state~~
15 ~~board of finance shall become effective on January 1 or July 1~~
16 ~~of the calendar year following the notification period pursuant~~
17 ~~to Section 5-15-27 NMSA 1978 and shall find that:~~

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

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

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1 ~~(3) based upon the review by the state board~~
2 ~~of finance, the use of the state gross receipts tax is likely~~
3 ~~to stimulate the creation of jobs, economic opportunities and~~
4 ~~general revenue for the state through the addition of new~~
5 ~~businesses to the state and the expansion of existing~~
6 ~~businesses within the state; provided that, when reviewing the~~
7 ~~applicable tax increment development plan to create jobs and~~
8 ~~economic opportunities, the state board of finance shall~~
9 ~~prioritize in its consideration net, new full-time economic~~
10 ~~base jobs that would not have occurred on a similar scale and~~
11 ~~time line but for the use of the state gross receipts tax~~
12 ~~increment. The benefit to be evaluated is the marginal benefit~~
13 ~~of the speed-up in time or the incremental change in job~~
14 ~~creation above expected normal growth and shall exclude retail~~
15 ~~jobs, call center jobs and service jobs where the customer is~~
16 ~~typically on site.~~

17 H.] F. The governing body of the jurisdiction in
18 which a tax increment development district has been established
19 shall timely notify the assessor of the county in which the
20 district has been established, the taxation and revenue
21 department and the local government division of the department
22 of finance and administration when:

23 (1) a tax increment development plan has been
24 approved that contains a provision for the allocation of a
25 gross receipts tax increment;

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

3 (3) the purposes of the district have
4 otherwise been achieved.

5 G. The changes made by this 2023 act shall not
6 impair outstanding revenue bonds or loan guarantees that are
7 secured by a pledge of the state gross receipts tax. A pledge
8 of the state gross receipts tax made prior to the effective
9 date of this 2023 act shall continue to be dedicated until the
10 revenue bond or loan guarantee has been discharged in full or
11 provision has been fully made therefor."

12 SECTION 8. Section 5-15-20 NMSA 1978 (being Laws 2006,
13 Chapter 75, Section 20, as amended) is amended to read:

14 "5-15-20. GENERAL BONDING AUTHORITY OF A TAX INCREMENT
15 DEVELOPMENT DISTRICT--OTHER LIMITATIONS.--

16 A. A district board shall not issue bonds against
17 gross receipts tax increments attributable to

18 [~~(1) the state gross receipts tax without:~~

19 ~~(a) the state board of finance adopting~~
20 ~~a resolution dedicating a gross receipts tax increment~~
21 ~~attributable to the state gross receipts tax for the purpose of~~
22 ~~securing the gross receipts tax increment bonds pursuant to~~
23 ~~Subsection G of Section 5-15-15 NMSA 1978; and~~

24 ~~(b) the approval required by Section~~
25 ~~5-15-21 NMSA 1978; and~~

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1 ~~(2)~~] a gross receipts tax imposed by a taxing
2 entity without the agreement of the taxing entity as evidenced
3 by a resolution adopted pursuant to Subsection B or C of
4 Section 5-15-15 NMSA 1978.

5 B. Except as otherwise provided in this section, a
6 district board shall not issue bonds against either gross
7 receipts tax increments or property tax increments without the
8 express written authorization of the department of finance and
9 administration, as evidenced by a letter signed by the
10 secretary of finance and administration. A district formed and
11 approved by a class A county or by a municipality within a
12 class A county if the municipality has a population of more
13 than sixty-five thousand persons, according to the most recent
14 federal decennial census, is not required to obtain express
15 written authorization of the department of finance and
16 administration for the issuance of gross receipts tax increment
17 bonds or property tax increment bonds.

18 C. Prior to the issuance of indebtedness evidenced
19 by the gross receipts tax increment bonds or property tax
20 increment bonds issued by a district pursuant to the Tax
21 Increment for Development Act, the property owners within the
22 district shall contribute a minimum of twenty percent of the
23 initial public infrastructure costs, which may be reimbursed
24 with proceeds of gross receipts tax increment or property tax
25 increment bonds; unless the project to be financed with gross

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1 receipts tax increment bonds or property tax increment bonds is
2 a metropolitan redevelopment project pursuant to the
3 Metropolitan Redevelopment Code.

4 D. The amount of indebtedness evidenced by the
5 gross receipts tax increment bonds or property tax increment
6 bonds issued pursuant to the Tax Increment for Development Act
7 shall not exceed the estimated cost of the public improvements
8 plus all costs connected with the public infrastructure
9 purposes and the issuance and sale of bonds, including, without
10 limitation, formation costs, credit enhancement and liquidity
11 support fees and costs.

12 E. The indebtedness evidenced by the gross receipts
13 tax increment bonds or property tax increment bonds shall not
14 affect the general obligation bonding capacity of the
15 municipality or county in which the tax increment development
16 district is located.

17 F. The indebtedness evidenced by the gross receipts
18 tax increment bonds or property tax increment bonds shall be
19 payable only from the special funds into which are deposited
20 the gross receipts tax increments and property tax increments
21 as set forth in the Tax Increment for Development Act.

22 G. Bonds issued by a tax increment development
23 district shall not be a general obligation of the state, the
24 county or the municipality in which the tax increment
25 development district is located and shall not pledge the full

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1 faith and credit of the state, the county or the municipality
2 in which the tax increment development district is located."

3 SECTION 9. Section 6-22-2 NMSA 1978 (being Laws 1992,
4 Chapter 105, Section 2, as amended) is amended to read:

5 "6-22-2. DEFINITIONS.--As used in the State Aid Intercept
6 Act:

7 A. "default" means the actual nonpayment of
8 principal or interest on a local revenue bond when payment is
9 scheduled by the indenture relating to the local revenue bond;

10 B. "local government" means a municipality or
11 county;

12 C. "local revenue bond" means a bond issued after
13 July 1, 1992 pursuant to Sections 3-33-1 through 3-33-43 NMSA
14 1978 or Chapter 4, Article 62 NMSA 1978;

15 D. "qualified local revenue bond" means a local
16 revenue bond for which a state distributions intercept
17 authorization has been granted pursuant to this section;

18 E. "secretary" means the secretary of finance and
19 administration; and

20 F. "state distributions" means any or all of the
21 funds distributed to local governments pursuant to [~~Sections~~
22 ~~7-1-6.4~~ and] Section 7-1-6.9 NMSA 1978."

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

25 "6-23-8. MUNICIPALITIES--USE OF CERTAIN REVENUES

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1 AUTHORIZED.--Upon adoption of an ordinance or resolution by an
2 affirmative vote of a majority of the members of the governing
3 body at any regular or special meeting of the governing body
4 called for this purpose, a municipality may pledge utility cost
5 savings, conservation-related cost savings or any or all
6 revenues not otherwise pledged or obligated from gross receipts
7 taxes received by the municipality pursuant to [~~Section 7-1-6.4~~
8 ~~NMSA 1978 and~~] Section 7-1-6.12 NMSA 1978 for payments pursuant
9 to a guaranteed utility savings contract with a qualified
10 provider and any installment payment contract or lease-purchase
11 agreement pursuant to that guaranteed utility savings contract.
12 The ordinance or resolution shall declare the necessity for the
13 guaranteed utility savings contract and related contracts or
14 agreements and shall designate the source of the pledged
15 revenues. Any revenues pledged for such contract payments
16 shall be deposited in a special fund, and the municipality
17 shall not use any other revenues to make such payments. At the
18 end of each fiscal year, any money remaining in the special
19 fund after payment obligations are met may be transferred to
20 any other fund of the municipality."

21 SECTION 11. Section 7-1-2 NMSA 1978 (being Laws 1965,
22 Chapter 248, Section 2, as amended) is amended to read:

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

25 A. the administration and enforcement of the

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1 following taxes or tax acts as they now exist or may hereafter
2 be amended:

- 3 (1) Income Tax Act;
- 4 (2) Withholding Tax Act;
- 5 (3) Oil and Gas Proceeds and Pass-Through
6 Entity Withholding Tax Act;
- 7 (4) Gross Receipts and Compensating Tax Act,
8 Interstate Telecommunications Gross Receipts Tax Act and Leased
9 Vehicle Gross Receipts Tax Act;
- 10 (5) Liquor Excise Tax Act;
- 11 (6) Local Liquor Excise Tax Act;
- 12 (7) any municipal local option gross receipts
13 tax or municipal compensating tax;
- 14 (8) any county local option gross receipts tax
15 or county compensating tax;
- 16 (9) Special Fuels Supplier Tax Act;
- 17 (10) Gasoline Tax Act;
- 18 (11) petroleum products loading fee, which fee
19 shall be considered a tax for the purpose of the Tax
20 Administration Act;
- 21 [~~(12)~~ ~~Alternative Fuel Tax Act;~~
- 22 ~~(13)~~] (12) Cigarette Tax Act;
- 23 [~~(14)~~ ~~Estate Tax Act;~~
- 24 ~~(15)~~ ~~Railroad Car Company Tax Act;~~
- 25 ~~(16)~~ ~~Investment Credit Act, rural job tax~~

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1 ~~credit, Laboratory Partnership with Small Business Tax Credit~~
2 ~~Act, Technology Jobs and Research and Development Tax Credit~~
3 ~~Act, Film Production Tax Credit Act, Affordable Housing Tax~~
4 ~~Credit Act and high-wage jobs tax credit;~~

5 ~~(17)~~ (13) Corporate Income and Franchise Tax
6 Act;

7 ~~(18)~~ (14) Uniform Division of Income for Tax
8 Purposes Act;

9 ~~(19)~~ (15) Multistate Tax Compact;

10 ~~(20)~~ (16) Tobacco Products Tax Act;

11 ~~(21)~~ (17) the telecommunications relay
12 service surcharge imposed by Section 63-9F-11 NMSA 1978, which
13 surcharge shall be considered a tax for the purposes of the Tax
14 Administration Act;

15 ~~(22) the Insurance Premium Tax Act;~~

16 ~~(23)~~ (18) the Health Care Quality Surcharge
17 Act; and

18 ~~(24)~~ (19) the Cannabis Tax Act;

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

22 (1) Resources Excise Tax Act;

23 (2) Severance Tax Act;

24 (3) any severance surtax;

25 (4) Oil and Gas Severance Tax Act;

- 1 (5) Oil and Gas Conservation Tax Act;
- 2 (6) Oil and Gas Emergency School Tax Act;
- 3 (7) Oil and Gas Ad Valorem Production Tax Act;
- 4 (8) Natural Gas Processors Tax Act;
- 5 (9) Oil and Gas Production Equipment Ad
- 6 Valorem Tax Act;
- 7 (10) Copper Production Ad Valorem Tax Act;
- 8 (11) any advance payment required to be made
- 9 by any act specified in this subsection, which advance payment
- 10 shall be considered a tax for the purposes of the Tax
- 11 Administration Act;
- 12 (12) Enhanced Oil Recovery Act;
- 13 (13) Natural Gas and Crude Oil Production
- 14 Incentive Act; and
- 15 (14) intergovernmental production tax credit
- 16 and intergovernmental production equipment tax credit;
- 17 C. the administration and enforcement of the
- 18 following taxes, surcharges, fees or acts as they now exist or
- 19 may hereafter be amended:
- 20 (1) Weight Distance Tax Act;
- 21 (2) the workers' compensation fee authorized
- 22 by Section 52-5-19 NMSA 1978, which fee shall be considered a
- 23 tax for purposes of the Tax Administration Act;
- 24 (3) Uniform Unclaimed Property Act (1995);
- 25 (4) 911 emergency surcharge and the network

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1 and database surcharge, which surcharges shall be considered
2 taxes for purposes of the Tax Administration Act;

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

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

9 (7) the gaming tax imposed pursuant to the
10 Gaming Control Act; and

11 D. the administration and enforcement of all other
12 laws, with respect to which the department is charged with
13 responsibilities pursuant to the Tax Administration Act, but
14 only to the extent that the other laws do not conflict with the
15 Tax Administration Act."

16 SECTION 12. Section 7-1-6.15 NMSA 1978 (being Laws 1983,
17 Chapter 211, Section 20, as amended) is amended to read:

18 "7-1-6.15. ADJUSTMENTS OF DISTRIBUTIONS OR TRANSFERS TO
19 MUNICIPALITIES OR COUNTIES.--

20 A. The provisions of this section apply to:

21 [~~(1) any distribution to a municipality~~
22 ~~pursuant to Section 7-1-6.4, 7-1-6.36 or 7-1-6.46 NMSA 1978;~~

23 ~~(2)] (1) any transfer to a municipality with~~

24 respect to any local option gross receipts tax imposed by that

25 municipality;

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1 [~~3~~] (2) any transfer to a county with
2 respect to any local option gross receipts tax imposed by that
3 county;

4 [~~4~~] (3) any distribution to a county
5 pursuant to Section 7-1-6.16 [~~or 7-1-6.47~~] NMSA 1978;

6 [~~5~~] (4) any distribution to a municipality
7 or a county of gasoline taxes pursuant to Section 7-1-6.9 NMSA
8 1978;

9 [~~6~~] (5) any transfer to a county with
10 respect to any tax imposed in accordance with the Local Liquor
11 Excise Tax Act;

12 [~~7~~] (6) any distribution to a county from
13 the county government road fund pursuant to Section 7-1-6.26
14 NMSA 1978;

15 [~~8~~] (7) any distribution to a municipality
16 of gasoline taxes pursuant to Section 7-1-6.27 NMSA 1978; and

17 [~~9~~] ~~any distribution to a municipality of~~
18 ~~compensating taxes pursuant to Section 7-1-6.55 NMSA 1978; and~~

19 ~~(10)~~ (8) any distribution to a municipality
20 or a county of cannabis excise taxes pursuant to the Cannabis
21 Tax Act.

22 B. Before making a distribution or transfer
23 specified in Subsection A of this section to a municipality or
24 county for the month, amounts comprising the net receipts shall
25 be segregated into two mutually exclusive categories. One

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1 category shall be for amounts relating to the current month,
2 and the other category shall be for amounts relating to prior
3 periods. The total of each category for a municipality or
4 county shall be reported each month to that municipality or
5 county. If the total of the amounts relating to prior periods
6 is less than zero and its absolute value exceeds the greater of
7 one hundred dollars (\$100) or an amount equal to twenty percent
8 of the average distribution or transfer amount for that
9 municipality or county, then the following procedures shall be
10 carried out:

11 (1) all negative amounts relating to any
12 period prior to the three calendar years preceding the year of
13 the current month, net of any positive amounts in that same
14 time period for the same taxpayers to which the negative
15 amounts pertain, shall be excluded from the total relating to
16 prior periods. Except as provided in Paragraph (2) of this
17 subsection, the net receipts to be distributed or transferred
18 to the municipality or county shall be adjusted to equal the
19 amount for the current month plus the revised total for prior
20 periods; and

21 (2) if the revised total for prior periods
22 determined pursuant to Paragraph (1) of this subsection is
23 negative and its absolute value exceeds the greater of one
24 hundred dollars (\$100) or an amount equal to twenty percent of
25 the average distribution or transfer amount for that

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1 municipality or county, the revised total for prior periods
2 shall be excluded from the distribution or transfers and the
3 net receipts to be distributed or transferred to the
4 municipality or county shall be equal to the amount for the
5 current month.

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

10 D. Prior to or concurrently with the distribution
11 or transfer to the municipality or county of the adjusted net
12 receipts, the department shall notify the municipality or
13 county whose distribution or transfer has been adjusted
14 pursuant to Paragraph (2) of Subsection B of this section:

15 (1) that the department has made such an
16 adjustment, that the department has determined that a specified
17 amount is recoverable from the municipality or county and that
18 the department intends to recover that amount from future
19 distributions or transfers to the municipality or county;

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

23 (3) that if the municipality or county takes
24 no action within the ninety-day period, the department will
25 recover the amount from the next six distributions or transfers

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1 following the expiration of the ninety days; and

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

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

11 (1) the department may collect the recoverable
12 amount by:

13 (a) decreasing distributions or
14 transfers to the municipality or county in accordance with a
15 repayment agreement entered into with the municipality or
16 county; or

17 (b) except as provided in Paragraphs (2)
18 and (3) of this subsection, if the municipality or county fails
19 to act within the ninety days, decreasing the amount of the
20 next six distributions or transfers to the municipality or
21 county following expiration of the ninety-day period in
22 increments as nearly equal as practicable and sufficient to
23 recover the amount;

24 (2) if, pursuant to Subsection B of this
25 section, the secretary determines that the recoverable amount

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1 is more than fifty percent of the average distribution or
2 transfer of net receipts for that municipality or county, the
3 secretary:

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

7 (b) may, in the secretary's discretion,
8 waive recovery of any portion of the recoverable amount,
9 subject to approval by the state board of finance; and

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

20 F. No later than ninety days from the date notice
21 pursuant to Subsection D of this section is given, the
22 department shall provide the municipality or county adequate
23 opportunity to review an application for a claim for refund
24 that gave rise to the recoverable amount, exclusive of any
25 amended returns that may be attached to the application,

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1 pursuant to Section 7-1-8.9 NMSA 1978.

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

8 H. The secretary is authorized to decrease a
9 distribution or transfer to a municipality or county upon being
10 directed to do so by the secretary of finance and
11 administration pursuant to the State Aid Intercept Act or to
12 redirect a distribution or transfer to the New Mexico finance
13 authority pursuant to an ordinance or a resolution passed by
14 the county or municipality and a written agreement of the
15 municipality or county and the New Mexico finance authority.
16 Upon direction to decrease a distribution or transfer or notice
17 to redirect a distribution or transfer to a municipality or
18 county, the secretary shall decrease or redirect the next
19 designated distribution or transfer, and succeeding
20 distributions or transfers as necessary, by the amount of the
21 state distributions intercept authorized by the secretary of
22 finance and administration pursuant to the State Aid Intercept
23 Act or by the amount of the state distribution intercept
24 authorized pursuant to an ordinance or a resolution passed by
25 the county or municipality and a written agreement with the New

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1 Mexico finance authority. The secretary shall transfer the
2 state distributions intercept amount to the municipal or county
3 treasurer or other person designated by the secretary of
4 finance and administration or to the New Mexico finance
5 authority pursuant to written agreement to pay the debt service
6 to avoid default on qualified local revenue bonds or meet other
7 local revenue bond, loan or other debt obligations of the
8 municipality or county to the New Mexico finance authority. A
9 decrease to or redirection of a distribution or transfer
10 pursuant to this subsection that arose:

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

18 (2) after an adjustment of a distribution or
19 transfer of net receipts creating a recoverable amount owed to
20 the department shall be subordinate to any collection of any
21 recoverable amount pursuant to Paragraph (2) of Subsection B of
22 this section.

23 I. Upon the direction of the secretary of finance
24 and administration pursuant to Section 9-6-5.2 NMSA 1978, the
25 secretary shall temporarily withhold the balance of a

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1 distribution to a municipality or county, net of any decrease
2 or redirected amount pursuant to Subsection H of this section
3 and any recoverable amount pursuant to Paragraph (2) of
4 Subsection B of this section, that has failed to submit an
5 audit report required by the Audit Act or a financial report
6 required by Subsection F of Section 6-6-2 NMSA 1978. The
7 amount to be withheld, the source of the withheld distribution
8 and the number of months that the distribution is to be
9 withheld shall be as directed by the secretary of finance and
10 administration. A distribution withheld pursuant to this
11 subsection shall remain in the tax administration suspense fund
12 until distributed to the municipality or county and shall not
13 be distributed to the general fund. An amount withheld
14 pursuant to this subsection shall be distributed to the
15 municipality or county upon direction of the secretary of
16 finance and administration.

17 J. As used in this section:

18 (1) "amounts relating to the current month"
19 means any amounts included in the net receipts of the current
20 month that represent payment of tax due for the current month,
21 correction of amounts processed in the current month that
22 relate to the current month or that otherwise relate to
23 obligations due for the current month;

24 (2) "amounts relating to prior periods" means
25 any amounts processed during the current month that adjust

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1 amounts processed in a period or periods prior to the current
2 month regardless of whether the adjustment is a correction of a
3 department error or due to the filing of amended returns,
4 payment of department-issued assessments, filing or approval of
5 claims for refund, audit adjustments or other cause;

6 (3) "average distribution or transfer amount"
7 means the following amounts; provided that a distribution or
8 transfer that is negative shall not be used in calculating the
9 amounts:

10 (a) the annual average of the total
11 amount distributed or transferred to a municipality or county
12 in each of the three twelve-month periods preceding the current
13 month;

14 (b) if a distribution or transfer to a
15 municipality or county has been made for less than three years,
16 the total amount distributed or transferred in the year
17 preceding the current month; or

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

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

25 (5) "repayment agreement" means an agreement

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1 between the department and a municipality or county under which
2 the municipality or county agrees to allow the department to
3 recover an amount determined pursuant to Paragraph (2) of
4 Subsection B of this section by decreasing distributions or
5 transfers to the municipality or county for one or more months
6 beginning with the distribution or transfer to be made with
7 respect to a designated month. No interest shall be charged."

8 SECTION 13. Section 7-1-6.42 NMSA 1978 (being Laws 2001,
9 Chapter 199, Section 12, as amended) is amended to read:

10 "7-1-6.42. DISTRIBUTION--STATE BUILDING BONDING FUND--
11 GROSS RECEIPTS TAX.--A distribution pursuant to Section 7-1-6.1
12 NMSA 1978 shall be made to the state building bonding fund in
13 the amount of six hundred eighty thousand dollars (\$680,000)
14 from the net receipts attributable to the gross receipts tax
15 imposed by the Gross Receipts and Compensating Tax Act. The
16 distribution shall be made:

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

19 B.] A. contemporaneously with other distributions
20 of net receipts attributable to the gross receipts tax for
21 payment of debt service on outstanding bonds or to a fund
22 dedicated for that purpose; and

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

25 SECTION 14. Section 7-1-6.53 NMSA 1978 (being Laws 2005,

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1 Chapter 176, Section 11) is amended to read:

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

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

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

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

20 SECTION 15. Section 7-1-6.62 NMSA 1978 (being Laws 2019,
21 Chapter 47, Section 2) is amended to read:

22 "7-1-6.62. DISTRIBUTION--~~[PREMIUM]~~ GROSS RECEIPTS TAX--
23 LAW ENFORCEMENT PROTECTION FUND--FIRE PROTECTION FUND.--

24 A. A distribution pursuant to Section 7-1-6.1 NMSA
25 1978 shall be made to the law enforcement protection fund in an

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1 amount equal to ~~[ten]~~ three-hundredths percent of the net
2 receipts attributable to the ~~[premium]~~ gross receipts tax ~~[from~~
3 ~~life, general casualty and title insurance business]~~.

4 B. A distribution pursuant to Section 7-1-6.1 NMSA
5 1978 shall be made to the fire protection fund ~~[of]~~ in an
6 amount equal to twenty-one hundredths percent of the net
7 receipts attributable to the ~~[premium]~~ gross receipts tax
8 ~~[derived from property and vehicle insurance business]."~~

9 SECTION 16. Section 7-1-6.69 NMSA 1978 (being Laws 2021,
10 Chapter 136, Section 1) is amended to read:

11 "7-1-6.69. DISTRIBUTION--~~[HEALTH INSURANCE PREMIUM~~
12 ~~SURTAX]~~ GROSS RECEIPTS TAX--HEALTH CARE AFFORDABILITY FUND.--A
13 distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be
14 made to the health care affordability fund in an amount equal
15 to ~~[the following amounts of]~~ seventeen-hundredths percent of
16 the net receipts attributable to the ~~[health insurance premium~~
17 ~~surtax; provided that if the rate of the health insurance~~
18 ~~premium surtax is reduced pursuant to Subsection F of Section~~
19 ~~7-40-3 NMSA 1978, no distribution pursuant to this section~~
20 ~~shall be made:~~

21 A. ~~beginning January 1, 2022 and prior to July 1,~~
22 ~~2022, fifty-two percent;~~

23 B. ~~beginning July 1, 2022 and prior to July 1,~~
24 ~~2024, fifty-five percent; and~~

25 C. ~~beginning July 1, 2024, thirty percent]~~ gross

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1 receipts tax."

2 SECTION 17. Section 7-1-6.70 NMSA 1978 (being Laws 2022,
3 Chapter 32, Section 1) is amended to read:

4 "7-1-6.70. DISTRIBUTION--LAND GRANT-MERCED ASSISTANCE
5 FUND.--A distribution pursuant to Section 7-1-6.1 NMSA 1978
6 shall be made to the land grant-merced assistance fund in an
7 amount equal to five-hundredths percent of the net receipts
8 attributable to the gross receipts tax [~~after distributions~~
9 ~~have been made pursuant to Sections 7-1-6.46 and 7-1-6.47 NMSA~~
10 ~~1978~~]."

11 SECTION 18. A new section of the Tax Administration Act
12 is enacted to read:

13 "[NEW MATERIAL] DISTRIBUTION--GROSS RECEIPTS TAX--STATE
14 ROAD FUND--TRANSPORTATION PROJECT FUND--BOAT FUND.--A
15 distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be
16 made of the following percentages of the net receipts
17 attributable to the gross receipts tax:
18 A. twelve-hundredths percent to the state road
19 fund;
20 B. eleven-hundredths percent to the transportation
21 project fund; and
22 C. fifty-four hundredths percent to the boat fund."

23 SECTION 19. Section 7-1-8.8 NMSA 1978 (being Laws 2019,
24 Chapter 87, Section 2, as amended) is amended to read:

25 "7-1-8.8. INFORMATION THAT MAY BE REVEALED TO OTHER STATE

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1 AND LEGISLATIVE AGENCIES.--An employee of the department may
2 reveal confidential return information to the following
3 agencies; provided that a person who receives the information
4 on behalf of the agency shall be subject to the penalties in
5 Section 7-1-76 NMSA 1978 if the person fails to maintain the
6 confidentiality required:

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

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

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

18 D. the secretary of human services or the
19 secretary's delegate under a written agreement with the
20 department:

21 (1) the last known address with date of all
22 names certified to the department as being absent parents of
23 children receiving public financial assistance, but only for
24 the purpose of enforcing the support liability of the absent
25 parents by the child support enforcement division or any

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1 successor organizational unit;

2 (2) return information needed for reports
3 required to be made to the federal government concerning the
4 use of federal funds for low-income working families;

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

12 (4) return information required to administer
13 the Health Care Quality Surcharge Act; and

14 (5) return information in accordance with the
15 provisions of the Easy Enrollment Act;

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

23 F. the state courts, the random jury lists produced
24 by the department of information technology under Subsection E
25 of this section;

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

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

10 ~~[F.]~~ H. the state racing commission, return
11 information with respect to the state, municipal and county
12 gross receipts taxes paid by racetracks;

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

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

22 ~~[L.]~~ K. the secretary of workforce solutions or the
23 secretary's delegate, return information for use in enforcement
24 of unemployment insurance collections pursuant to the terms of
25 a written reciprocal agreement entered into by the department

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1 with the secretary of workforce solutions for exchange of
2 information;

3 ~~[M.]~~ L. the New Mexico finance authority,
4 information with respect to the amount of municipal and county
5 gross receipts taxes collected by municipalities and counties
6 pursuant to any local option municipal or county gross receipts
7 taxes imposed, and information with respect to the amount of
8 governmental gross receipts taxes paid by every agency,
9 institution, instrumentality or political subdivision of the
10 state pursuant to Section 7-9-4.3 NMSA 1978;

11 ~~[N.]~~ M. the superintendent of insurance, return
12 information with respect to the ~~[premium]~~ gross receipts tax
13 ~~[and the health insurance premium surtax]~~ imposed on insurance
14 companies or any agent thereof and a property bondsman, as that
15 person is defined in Section 59A-51-2 NMSA 1978, as security or
16 surety for a bail bond in connection with a judicial
17 proceeding;

18 ~~[O. the secretary of finance and administration or~~
19 ~~the secretary's designee, return information concerning a~~
20 ~~credit pursuant to the Film Production Tax Credit Act;~~

21 ~~P. the secretary of economic development or the~~
22 ~~secretary's designee, return information concerning a credit~~
23 ~~pursuant to the Film Production Tax Credit Act;~~

24 ~~Q.]~~ N. the secretary of public safety or the
25 secretary's designee, return information concerning the Weight

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1 Distance Tax Act;

2 ~~[R.]~~ Q. the secretary of transportation or the
3 secretary's designee, return information concerning the Weight
4 Distance Tax Act;

5 ~~[S.]~~ P. the secretary of energy, minerals and
6 natural resources or the secretary's designee, return
7 information concerning tax credits or deductions for which
8 eligibility is certified or otherwise determined by the
9 secretary or the secretary's designee; and

10 ~~[T.]~~ Q. the secretary of environment or the
11 secretary's designee, return information concerning tax credits
12 for which eligibility is certified or otherwise determined by
13 the secretary or the secretary's designee."

14 **SECTION 20.** Section 7-1-13.1 NMSA 1978 (being Laws 1988,
15 Chapter 99, Section 3, as amended) is amended to read:

16 "7-1-13.1. METHOD OF PAYMENT OF CERTAIN TAXES DUE.--

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

24 (1) Group 1: all taxes due under the
25 Withholding Tax Act, the Gross Receipts and Compensating Tax

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1 Act, the local option gross receipts tax acts [~~the Interstate~~
2 ~~Telecommunications Gross Receipts Tax Act~~] and the Leased
3 Vehicle Gross Receipts Tax Act;

4 (2) Group 2: all taxes due under the Oil and
5 Gas Severance Tax Act, the Oil and Gas Conservation Tax Act,
6 the Oil and Gas Emergency School Tax Act and the Oil and Gas Ad
7 Valorem Production Tax Act;

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

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

13 For taxpayers who have more than one identification number
14 issued by the department, the average tax payment shall be
15 computed by combining the amounts paid under the several
16 identification numbers.

17 B. Taxpayers who are required to make payment in
18 accordance with the provisions of this section shall make
19 payment by one or more of the following means on or before the
20 due date so that funds are immediately available to the state
21 on or before the due date:

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

25 (2) currency of the United States;

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1 (3) check drawn on and payable at any New
2 Mexico financial institution provided that the check is
3 received by the department at the place and time required by
4 the department at least one banking day prior to the due date;
5 or

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

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

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

20 SECTION 21. Section 7-1-14 NMSA 1978 (being Laws 2020,
21 Chapter 80, Section 1) is amended to read:

22 "7-1-14. [~~BUSINESS LOCATION INSTRUCTIONS FOR PURPOSES OF~~]
23 SOURCING RULES--REPORTING GROSS RECEIPTS AND USE--LOCATION-CODE
24 DATABASE AND LOCATION-RATE DATABASE.--

25 A. For purposes of the Gross Receipts and

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1 Compensating Tax Act, [~~Interstate Telecommunications Gross~~
2 ~~Receipts Tax Act~~] Leased Vehicle Gross Receipts Tax Act and any
3 act authorizing the imposition of a local option gross receipts
4 or compensating tax, a person that has gross receipts and a
5 person using property or services in New Mexico in a taxable
6 manner shall report the gross receipts to the proper business
7 location as provided in this section.

8 B. The business location for gross receipts from
9 the sale, lease or granting of a license to use real property
10 located in New Mexico, and any related deductions, shall be the
11 location of the property.

12 C. The business location for gross receipts from
13 the sale or license of tangible personal property, and any
14 related deductions, shall be at the following locations:

15 (1) if the property is received by the
16 purchaser at the New Mexico [~~business~~] location of the seller,
17 the location of the seller;

18 (2) if the property is not received by the
19 purchaser at [~~a business~~] the location of the seller, the
20 location indicated by instructions for delivery to the
21 purchaser, or the purchaser's donee, when known to the seller;

22 (3) if Paragraphs (1) and (2) of this
23 subsection do not apply, the location indicated by an address
24 for the purchaser available from the business records of the
25 seller that are maintained in the ordinary course of business;

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1 provided that use of the address does not constitute bad faith;

2 (4) if Paragraphs (1) through (3) of this
3 subsection do not apply, the location for the purchaser
4 obtained during consummation of the sale, including the address
5 of a purchaser's payment instrument, if no other address is
6 available; provided that use of this address does not
7 constitute bad faith; or

8 (5) if Paragraphs (1) through (4) of this
9 subsection do not apply, including a circumstance in which the
10 seller is without sufficient information to apply those
11 standards, the location from which the property was shipped or
12 transmitted.

13 D. The business location for gross receipts from
14 the lease of tangible personal property, including vehicles,
15 other transportation equipment and other mobile tangible
16 personal property, and any related deductions, shall be the
17 location of primary use of the property, as indicated by the
18 address for the property provided by the lessee that is
19 available to the lessor from the lessor's records maintained in
20 the ordinary course of business; provided that use of this
21 address does not constitute bad faith. The location of primary
22 [~~business location~~] use shall not be altered by intermittent
23 use at different locations, such as use of business property
24 that accompanies employees on business trips and service calls.

25 E. The business location for gross receipts from

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1 the sale, lease or license of franchises, and any related
2 deductions, shall be where the franchise is used.

3 F. The business location for gross receipts from
4 the performance or sale of the following services, and any
5 related deductions, shall be at the following locations:

6 (1) for professional services performed in New
7 Mexico, other than construction-related services, or performed
8 outside New Mexico when the product of the service is initially
9 used in New Mexico, the location of the performer of the
10 service or seller of the product of the service, as
11 appropriate;

12 (2) for construction services and
13 construction-related services performed for a construction
14 project in New Mexico, the location of the construction site;

15 (3) for services with respect to the selling
16 of real estate located in New Mexico, the location of the real
17 estate;

18 (4) for transportation of persons or property
19 in, into or from New Mexico, the location where the person or
20 property enters the vehicle; and

21 (5) for services other than those described in
22 Paragraphs (1) through (4) of this subsection, the location
23 where the product of the service is delivered.

24 G. Except as provided in Subsection H of this
25 section, the business location for uses of property or services

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1 subject to the compensating tax shall be ~~[reported at]~~ the
2 ~~[business]~~ location at which gross receipts would have been
3 required to be reported had the transaction been subject to the
4 gross receipts tax.

5 H. If a person subject to the compensating tax can
6 demonstrate that the first use upon which compensating tax is
7 imposed occurred at a time and place different from the time
8 and place of the purchase, then the business location for the
9 compensating tax shall be ~~[reported at]~~ the ~~[business]~~ location
10 of the first use.

11 ~~[I. The secretary shall designate codes to identify~~
12 ~~the business locations for a person's gross receipts, or use~~
13 ~~for purchases subject to the compensating tax, and deductions~~
14 ~~related to those receipts or that use shall be reported.~~

15 ~~J.]~~ I. The secretary shall develop a location-code
16 database that provides the business location codes designated
17 by the secretary for purposes of reporting pursuant to
18 ~~[Subsection I of]~~ this section. The secretary shall also
19 develop and provide to taxpayers a location-rate database that
20 sets out the tax rates applicable to business locations within
21 the state, by address, and sellers who properly rely on this
22 database shall not be liable for any additional tax due to the
23 use of an incorrect rate.

24 ~~[K.]~~ J. As used in this section:

25 ~~[(1) "business location" means the code~~

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1 ~~designated by the department to identify business locations and~~
2 ~~required to be used to report the gross receipts, or use for~~
3 ~~purchases subject to the compensating tax, and deductions~~
4 ~~related to those receipts or that use;~~

5 ~~(2)]~~ (1) "gross receipts" means, as
6 applicable, "gross receipts" as used in the Gross Receipts and
7 Compensating Tax Act and the Leased Vehicle Gross Receipts Tax
8 Act [~~and "interstate telecommunications gross receipts" in the~~
9 ~~Interstate Telecommunications Gross Receipts Tax Act~~];

10 ~~(3)]~~ (2) "in-person service" means a service
11 physically provided in person by the service provider, where
12 the customer or the customer's real or tangible personal
13 property upon which the service is performed is in the same
14 location as the service provider at the time the service is
15 performed; and

16 ~~(4)]~~ (3) "professional service" means a
17 service, other than an in-person service, that requires either
18 an advanced degree from an accredited post-secondary
19 educational institution or a license from the state to
20 perform."

21 SECTION 22. Section 7-1-26 NMSA 1978 (being Laws 1965,
22 Chapter 248, Section 28, as amended) is amended to read:

23 "7-1-26. DISPUTING LIABILITIES--CLAIM FOR CREDIT, REBATE
24 OR REFUND.--

25 A. A person who believes that an amount of tax has

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1 been paid by or withheld from that person in excess of that for
2 which the person was liable, who has been denied a credit or
3 rebate claimed or who claims a prior right to property in the
4 possession of the department pursuant to a levy made pursuant
5 to the authority of Sections 7-1-31 through 7-1-34 NMSA 1978
6 may claim a refund by directing to the secretary, within the
7 time limitations provided by Subsections F and G of this
8 section, a written claim for refund that, except as provided in
9 Subsection K of this section, includes:

10 (1) the taxpayer's name, address and
11 identification number;

12 (2) the type of tax for which a refund is
13 being claimed, the credit or rebate denied or the property
14 levied upon;

15 (3) the sum of money or other property being
16 claimed;

17 (4) with respect to a refund, the period for
18 which overpayment was made;

19 (5) a brief statement of the facts and the law
20 on which the claim is based, which may be referred to as the
21 "basis for the refund", which may include documentation that
22 substantiates the written claim and supports the taxpayer's
23 basis for the refund; and

24 (6) if applicable, a copy of an amended return
25 for each tax period for which the refund is claimed.

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1 B. A claim for refund that meets the requirements
2 of Subsection A of this section and that is filed within the
3 time limitations provided by Subsections F and G of this
4 section is deemed to be properly before the department for
5 consideration, regardless of whether the department requests
6 additional documentation after receipt of the claim for refund.

7 C. If the department requests additional relevant
8 documentation from a taxpayer who has submitted a claim for
9 refund, the claim for refund shall not be considered incomplete
10 provided the taxpayer submits sufficient information for the
11 department to make a determination.

12 D. The secretary or the secretary's delegate may
13 allow the claim in whole or in part or may deny the claim. If
14 the:

15 (1) claim is denied in whole or in part in
16 writing, the person shall not refile the denied claim, but the
17 person, within ninety days after either the mailing or delivery
18 of the denial of all or any part of the claim, may elect to
19 pursue only one of the remedies provided in Subsection E of
20 this section; and

21 (2) department has neither granted nor denied
22 any portion of a complete claim for refund within one hundred
23 eighty days after the claim was mailed or otherwise delivered
24 to the department, the person may elect to treat the claim as
25 denied and elect to pursue only one of the remedies provided in

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1 Subsection E of this section.

2 E. A person may elect to pursue only one of the
3 remedies provided in this subsection. A person who timely
4 pursues more than one remedy is deemed to have elected the
5 first. The person may:

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

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

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

17 (c) a demand for the refund to the
18 taxpayer of that amount or that property; and

19 (d) a recitation of the facts of the
20 claim for refund; or

21 (2) commence a civil action in the district
22 court for Santa Fe county by filing a complaint setting forth
23 the circumstance of the claimed overpayment, denied credit or
24 rebate or denial of a prior right to property levied upon by
25 the department alleging that on account thereof the state is

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1 indebted to the plaintiff in the amount or property stated,
2 together with any interest allowable, demanding the refund to
3 the plaintiff of that amount or property and reciting the facts
4 of the claim for refund. The plaintiff or the secretary may
5 appeal from any final decision or order of the district court
6 to the court of appeals.

7 F. Except as otherwise provided in Subsection G of
8 this section, a credit or refund of any amount of overpaid tax,
9 penalty or interest may be allowed or made to a person if a
10 claim is properly filed:

11 (1) only within three years after the end of
12 the calendar year in which the applicable event occurs:

13 (a) in the case of tax paid with an
14 original or amended state return, the date the related tax was
15 originally due;

16 (b) in the case of tax paid in response
17 to an assessment by the department pursuant to Section 7-1-17
18 NMSA 1978, the date the tax was paid;

19 (c) in the case of tax with respect to
20 which a net-negative federal adjustment, as that term is used
21 in Section 7-1-13 NMSA 1978, relates, the final determination
22 date of that federal adjustment, as provided in Section 7-1-13
23 NMSA 1978;

24 (d) the final determination of value
25 occurs with respect to any overpayment that resulted from a

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1 disapproval by any agency of the United States or the state of
2 New Mexico or any court of increase in value of a product
3 subject to taxation pursuant to the Oil and Gas Severance Tax
4 Act, the Oil and Gas Conservation Tax Act, the Oil and Gas
5 Emergency School Tax Act, the Oil and Gas Ad Valorem Production
6 Tax Act or the Natural Gas Processors Tax Act; or

7 (e) in the case of a claim related to
8 property taken by levy, the date the property was levied upon
9 as provided in the Tax Administration Act;

10 (2) in the case of a denial of a claim for
11 credit pursuant to the Investment Credit Act, Laboratory
12 Partnership with Small Business Tax Credit Act or Technology
13 Jobs and Research and Development Tax Credit Act or for the
14 rural job tax credit provided by Section 7-2E-1.1 NMSA 1978 or
15 similar credit, only within one year after the date of the
16 denial;

17 (3) in the case of a taxpayer under audit by
18 the department who has signed a waiver of the limitation on
19 assessments on or after July 1, 1993 pursuant to Subsection F
20 of Section 7-1-18 NMSA 1978, only for a refund of the same tax
21 paid for the same period for which the waiver was given, and
22 only until a date one year after the later of the date of the
23 mailing of an assessment issued pursuant to the audit, the date
24 of the mailing of final audit findings to the taxpayer or the
25 date a proceeding is begun in court by the department with

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1 respect to the same tax and the same period;

2 (4) in the case of a payment of an amount of
3 tax not made within three years of the end of the calendar year
4 in which the original due date of the tax or date of the
5 assessment of the department occurred, only for a claim for
6 refund of that amount of tax and only within one year of the
7 date on which the tax was paid; or

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

17 G. No credit or refund shall be allowed or made to
18 a person claiming a refund of gasoline tax pursuant to Section
19 7-13-11 NMSA 1978 unless notice of the destruction of the
20 gasoline was given to the department within thirty days of the
21 actual destruction and the claim for refund is made within six
22 months of the date of destruction. No credit or refund shall
23 be allowed or made to a person claiming a refund of gasoline
24 tax pursuant to Section 7-13-17 NMSA 1978 unless the refund is
25 claimed within six months of the date of purchase of the

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1 gasoline and the gasoline has been used at the time the claim
2 for refund is made.

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

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

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

24 K. The filing of a fully completed original income
25 tax return, corporate income tax return, corporate income and

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

10 L. In no case may a credit or refund be claimed if
11 the related federal adjustment is taken into account by a
12 partnership in the partnership's tax return for the adjustment
13 year and allocated to the partners in a manner similar to other
14 partnership tax items."

15 SECTION 23. Section 7-1-29 NMSA 1978 (being Laws 1965,
16 Chapter 248, Section 31, as amended) is amended to read:

17 "7-1-29. AUTHORITY TO MAKE REFUNDS OR CREDITS.--

18 A. In response to a claim for refund, credit or
19 rebate made as provided in Section 7-1-26 NMSA 1978, but before
20 a court acquires jurisdiction of the matter, the secretary or
21 the secretary's delegate may authorize payment to a person in
22 the amount of the credit or rebate claimed or refund an
23 overpayment of tax determined by the secretary or the
24 secretary's delegate to have been erroneously made by the
25 person, together with allowable interest. A payment of a

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1 credit rebate claimed or a refund of tax and interest
2 erroneously paid amounting to twenty thousand dollars (\$20,000)
3 or more shall be made with the prior approval of the attorney
4 general, except that the secretary or the secretary's delegate
5 may make refunds with respect to the Oil and Gas Severance Tax
6 Act, the Oil and Gas Conservation Tax Act, the Oil and Gas
7 Emergency School Tax Act, the Oil and Gas Ad Valorem Production
8 Tax Act, the Natural Gas Processors Tax Act or the Oil and Gas
9 Production Equipment Ad Valorem Tax Act, Section 7-13-17 NMSA
10 1978 and the Cigarette Tax Act without the prior approval of
11 the attorney general regardless of the amount.

12 B. Pursuant to the final order of the district
13 court, the court of appeals, the supreme court of New Mexico or
14 a federal court, from which order, appeal or review is not
15 successfully taken, adjudging that a person has properly
16 claimed a credit, rebate or a refund of overpaid tax, the
17 secretary shall authorize the payment to the person of the
18 amount thereof. After a court acquires jurisdiction but before
19 it issues a final order, the secretary may authorize payment of
20 a credit, rebate or refund pursuant to a closing agreement
21 pursuant to Section 7-1-20 NMSA 1978.

22 C. In the discretion of the secretary, any amount
23 of credit or rebate to be paid or tax to be refunded may be
24 offset against any amount of tax for which the person due to
25 receive the credit, rebate payment or refund is liable. The

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1 secretary or the secretary's delegate shall give notice to the
2 taxpayer that the credit, rebate payment or refund will be made
3 in this manner, and the taxpayer shall be entitled to interest
4 pursuant to Section 7-1-68 NMSA 1978 until the tax liability is
5 credited with the credit, rebate or refund amount.

6 D. In an audit by the department or a managed audit
7 covering multiple reporting periods in which both underpayments
8 and overpayments of a tax have been made in different reporting
9 periods, the department shall credit the tax overpayments
10 against the underpayments; provided that the taxpayer files a
11 claim for refund of the overpayments. An overpayment shall be
12 applied as a credit first to the earliest underpayment and then
13 to succeeding underpayments. An underpayment of tax to which
14 an overpayment is credited pursuant to this section shall be
15 deemed paid in the period in which the overpayment was made or
16 the period to which the overpayment was credited against an
17 underpayment, whichever is later. If the overpayments credited
18 pursuant to this section exceed the underpayments of a tax, the
19 amount of the net overpayment for the periods covered in the
20 audit shall be refunded to the taxpayer.

21 E. When a taxpayer makes a payment identified to a
22 particular return or assessment, and the department determines
23 that the payment exceeds the amount due pursuant to that return
24 or assessment, the secretary may apply the excess to the
25 taxpayer's other liabilities pursuant to the tax acts to which

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1 the return or assessment applies, without requiring the
2 taxpayer to file a claim for a refund. The liability to which
3 an overpayment is applied pursuant to this section shall be
4 deemed paid in the period in which the overpayment was made or
5 the period to which the overpayment was applied, whichever is
6 later.

7 F. If the department determines, upon review of an
8 original or amended income tax return, corporate income and
9 franchise tax return, [~~estate tax return~~] special [~~fuels~~] fuel
10 excise tax return or oil and gas tax return, that there has
11 been an overpayment of tax for the taxable period to which the
12 return or amended return relates in excess of the amount due to
13 be refunded to the taxpayer pursuant to the provisions of
14 Subsection K of Section 7-1-26 NMSA 1978, the department may
15 refund that excess amount to the taxpayer without requiring the
16 taxpayer to file a refund claim.

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

22 H. In response to a timely refund claim pursuant to
23 Section 7-1-26 NMSA 1978 and notwithstanding any other
24 provision of the Tax Administration Act, the secretary or the
25 secretary's delegate may refund or credit a portion of an

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1 assessment of tax paid, including applicable penalties and
2 interest representing the amount of tax previously paid by
3 another person on behalf of the taxpayer on the same
4 transaction; provided that the requirements of equitable
5 recoupment are met. For purposes of this subsection, the
6 refund claim may be filed by the taxpayer to whom the
7 assessment was issued or by another person who claims to have
8 previously paid the tax on behalf of the taxpayer. Prior to
9 granting the refund or credit, the secretary may require a
10 waiver of all rights to claim a refund or credit of the tax
11 previously paid by another person paying a tax on behalf of the
12 taxpayer.

13 I. If, as a result of an audit by the department or
14 a managed audit, a person is determined to owe gross receipts
15 tax on receipts from the sale of property or services, the
16 department may credit against the amount owed an amount of
17 compensating tax paid by the purchaser if the person can
18 demonstrate that the purchaser timely paid the compensating tax
19 on the same property or services. The credit provided by this
20 subsection shall not be denied solely because the purchaser
21 cannot timely file for a refund of the compensating tax paid
22 and, if the credit is to be granted, the department shall
23 require, for the purpose of granting the credit, that the
24 purchaser give up any right to claim a refund of that tax."

25 SECTION 24. Section 7-1-68 NMSA 1978 (being Laws 1965,

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1 Chapter 248, Section 69, as amended) is amended to read:

2 "7-1-68. INTEREST ON OVERPAYMENTS.--

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

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

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

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

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

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

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

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

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

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

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

25 (3) Sections 6611(f) and 6611(g) of the

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1 Internal Revenue Code, as those sections may be amended or
2 renumbered, prohibit payment of interest for federal income tax
3 purposes;

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

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

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

18 ~~(7) the refund results from a tax credit~~
19 ~~pursuant to the Investment Credit Act, Laboratory Partnership~~
20 ~~with Small Business Tax Credit Act, Technology Jobs and~~
21 ~~Research and Development Tax Credit Act, Film Production Tax~~
22 ~~Credit Act, Affordable Housing Tax Credit Act or a rural job~~
23 ~~tax credit or high-wage jobs tax credit].~~

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

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1 SECTION 25. Section 7-2-7 NMSA 1978 (being Laws 2005,
2 Chapter 104, Section 4, as amended) is repealed and a new
3 Section 7-2-7 NMSA 1978 is enacted to read:

4 "7-2-7. [NEW MATERIAL] INDIVIDUAL INCOME TAX RATES.--

5 A. The tax imposed by Section 7-2-3 NMSA 1978 shall
6 be at the following rates for any taxable year beginning on or
7 after January 1, 2024:

8 (1) for married individuals filing separate
9 returns:

10 If the taxable income is:	The tax shall be:
11 Not over \$10,000	2.0% of taxable income
12 Over \$10,000 but not over \$30,000	\$85.00 plus 4.0% of
13	excess over \$10,000
14 Over \$30,000	\$165.00 plus 6.0% of
15	excess over \$30,000;

16 (2) for heads of household, surviving spouses
17 and married individuals filing joint returns:

18 If the taxable income is:	The tax shall be:
19 Not over \$20,000	2.0% of taxable income
20 Over \$20,000 but not over \$60,000	\$170.00 plus 4.0% of
21	excess over \$2,000
22 Over \$60,000	\$330.00 plus 6.0% of
23	excess over \$60,000; and

24 (3) for single individuals and for estates and
25 trusts:

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1	If the taxable income is:	The tax shall be:
2	Not over \$13,500	2.0% of taxable income
3	Over \$13,500 but not over \$40,000	\$111.00 plus 4.0% of
4		excess over \$13,500
5	Over \$40,000	\$223.00 plus 6.0% of
6		excess over \$40,000.

7 B. The tax on the sum of any lump-sum amounts
8 included in net income is an amount equal to five multiplied by
9 the difference between:

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

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

16 SECTION 26. Section 7-2-34 NMSA 1978 (being Laws 1999,
17 Chapter 205, Section 1, as amended) is amended to read:

18 "7-2-34. DEDUCTION--NET CAPITAL GAIN INCOME.--

19 A. ~~[Except as provided in Subsection C of this~~
20 ~~section]~~ A taxpayer may claim a deduction from net income in an
21 amount equal to ~~[the greater of:~~

22 ~~(1)]~~ the taxpayer's net capital gain income for
23 the taxable year for which the deduction is being claimed, but
24 not to exceed one thousand dollars (\$1,000) ~~[or~~

25 ~~(2) forty percent of the taxpayer's net~~

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1 ~~capital gain income for the taxable year for which the~~
2 ~~deduction is being claimed].~~

3 B. Married individuals who file separate returns
4 for a taxable year in which they could have filed a joint
5 return may each claim only one-half of the deduction provided
6 by this section that would have been allowed on the joint
7 return.

8 ~~[G. A taxpayer may not claim the deduction provided~~
9 ~~in Subsection A of this section if the taxpayer has claimed the~~
10 ~~credit provided in Section 7-2D-8.1 NMSA 1978.~~

11 ~~D.]~~ C. As used in this section, "net capital gain"
12 means "net capital gain" as defined in Section 1222 (11) of the
13 Internal Revenue Code."

14 SECTION 27. Section 7-2A-5 NMSA 1978 (being Laws 1981,
15 Chapter 37, Section 38, as amended) is repealed and a new
16 Section 7-2A-5 NMSA 1978 is enacted to read:

17 "7-2A-5. [NEW MATERIAL] CORPORATE INCOME TAX RATES.--The
18 corporate income tax imposed on corporations by Section 7-2A-3
19 NMSA 1978 shall be at the following rates for any taxable year
20 beginning on or after January 1, 2024:

21 If the taxable income is:	The tax shall be:
22 Not over \$250,000	2.0% of taxable income
23 Over \$250,000 but not over \$500,000	\$5,000.00 plus 4.0% of
24	excess over \$250,000
25 Over \$500,000	\$15,000.00 plus 6.0% of

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1 excess over \$500,000."

2 SECTION 28. Section 7-9-3.5 NMSA 1978 (being Laws 2003,
3 Chapter 272, Section 3, as amended) is amended to read:

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

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

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

18 (2) "gross receipts" includes:

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

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

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

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

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

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

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1 (g) receipts collected by a marketplace
2 provider engaging in business in the state from sales, leases
3 and licenses of tangible personal property, sales of licenses
4 and sales of services or licenses for use of real property that
5 are sourced to this state and are facilitated by the
6 marketplace provider on behalf of marketplace sellers,
7 regardless of whether the marketplace sellers are engaging in
8 business in the state; and

9 (3) "gross receipts" excludes:

10 (a) cash discounts allowed and taken;

11 (b) ~~[New Mexico gross receipts tax,~~
12 ~~governmental gross receipts tax and leased vehicle gross~~
13 ~~receipts tax]~~ all excise taxes imposed by the state and
14 political subdivisions of the state payable on transactions for
15 the reporting period;

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

19 (d) any gross receipts or sales taxes
20 imposed by an Indian nation, tribe or pueblo; provided that the
21 tax is approved, if approval is required by federal law or
22 regulation, by the secretary of the interior of the United
23 States; and provided further that the gross receipts or sales
24 tax imposed by the Indian nation, tribe or pueblo provides a
25 reciprocal exclusion for gross receipts, sales or gross

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1 receipts-based excise taxes imposed by the state or its
2 political subdivisions;

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

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

6 (g) amounts received by a New Mexico
7 florist from the sale of flowers, plants or other products that
8 are customarily sold by florists where the sale is made
9 pursuant to orders placed with an out-of-state florist for
10 filling and delivery in New Mexico by a New Mexico florist.

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

22 SECTION 29. Section 7-9-4 NMSA 1978 (being Laws 1966,
23 Chapter 47, Section 4, as amended) is amended to read:

24 "7-9-4. IMPOSITION AND RATE OF TAX--DENOMINATION AS
25 "GROSS RECEIPTS TAX".--

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1 A. For the privilege of engaging in business, an
2 excise tax equal to ~~[the following percentages]~~ two percent of
3 gross receipts is imposed on any person engaging in business in
4 New Mexico

5 ~~[(1) prior to July 1, 2023, five percent; and~~
6 ~~(2) beginning July 1, 2023, four and seven-~~
7 ~~eighths percent, except as provided in Subsection C of this~~
8 ~~section].~~

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

11 ~~[C. If, for any single fiscal year occurring after~~
12 ~~fiscal year 2025 and prior to fiscal year 2030, gross receipts~~
13 ~~tax revenues are less than ninety-five percent of the gross~~
14 ~~receipts tax revenues for the previous fiscal year, as~~
15 ~~determined by the secretary of finance and administration, the~~
16 ~~rate of the gross receipts tax shall be five and one-eighth~~
17 ~~percent beginning on the July 1 following the determination~~
18 ~~made by the secretary of finance and administration.~~

19 ~~D. On or before February 1 of each year, until the~~
20 ~~rate of the gross receipts tax is adjusted to five and one-~~
21 ~~eighth percent pursuant to Subsection C of this section, the~~
22 ~~secretary of finance and administration shall make a~~
23 ~~determination for the purposes of Subsection C of this section.~~
24 ~~If the rate of tax is adjusted pursuant to that subsection, the~~
25 ~~secretary shall certify to the secretary of taxation and~~

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1 ~~revenue that the rate of the gross receipts tax shall be five~~
2 ~~and one eighth percent, effective on the following July 1.~~

3 ~~E. As used in this section, "gross receipts tax~~
4 ~~revenues" means the net receipts attributable to the gross~~
5 ~~receipts tax and distributed to the general fund.]"~~

6 SECTION 30. Section 7-9-4.3 NMSA 1978 (being Laws 1991,
7 Chapter 8, Section 2, as amended) is amended to read:

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

18 SECTION 31. Section 7-9-7 NMSA 1978 (being Laws 1966,
19 Chapter 47, Section 7, as amended) is amended to read:

20 "7-9-7. IMPOSITION AND RATE OF TAX--DENOMINATION AS
21 "COMPENSATING TAX".--

22 A. For the privilege of making taxable use of
23 tangible personal property in New Mexico, there is imposed on
24 the person using the property an excise tax equal to [~~five~~] two
25 percent [~~prior to July 1, 2023 and four and seven-eighths~~

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1 ~~percent beginning July 1, 2023, except as provided in~~
2 ~~Subsection G of this section~~] of the value of tangible property
3 that was:

4 (1) manufactured by the person using the
5 property in the state; or

6 (2) acquired in a transaction for which the
7 seller's receipts were not subject to the gross receipts tax.

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

16 C. For the privilege of making taxable use of a
17 license or franchise in New Mexico, there is imposed on the
18 person using the license or franchise an excise tax equal to
19 the rate provided in Subsection A ~~[or G]~~ of this section ~~[as~~
20 ~~applicable]~~ against the value of the license or franchise in
21 its use in this state. The department by rule, ruling or
22 instruction shall fairly apportion, where appropriate, the
23 value of a license or franchise to its value in use in New
24 Mexico. The tax shall apply only to the value of a license or
25 franchise used in New Mexico where the license or franchise was

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1 acquired in a transaction the receipts from which were not
2 subject to the gross receipts tax.

3 D. For the privilege of making taxable use of
4 services in New Mexico, there is imposed on the person using
5 the services an excise tax equal to the rate provided in
6 Subsection A ~~[or G]~~ of this section ~~[as applicable]~~ against the
7 value of the services at the time the services were performed
8 or the product of the service was acquired. For use of
9 services to be a taxable use pursuant to this subsection, the
10 services shall have been acquired in a transaction the receipts
11 from which were not subject to the gross receipts tax.

12 E. For purposes of this section, receipts are not
13 subject to the gross receipts tax if the person responsible for
14 the gross receipts tax on those receipts lacked nexus in New
15 Mexico or the receipts were exempt or allowed to be deducted
16 pursuant to the Gross Receipts and Compensating Tax Act.

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

19 ~~[G. If the gross receipts tax is increased to five~~
20 ~~and one-eighth percent pursuant to Subsection C of Section~~
21 ~~7-9-4 NMSA 1978, the rate of the compensating tax shall be five~~
22 ~~and one-eighth percent.~~

23 H.] G. As used in this section, "taxable use" means
24 use by a person who acquires tangible personal property, a
25 license, a franchise or a service, and the use of which would

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1 not have qualified for an exemption or deduction pursuant to
2 the Gross Receipts and Compensating Tax Act."

3 SECTION 32. Section 7-9-13.2 NMSA 1978 (being Laws 1992,
4 Chapter 100, Section 3, as amended) is amended to read:

5 "7-9-13.2. EXEMPTION--GOVERNMENTAL GROSS RECEIPTS TAX--
6 RECEIPTS SUBJECT TO CERTAIN OTHER TAXES.--Exempted from the
7 governmental gross receipts tax are receipts from transactions
8 involving tangible personal property or services on which
9 receipts or transactions the gross receipts tax, compensating
10 tax, [~~motor vehicle excise tax~~] gasoline tax, [~~special fuel~~
11 ~~tax~~] special fuel excise tax, oil and gas emergency school tax,
12 resources tax, processors tax or service tax [~~or the excise tax~~
13 ~~imposed under Section 66-12-6.1 NMSA 1978~~] is imposed."

14 SECTION 33. Section 7-9-26 NMSA 1978 (being Laws 1969,
15 Chapter 144, Section 19, as amended) is amended to read:

16 "7-9-26. EXEMPTION--GROSS RECEIPTS AND COMPENSATING TAX--
17 FUEL.--Exempted from the gross receipts and compensating tax
18 are the receipts from selling and the use of gasoline or
19 special fuel [~~or alternative fuel~~] on which the gasoline tax
20 [~~imposed by Section 7-13-3, 7-16-3 or 7-16A-3 NMSA 1978 or the~~
21 ~~Alternative Fuel Tax Act~~] or special fuel excise tax has been
22 paid and not refunded."

23 SECTION 34. Section 7-9-41.5 NMSA 1978 (being Laws 2019,
24 Chapter 270, Section 34) is amended to read:

25 "7-9-41.5. EXEMPTION--NONPROFIT HOSPITALS FROM LOCAL

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1 OPTION GROSS RECEIPTS TAXES.--

2 A. ~~[Exempted from any local option gross receipts~~
3 ~~tax, but not the state gross receipts tax, are]~~ Prior to July
4 1, 2033, receipts of a nonprofit hospital licensed by the
5 department of health are exempted from any local option gross
6 receipts tax but not the state gross receipts tax.

7 B. As used in this section, "nonprofit hospital"
8 means a hospital that has been granted exemption from federal
9 income tax by the United States commissioner of internal
10 revenue as an organization described in Section 501(c)(3) of
11 the Internal Revenue Code."

12 SECTION 35. Section 7-9-46 NMSA 1978 (being Laws 1969,
13 Chapter 144, Section 36, as amended by Laws 2021, Chapter 65,
14 Section 13 and by Laws 2021, Chapter 66, Section 2) is amended
15 to read:

16 "7-9-46. DEDUCTION--GROSS RECEIPTS--GOVERNMENTAL GROSS
17 RECEIPTS--SALES TO MANUFACTURERS AND MANUFACTURING SERVICE
18 PROVIDERS.--

19 A. Prior to July 1, 2033, receipts from selling
20 tangible personal property may be deducted from gross receipts
21 or from governmental gross receipts if the sale is made to a
22 person engaged in the business of manufacturing who delivers a
23 nontaxable transaction certificate to the seller or provides
24 alternative evidence pursuant to Section 7-9-43 NMSA 1978. The
25 buyer ~~[delivering the nontaxable transaction certificate]~~ must

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1 incorporate the tangible personal property as an ingredient or
2 component part of the product that the buyer is in the business
3 of manufacturing.

4 B. Prior to July 1, 2033, receipts from selling a
5 manufacturing consumable to a manufacturer or a manufacturing
6 service provider may be deducted from gross receipts or from
7 governmental gross receipts if the buyer delivers a nontaxable
8 transaction certificate to the seller or provides alternative
9 evidence pursuant to Section 7-9-43 NMSA 1978; provided that if
10 the seller is a seller of electricity or fuel and is a party to
11 an agreement with the department pursuant to Section 7-1-21.1
12 NMSA 1978, a nontaxable transaction certificate shall be
13 required.

14 C. Prior to July 1, 2033, receipts from selling or
15 leasing qualified equipment may be deducted from gross receipts
16 if the sale is made to, or the lease is entered into with, a
17 person engaged in the business of manufacturing or a
18 manufacturing service provider who delivers a nontaxable
19 transaction certificate to the seller or provides alternative
20 evidence pursuant to Section 7-9-43 NMSA 1978; provided that a
21 manufacturer or manufacturing service provider delivering a
22 nontaxable transaction certificate or alternative evidence with
23 respect to the qualified equipment shall not claim an
24 investment credit pursuant to the Investment Credit Act for
25 that same equipment.

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1 D. The purpose of the deductions provided in this
2 section is to encourage manufacturing businesses to locate in
3 New Mexico and to reduce the tax burden, including reducing
4 pyramiding, on the tangible personal property that is consumed
5 in the manufacturing process and that is purchased by
6 manufacturing businesses in New Mexico.

7 E. The department shall annually report to the
8 revenue stabilization and tax policy committee the aggregate
9 amount of deductions taken pursuant to this section, the number
10 of taxpayers claiming each of the deductions and any other
11 information that is necessary to determine that the deductions
12 are performing the purposes for which they are enacted.

13 F. A taxpayer deducting gross receipts pursuant to
14 this section shall report the amount deducted separately for
15 each deduction provided in this section and attribute the
16 amount of the deduction to the appropriate authorization
17 provided in this section in a manner required by the department
18 that facilitates the evaluation by the legislature of the
19 benefit to the state of these deductions.

20 G. As used in this section:

21 (1) "manufacturing consumable" means tangible
22 personal property, other than qualified equipment or an
23 ingredient or component part of a manufactured product, that is
24 incorporated into, destroyed, depleted or transformed in the
25 process of manufacturing a product, including electricity,

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1 fuels, water, manufacturing aids and supplies, chemicals, gases
2 and other tangibles used to manufacture a product;

3 (2) "manufacturing operation" means a plant
4 operated by a manufacturer or manufacturing service provider
5 that employs personnel to perform production tasks to produce
6 goods, in conjunction with machinery and equipment; and

7 (3) "qualified equipment" means machinery,
8 equipment and tools, including component, repair, replacement
9 and spare parts thereof, that are used directly in the
10 manufacturing process of a manufacturing operation. "Qualified
11 equipment" includes computer hardware and software used
12 directly in the manufacturing process of a manufacturing
13 operation but excludes any motor vehicle that is required to be
14 registered in this state pursuant to the Motor Vehicle Code."

15 SECTION 36. Section 7-9-46.1 NMSA 1978 (being Laws 2022,
16 Chapter 47, Section 14) is amended to read:

17 "7-9-46.1. DEDUCTION--GROSS RECEIPTS--GOVERNMENTAL GROSS
18 RECEIPTS--SALES OF SERVICES TO MANUFACTURERS.--

19 A. Prior to July 1, 2033, receipts from selling
20 professional services may be deducted from gross receipts or
21 from governmental gross receipts if the sale is made to a
22 person engaged in the business of manufacturing who delivers a
23 nontaxable transaction certificate to the seller or provides
24 alternative evidence pursuant to Section 7-9-43 NMSA 1978. The
25 professional services shall be related to the product that the

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1 buyer is in the business of manufacturing.

2 B. The purpose of the deductions provided in this
3 section is to encourage manufacturing businesses to locate in
4 New Mexico and to reduce the tax burden, including reducing
5 pyramiding, on the professional services that are purchased by
6 manufacturing businesses in New Mexico.

7 C. A taxpayer allowed a deduction pursuant to this
8 section shall report the amount of the deduction separately in
9 a manner required by the department.

10 D. The department shall compile an annual report on
11 the deduction provided by this section that shall include the
12 number of taxpayers that claimed the deduction, the aggregate
13 amount of deductions claimed and any other information
14 necessary to evaluate the effectiveness of the deduction. The
15 department shall compile and present the report to the revenue
16 stabilization and tax policy committee and the legislative
17 finance committee with an analysis of the cost of the deduction
18 and whether the deduction is performing the purpose for which
19 it was created.

20 E. As used in this section:

21 (1) "accounting services" means the systematic
22 and comprehensive recording of financial transactions
23 pertaining to a business entity and the process of summarizing,
24 analyzing and reporting these transactions to oversight
25 agencies or tax collection entities, including certified public

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1 auditing, attest services and preparing financial statements,
2 bookkeeping, tax return preparation, advice and consulting and,
3 where applicable, representing taxpayers before tax collection
4 agencies. "Accounting services" does not include, except as
5 provided with respect to financial management services,
6 investment advice, wealth management advice or consulting or
7 any tax return preparation, advice, counseling or
8 representation for individuals, regardless of whether those
9 individuals are owners of pass-through entities, such as
10 partnerships, limited liability companies or S corporations;

11 (2) "architectural services" means services
12 related to the art and science of designing and building
13 structures for human habitation or use and includes planning,
14 providing preliminary studies, designs, specifications and
15 working drawings and providing for general administration of
16 construction contracts;

17 (3) "engineering services" means consultation,
18 the production of a creative work, investigation, evaluation,
19 planning and design, the performance of studies and reviewing
20 planning documents when performed by, or under the supervision
21 of, a licensed engineer, including the design, development and
22 testing of mechanical, electrical, hydraulic, chemical,
23 pneumatic or thermal machinery or equipment, industrial or
24 commercial work systems or processes and military equipment.

25 "Engineering services" does not include medical or medical

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1 laboratory services, any engineering performed in connection
2 with a construction service or the design and installation of
3 computer or computer network infrastructure;

4 (4) "information technology services" means
5 separately stated services for installing and maintaining a
6 business's computers and computer network, including performing
7 computer network design; installing, repairing, maintaining or
8 restoring computer networks, hardware or software; and
9 performing custom software programming or making custom
10 modifications to existing software programming. "Information
11 technology services" does not include:

12 (a) software maintenance and update
13 agreements, unless made in conjunction with custom programming;

14 (b) computers, servers, chilling
15 equipment and pre-programmed software;

16 (c) data processing services or the
17 processing or storage of information to compile and produce
18 records of transactions for retrieval or use, including data
19 entry, data retrieval, data searches and information
20 compilation; or

21 (d) access to telecommunications or
22 internet;

23 (5) "legal services" means services performed
24 by a licensed attorney or under the supervision of a licensed
25 attorney for a client, regardless of the attorney's form of

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1 business entity or whether the services are prepaid, including
2 legal representation before courts or administrative agencies;
3 drafting legal documents, such as contracts or patent
4 applications; legal research; advising and counseling;
5 arbitration; mediation; and notary public and other ancillary
6 legal services performed for a client in conjunction with and
7 under the supervision of a licensed attorney. "Legal services"
8 does not include lobbying or government relations services,
9 title insurance agent services, licensing or selling legal
10 software or legal document templates, insurance investigation
11 services or any legal representation involving financial crimes
12 or tax evasion in New Mexico; and

13 (6) "professional services" means accounting
14 services, architectural services, engineering services,
15 information technology services and legal services."

16 SECTION 37. Section 7-9-78.1 NMSA 1978 (being Laws 1999,
17 Chapter 231, Section 4) is amended to read:

18 "7-9-78.1. DEDUCTION--COMPENSATING TAX--URANIUM
19 ENRICHMENT PLANT EQUIPMENT.--Prior to July 1, 2033, the value
20 of equipment and replacement parts for that equipment may be
21 deducted in computing the compensating tax due if the person
22 uses the equipment and replacement parts to enrich uranium in a
23 uranium enrichment plant."

24 SECTION 38. Section 7-9-90 NMSA 1978 (being Laws 1999,
25 Chapter 231, Section 3, as amended) is amended to read:

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1 "7-9-90. DEDUCTIONS--GROSS RECEIPTS TAX--SALES OF URANIUM
2 HEXAFLUORIDE AND ENRICHMENT OF URANIUM.--

3 A. Prior to July 1, 2033, receipts from selling
4 uranium hexafluoride and from providing the service of
5 enriching uranium may be deducted from gross receipts.

6 B. The department shall annually report to the
7 revenue stabilization and tax policy committee aggregate
8 amounts of deductions taken pursuant to this section, the
9 number of taxpayers claiming the deduction and any other
10 information that is necessary to determine that the deduction
11 is performing a purpose that is beneficial to the state.

12 C. A taxpayer deducting gross receipts pursuant to
13 this section shall report the amount deducted separately and
14 attribute the amount of the deduction to the authorization
15 provided in this section in a manner required by the department
16 that facilitates the evaluation by the legislature for the
17 benefit to the state of this deduction."

18 SECTION 39. Section 7-9-110.1 NMSA 1978 (being Laws 2011,
19 Chapter 60, Section 1 and Laws 2011, Chapter 61, Section 1) is
20 amended to read:

21 "7-9-110.1. DEDUCTION--GROSS RECEIPTS TAX--COMPENSATING
22 TAX--LOCOMOTIVE ENGINE FUEL.--

23 A. Prior to July 1, 2033, receipts from the sale of
24 fuel to a common carrier to be loaded or used in a locomotive
25 engine may be deducted from gross receipts.

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1 B. Prior to July 1, 2033, the value of fuel to be
2 loaded or used by a common carrier in a locomotive engine may
3 be deducted in computing the compensating tax due. To be
4 eligible for the deduction provided by this subsection, a
5 common carrier shall deliver an appropriate nontaxable
6 transaction certificate to the seller and the sale shall be
7 made to a common carrier that, on or after July 1, 2012, made a
8 capital investment of fifty million dollars (\$50,000,000) or
9 more in new railroad infrastructure improvements, including
10 railroad facilities, track, signals and supporting railroad
11 network, located in New Mexico; provided that the new railroad
12 infrastructure improvements are not required by a regulatory
13 agency to correct problems, such as regular or preventative
14 maintenance, specifically identified by that agency as
15 requiring necessary corrective action.

16 C. To be eligible for the deductions provided by
17 this section, the fuel shall be used or loaded by a common
18 carrier that, on or after July 1, 2012, made a capital
19 investment of fifty million dollars (\$50,000,000) or more in
20 new railroad infrastructure improvements, including railroad
21 facilities, track, signals and supporting railroad network,
22 located in New Mexico; provided that the new railroad
23 infrastructure improvements are not required by a regulatory
24 agency to correct problems, such as regular or preventive
25 maintenance, specifically identified by that agency as

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1 requiring necessary corrective action.

2 D. The economic development department shall
3 promulgate rules for the issuance of a certificate of
4 eligibility for the purposes of claiming a deduction on fuel
5 loaded or used by a common carrier in a locomotive engine from
6 gross receipts or compensating tax. A common carrier may
7 request a certificate of eligibility from the economic
8 development department to provide to the taxation and revenue
9 department to establish eligibility for a nontaxable
10 transaction certificate for the deduction on fuel loaded or
11 used by a common carrier in a locomotive engine from gross
12 receipts. The taxation and revenue department shall issue
13 nontaxable transaction certificates to a common carrier upon
14 the presentation of a certificate of eligibility obtained from
15 the economic development department pursuant to this
16 subsection.

17 E. The economic development department shall keep a
18 record of temporary and permanent jobs from all railroad
19 activity where a capital investment is made by a common carrier
20 that claims a deduction on fuel loaded or used by a common
21 carrier in a locomotive engine from gross receipts tax or from
22 compensating tax. The economic development department and the
23 taxation and revenue department shall estimate the amount of
24 state revenue that is attributable to all railroad activity
25 where a capital investment is made by a common carrier that

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1 claims a deduction on fuel loaded or used by a common carrier
2 in a locomotive engine from gross receipts tax or from
3 compensating tax.

4 F. The economic development department and the
5 taxation and revenue department shall compile an annual report
6 with the number of taxpayers who claim a deduction pursuant to
7 this section, the number of jobs created as a result of that
8 deduction, the amount of deduction taken, the net revenue to
9 the state as a result of that deduction and any other
10 information required by the legislature to aid in evaluating
11 the effectiveness of that deduction. A taxpayer shall provide
12 the departments with the information required to compile the
13 report. The departments shall present the report before the
14 revenue stabilization and tax policy committee by November of
15 each year.

16 G. For the purposes of this section, "locomotive
17 engine" means a wheeled vehicle consisting of a self-propelled
18 engine that is used to draw trains along railway tracks."

19 **SECTION 40.** Section 7-9-120 NMSA 1978 (being Laws 2022,
20 Chapter 47, Section 15) is amended to read:

21 "7-9-120. DEDUCTION--GROSS RECEIPTS AND GOVERNMENTAL
22 GROSS RECEIPTS--FEMININE HYGIENE PRODUCTS.--

23 A. Prior to July 1, 2033, receipts from the sale of
24 feminine hygiene products may be deducted from gross receipts
25 and governmental gross receipts.

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1 B. A taxpayer allowed a deduction pursuant to this
2 section shall report the amount of the deduction separately in
3 a manner required by the department.

4 C. The department shall compile an annual report on
5 the deduction provided by this section that shall include the
6 number of taxpayers that claimed the deduction, the aggregate
7 amount of deductions claimed and any other information
8 necessary to evaluate the effectiveness of the deduction. The
9 department shall present the report to the revenue
10 stabilization and tax policy committee and the legislative
11 finance committee with an analysis of the cost of the
12 deduction.

13 D. As used in this section, "feminine hygiene
14 products" means tampons, menstrual pads and sanitary napkins,
15 pantliners, menstrual sponges and menstrual cups."

16 SECTION 41. A new section of the Gross Receipts and
17 Compensating Tax Act is enacted to read:

18 "[NEW MATERIAL] EXEMPTION--GROSS RECEIPTS--DONATIONS TO
19 CERTAIN NONPROFITS.--Exempted from the gross receipts tax are
20 the receipts of donations to an organization that is exempt
21 from the federal income tax as an organization described in
22 Section 501(c)(3) of the Internal Revenue Code of 1986, as
23 amended or renumbered."

24 SECTION 42. Section 7-14A-3 NMSA 1978 (being Laws 1991,
25 Chapter 197, Section 7) is amended to read:

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1 "7-14A-3. IMPOSITION AND RATE OF TAX--DENOMINATION AS
2 "LEASED VEHICLE GROSS RECEIPTS TAX".--

3 A. For the privilege of engaging in business, an
4 excise tax equal to [~~five~~] two percent of gross receipts is
5 imposed on any person engaging in business in New Mexico.

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

8 SECTION 43. Section 7-16A-21 NMSA 1978 (being Laws 1995,
9 Chapter 16, Section 15) is amended to read:

10 "7-16A-21. [~~TEMPORARY PROVISION~~] CONTINUITY OF ACTIONS.--

11 A. All taxes due but not paid on liquefied
12 petroleum gas or natural gas or on motor vehicles propelled by
13 such a fuel under the Special Fuels Supplier Tax Act on [~~the~~
14 ~~effective date of the Alternative Fuel Tax Act~~] January 1, 1996
15 remain due until paid or until a final determination is made
16 that the taxes are not due.

17 B. Any protests, claims for refund, court
18 proceedings or other actions ongoing with respect to liquefied
19 petroleum gas or natural gas or to motor vehicles propelled by
20 such a fuel pursuant to the provisions of the Special Fuels
21 Supplier Tax Act on [~~the effective date of the Alternative Fuel~~
22 ~~Tax Act~~] January 1, 1996 shall be finally determined with
23 respect to the applicable provisions of the Special Fuels
24 Supplier Tax Act."

25 SECTION 44. Section 7-27-5.26 NMSA 1978 (being Laws 2000
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1 (2nd S.S.), Chapter 6, Section 2, as amended) is amended to
2 read:

3 "7-27-5.26. INVESTMENT IN FILMS TO BE PRODUCED IN NEW
4 MEXICO.--

5 A. No more than six percent of the market value of
6 the severance tax permanent fund may be invested in New Mexico
7 film private equity funds or a New Mexico film project under
8 this section.

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

14 C. The state investment officer shall make
15 investments pursuant to this section only upon approval of the
16 council after a review by the New Mexico film division of the
17 economic development department. The state investment officer
18 may make debt or equity investments pursuant to this section
19 only in New Mexico film projects or New Mexico film private
20 equity funds that invest only in film projects that:

21 (1) are filmed wholly or substantially in New
22 Mexico;

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

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

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

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

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

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

16 (c) by providing a full, unconditional
17 and irrevocable letter of credit from a United States
18 incorporated bank with a credit rating of not less than A by a
19 national rating agency; or

20 (d) from a substantial and solvent
21 entity as determined by the council in accordance with its
22 standards and practices; or

23 (6) if not guaranteed pursuant to Paragraph
24 (5) of this subsection, have obtained no less than one-third of
25 the estimated total production costs from other sources as

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1 approved by the state investment officer.

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

16 ~~E.]~~ D. As used in this section:

17 (1) "film project" means a single [media]
18 medium or multimedia program, including advertising messages,
19 fixed on film, videotape, computer disc, laser disc or other
20 similar delivery medium from which the program can be viewed or
21 reproduced and that is intended to be exhibited in theaters;
22 licensed for exhibition by individual television stations,
23 groups of stations, networks, cable television stations or
24 other means or licensed for the home viewing market; and

25 (2) "New Mexico film private equity fund"

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1 means any limited partnership, limited liability company or
2 corporation organized and operating in the United States that:

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

6 (b) holds out the prospects for capital
7 appreciation from such investments; and

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

12 SECTION 45. Section 7-27-5.27 NMSA 1978 (being Laws 2020
13 (1st S.S.), Chapter 6, Section 8) is amended to read:

14 "7-27-5.27. LOCAL GOVERNMENT EMERGENCY ECONOMIC RELIEF.--

15 A. Within thirty days of [~~the effective date of~~
16 ~~this 2020 act~~] July 7, 2020, the state investment officer shall
17 make a commitment to the authority to invest one percent of the
18 average of the year-end market values of the severance tax
19 permanent fund for the immediately preceding five calendar
20 years for the purpose of making loans to local governments
21 pursuant to this section; provided that investments made
22 pursuant to this section are in compliance with the prudent
23 investor rule set forth in the Uniform Prudent Investor Act.
24 The authority may expend no more than one percent of the
25 funding made available to it pursuant to this section for

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1 administering the provisions of this section.

2 B. The authority shall receive and review
3 applications for loans from the amount committed pursuant to
4 Subsection A of this section to a local government that can
5 demonstrate that the local government experienced at least a
6 ten percent decline in local option gross receipts tax revenue
7 for the last quarter of fiscal year 2020 due to the economic
8 impacts of the coronavirus disease 2019 pandemic. The
9 authority shall adopt rules to govern the application
10 procedures and requirements for disbursing the loans.

11 C. The authority shall make loans from the amount
12 committed pursuant to Subsection A of this section in
13 accordance with the following:

14 (1) an application for a loan shall be
15 received by the authority no later than December 31, 2020;

16 (2) the authority shall determine the proper
17 amount for a loan in consultation with the local government
18 division of the department of finance and administration and
19 the local government; provided that:

20 (a) the authority shall take into
21 consideration the local government's actual decline of local
22 gross receipts tax revenue in the determination of a loan
23 amount; and

24 (b) a loan shall not exceed fifty
25 percent of the local government's actual decline of local gross

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1 receipts tax revenue; and

2 (3) terms of the loan shall include that:

3 (a) a local government may use loan
4 proceeds for general operating expenses and revenue
5 replacement;

6 (b) a local government shall dedicate
7 future local option gross receipts tax revenue to secure the
8 loan at a lien level as determined by the authority;

9 (c) a loan shall bear an annual interest
10 rate equal to two percent;

11 (d) a loan shall be structured as an
12 interest-only loan for a period of three years, at which time
13 the local government shall begin making monthly payments on the
14 principal and interest of any balance of the loan;

15 (e) interest on a loan shall not
16 compound until twelve months following the date the loan
17 proceeds are made available to the local government; and

18 (f) a loan shall be made for a period of
19 no more than five years.

20 D. Receipts from the repayment of loans made
21 pursuant to this section shall be transferred to the severance
22 tax permanent fund.

23 E. No provision in a loan or the evidence of
24 indebtedness of a loan shall include a penalty or premium for
25 prepayment of the balance of the indebtedness.

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1 F. On or before October 1 of a year that a loan
2 made pursuant to this section is outstanding, the authority
3 shall audit the loan program and submit a report of the
4 findings to the New Mexico finance authority oversight
5 committee, the legislative finance committee and the office of
6 the governor. The report shall provide details regarding the
7 loans made pursuant to this section, including:

8 (1) the name of each local government that
9 received a loan, the loan amount, the balance owed and if the
10 loan is in a delinquent status or default; and

11 (2) the number of jobs saved that can be
12 attributed to receiving the loan, with evidence of how the loan
13 saved each job.

14 G. The authority may exercise any power provided to
15 the authority in the New Mexico Finance Authority Act to assist
16 in the administration of this section; provided that the power
17 is consistent with the provisions of this section.

18 H. As used in this section:

19 (1) "authority" means the New Mexico finance
20 authority;

21 (2) "local government" means a municipality or
22 county; and

23 (3) "local option gross receipts tax revenue"
24 means:

25 (a) for a municipality, revenue

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1 ~~[distributed to the municipality pursuant to Section 7-1-6.4~~
2 ~~NMSA 1978 and]~~ transferred to the municipality pursuant to
3 Section 7-1-6.12 NMSA 1978; and

4 (b) for a county, revenue transferred to
5 the county pursuant to Section 7-1-6.13 NMSA 1978."

6 SECTION 46. Section 7-36-8 NMSA 1978 (being Laws 1973,
7 Chapter 373, Section 1, as amended) is amended to read:

8 "7-36-8. TANGIBLE PERSONAL PROPERTY EXEMPT FROM PROPERTY
9 TAX--EXCEPTIONS.--

10 A. Except as provided in Subsection B of this
11 section, tangible personal property owned by a person is exempt
12 from property taxation.

13 B. The following tangible personal property owned
14 by a person is subject to valuation and taxation under the
15 Property Tax Code:

16 (1) livestock;
17 (2) manufactured homes;
18 (3) aircraft not registered under the Aircraft
19 Registration Act;

20 (4) private railroad cars ~~[the earnings of~~
21 ~~which are not taxed under the provisions of the Railroad Car~~
22 ~~Company Tax Act];~~

23 (5) tangible personal property subject to
24 valuation under Sections 7-36-22 through 7-36-25 and 7-36-27
25 through 7-36-32 NMSA 1978;

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1 (6) vehicles not registered under the
2 provisions of the Motor Vehicle Code and for which the owner
3 has claimed a deduction for depreciation for federal income tax
4 purposes during any federal income taxable year occurring in
5 whole or in part during the twelve months immediately preceding
6 the first day of the property tax year; and

7 (7) other tangible personal property not
8 specified in Paragraphs (1) through (6) of this subsection:

9 (a) that is used, produced,
10 manufactured, held for sale, leased or maintained by a person
11 for purposes of the person's profession, business or
12 occupation; and

13 (b) for which the owner has claimed a
14 deduction for depreciation for federal income tax purposes
15 during any federal income taxable year occurring in whole or in
16 part during the twelve months immediately preceding the first
17 day of the property tax year."

18 SECTION 47. Section 52-6-23 NMSA 1978 (being Laws 1986,
19 Chapter 22, Section 97, as amended) is amended to read:

20 "52-6-23. REVOCATION OF CERTIFICATE OF APPROVAL.--

21 A. After notice and opportunity for a hearing, the
22 director may revoke a group's certificate of approval if it:

23 (1) is found to be insolvent;

24 (2) fails to pay any [premium] gross receipts
25 tax, regulatory fee or assessment or special fund contribution

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1 imposed upon it; or

2 (3) fails to comply with any of the provisions
3 of the Group Self-Insurance Act, with any rules or regulations
4 promulgated [~~thereunder~~] pursuant to that act or with any
5 lawful order of the director within the time prescribed.

6 B. The director may revoke a group's certificate of
7 approval if, after notice and opportunity for hearing, [~~he~~] the
8 director finds that:

9 (1) any certificate of approval that was
10 issued to the group was obtained by fraud;

11 (2) there was a material misrepresentation in
12 the application for the certificate of approval; or

13 (3) the group or its administrator has
14 misappropriated, converted, illegally withheld or refused to
15 pay over, upon proper demand, any money that belongs to a
16 member, an employee of a member or a person otherwise entitled
17 to it and that has been entrusted to the group or its
18 administrator in its fiduciary capacities."

19 SECTION 48. Section 59A-5-11 NMSA 1978 (being Laws 1984,
20 Chapter 127, Section 78) is amended to read:

21 "59A-5-11. EXEMPTIONS FROM AUTHORITY REQUIREMENT.--A
22 certificate of authority shall not be required of an insurer
23 with respect to any of the following:

24 A. investigation, settlement or litigation of
25 claims under its policies lawfully written in this state, or

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1 liquidation of assets and liabilities of the insurer (other
2 than collection of new premiums), all as resulting from its
3 former authorized operations in this state;

4 B. collection of premiums on and servicing policies
5 remaining in force by an insurer [~~which~~] that has withdrawn
6 from this state, and lawfully written in this state while the
7 insurer held a certificate of authority issued by the
8 superintendent, is transacting insurance in New Mexico for
9 purpose of [~~premium~~] tax requirements only;

10 C. transactions thereunder subsequent to issuance
11 of a policy covering only subjects of insurance not resident,
12 located or expressly to be performed in this state at time of
13 issuance, and lawfully solicited, written and delivered outside
14 this state;

15 D. prosecution or defense of suits at law; but no
16 insurer unlawfully transacting insurance in this state without
17 certificate of authority shall be permitted to institute or
18 maintain (other than defend) any action at law or in equity in
19 any court of this state, either directly or through an assignee
20 or successor in interest, to enforce any right, claim or demand
21 arising out of such an insurance transaction until such insurer
22 or assignee or successor has obtained a certificate of
23 authority in this state. This provision does not apply to any
24 suit or action by the duly constituted receiver, rehabilitator
25 or liquidator of the insurer, assignee or successor under laws

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1 similar to those contained in Chapter 59A, Article 41
2 [~~(conservation, rehabilitation, liquidation)~~ of the Insurance
3 Code] NMSA 1978;

4 E. transactions pursuant to surplus line coverages
5 lawfully written under Chapter 59A, Article 14 [~~(surplus line)~~
6 ~~of the Insurance Code~~] NMSA 1978;

7 F. suit, action or proceeding by the insurer for
8 enforcement or defense of its rights relative to an investment
9 in this state;

10 G. reinsurance, except as to a domestic reinsurer;
11 or

12 H. transactions in this state involving group life
13 insurance, group health or blanket health insurance, or group
14 annuities, where the master policy or contract of such group
15 was lawfully solicited, issued and delivered pursuant to the
16 laws of a state in which the insurer was authorized to transact
17 such insurance, to a group organized for purposes other than
18 procurement of insurance, and where the policyholder is
19 domiciled or otherwise has a bona fide business situs. Except,
20 that such an insurer is subject to Section [261 ~~(superintendent~~
21 ~~is attorney of unauthorized insurer for service of process)]
22 59A-15-6 NMSA 1978 and related sections of the Insurance Code
23 with respect to contracts and certificates of insurance under
24 any such master policy or contract, issued for delivery and
25 delivered in this state to residents thereof."~~

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1 SECTION 49. Section 59A-5-23 NMSA 1978 (being Laws 1984,
2 Chapter 127, Section 90, as amended) is amended to read:

3 "59A-5-23. CONTINUANCE, EXPIRATION, REINSTATEMENT OF
4 CERTIFICATE OF AUTHORITY.--

5 A. A certificate of authority shall continue in
6 force as long as the insurer is entitled thereto under the
7 Insurance Code, and until suspended or revoked by the
8 superintendent or terminated at the insurer's request, subject,
9 however, to continuance of the certificate by the insurer each
10 year by:

11 (1) payment on or before March 1 of the
12 continuation fee referred to in Section 59A-6-1 NMSA 1978;

13 (2) due filing by the insurer of its annual
14 statement for the next preceding calendar year as required by
15 Section 59A-5-29 NMSA 1978; and

16 (3) payment by the insurer when due of
17 [~~premium~~] gross receipts taxes with respect to the preceding
18 calendar year.

19 B. If not so continued by the insurer, its
20 certificate of authority shall expire at midnight on the date
21 of failure of the insurer to continue it in force, unless
22 earlier revoked as provided in Sections 59A-5-24 through
23 59A-5-26 NMSA 1978.

24 C. Upon the insurer's request made within three
25 months after expiration, the superintendent may reinstate a

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1 certificate of authority that the insurer inadvertently
2 permitted to expire, after the insurer has fully cured all its
3 failures that resulted in the expiration, and upon payment by
4 the insurer of the fee for reinstatement specified in Section
5 59A-6-1 NMSA 1978. Otherwise the superintendent shall grant
6 the insurer another certificate of authority only after filing
7 an application therefor and meeting all other requirements as
8 for an original certificate of authority in this state.

9 D. If an insurer allows a certificate of authority
10 issued by the superintendent to expire, the holder of the
11 expired certificate shall remain subject to the provisions of
12 the Insurance Code but is not authorized to transact any
13 insurance business. If the insurer reinstates the expired
14 certificate of authority within three months after expiration,
15 the reinstatement shall relate back to the date of the
16 expiration; provided that this shall not excuse any violation
17 of the Insurance Code that occurred during the intervening
18 period."

19 SECTION 50. Section 59A-6-3 NMSA 1978 (being Laws 1984,
20 Chapter 127, Section 103, as amended) is amended to read:

21 "59A-6-3. INSURER MUST PAY TAX ON WITHDRAWAL FROM
22 STATE.--Any insurer holding certificate of authority to
23 transact insurance in New Mexico that ceases to do business in
24 the state shall thereupon file with the secretary of taxation
25 and revenue a report of its premiums collected to date of such

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1 cessation of business that are subject to the [~~premium tax or~~
2 ~~the health insurance premium surtax~~] gross receipts tax and not
3 theretofore reported, and forthwith pay to the secretary the
4 tax thereon and surrender its certificate of authority to the
5 superintendent. Upon receipt, the secretary shall submit a
6 copy of the report to the superintendent and shall certify that
7 all tax obligations have been satisfied by the withdrawing
8 insurer."

9 SECTION 51. Section 59A-6-6 NMSA 1978 (being Laws 1984,
10 Chapter 127, Section 106, as amended) is amended to read:

11 "59A-6-6. PREEMPTION AND IN LIEU PROVISION.--The state
12 government of New Mexico preempts the field of taxation of
13 insurers, nonprofit health care plans, health maintenance
14 organizations, prepaid dental plans, prearranged funeral plans
15 and insurance producers as such. The payment of [~~the~~] state
16 and local gross receipts taxes and licenses and fees provided
17 for in the [~~Insurance Premium Tax Act and the~~] Insurance Code
18 shall be in lieu of all other taxes, licenses and fees of every
19 kind now or hereafter imposed by this state or any political
20 subdivision thereof on any of the foregoing specified entities
21 excepting the regular state, county and city taxes on property
22 located in New Mexico and excepting the income tax on insurance
23 producers. The provisions of this section shall not apply to
24 revenues or receipts that are not directly attributable to
25 persons, entities and activities subject to the provisions of

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1 the Insurance Code."

2 SECTION 52. Section 59A-6-8 NMSA 1978 (being Laws 2019,
3 Chapter 47, Section 3) is amended to read:

4 "59A-6-8. SUPERINTENDENT SHALL PROVIDE INFORMATION TO THE
5 TAXATION AND REVENUE DEPARTMENT [~~NECESSARY TO ADMINISTER THE~~
6 ~~INSURANCE PREMIUM TAX ACT~~].--The superintendent shall provide
7 to the taxation and revenue department information regarding an
8 insurer or plan subject to [~~the Insurance Premium Tax Act~~]
9 state and local option gross receipts taxes that is necessary
10 to that department to administer the provisions of [~~the~~
11 ~~Insurance Premium Tax Act~~] those taxes."

12 SECTION 53. Section 59A-15-4 NMSA 1978 (being Laws 1984,
13 Chapter 127, Section 259.1, as amended) is amended to read:

14 "59A-15-4. INSURANCE INDEPENDENTLY PROCURED--DUTY TO
15 REPORT.--

16 A. Each insured who in this state procures or
17 continues or renews insurance with a nonadmitted insurer on a
18 risk located or to be performed in whole or in part in this
19 state, other than insurance procured through a surplus lines
20 licensee pursuant to Chapter 59A, Article 14 NMSA 1978 shall,
21 within ninety days after the date such insurance was so
22 procured, continued or renewed, file a written report of the
23 same with the superintendent, upon forms prescribed by the
24 superintendent, showing the name and address of the insured or
25 insureds, name and address of the insurer, the subject of the

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1 insurance, a general description of the coverage, the amount of
2 premium currently charged therefor and such additional
3 pertinent information as is reasonably requested by the
4 superintendent.

5 B. If an independently procured policy covers risks
6 or exposures only partially located or to be performed in this
7 state, the taxes, fees and penalties imposed [~~pursuant to the~~
8 ~~Insurance Code and the Insurance Premium Tax Act~~] by the state
9 shall be computed on the portion of the premium properly
10 attributable to the risks or exposures located or to be
11 performed in this state and reported to the secretary of
12 taxation and revenue. In no event, however, shall a tax be
13 payable solely because the risk in question, or any portion
14 thereof, is located or to be performed in this state.

15 C. This section does not abrogate or modify, and
16 shall not be construed or deemed to abrogate or modify, any
17 provision of the Insurance Code.

18 D. This section does not apply to life insurance,
19 health insurance or annuities."

20 SECTION 54. Section 59A-20-33 NMSA 1978 (being Laws 1984,
21 Chapter 127, Section 398, as amended) is amended to read:

22 "59A-20-33. STANDARD NONFORFEITURE LAW--INDIVIDUAL
23 DEFERRED ANNUITIES.--

24 A. This section shall not apply to any reinsurance,
25 group annuity purchased under a retirement plan or plan of

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1 deferred compensation established or maintained by an employer,
2 including a partnership or sole proprietorship or by an
3 employee organization, or by both, other than a plan providing
4 individual retirement accounts or individual retirement
5 annuities under Section 408 of the Internal Revenue Code of
6 1986, as now or hereafter amended, premium deposit fund,
7 variable annuity, investment annuity, immediate annuity, any
8 deferred annuity contract after annuity payments have commenced
9 or reversionary annuity, nor to any contract that shall be
10 delivered outside this state through an agent or other
11 representative of the insurer issuing the contract.

12 B. In the case of contracts issued on or after the
13 operative date of this section as defined in Subsection P of
14 this section, no contract of annuity, except as stated in
15 Subsection A of this section, shall be delivered or issued for
16 delivery in this state unless it contains in substance the
17 following provisions, or corresponding provisions that in the
18 opinion of the superintendent are at least as favorable to the
19 contractholder, upon cessation of payment of considerations
20 under the contract:

21 (1) that upon cessation of payment of
22 considerations under a contract or upon the written request of
23 the contract owner, the insurer shall grant a paid-up annuity
24 benefit on a plan stipulated in the contract of such value as
25 is specified in Subsections H, I, J, K and M of this section;

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1 (2) if a contract provided for a lump sum
2 settlement at maturity, or at any other time, that upon
3 surrender of the contract at or prior to the commencement of
4 any annuity payments, the insurer shall pay in lieu of any
5 paid-up annuity benefit a cash surrender benefit of such amount
6 as is specified in Subsections H, I, K and M of this section.
7 The insurer may reserve the right to defer the payment of such
8 cash surrender benefit for a period not to exceed six months
9 after demand therefor with surrender of the contract after
10 making written request and receiving written approval of the
11 superintendent. The request shall address the necessity and
12 equatability to all policyholders of the deferral;

13 (3) a statement of the mortality table, if
14 any, and interest rates used in calculating any minimum paid-up
15 annuity, cash surrender or death benefits that are guaranteed
16 under the contract, together with sufficient information to
17 determine the amounts of such benefits; and

18 (4) a statement that any paid-up annuity, cash
19 surrender or death benefits that may be available under the
20 contract are not less than the minimum benefits required by any
21 statute of the state in which the contract is delivered and an
22 explanation of the manner in which such benefits are altered by
23 the existence of any additional amounts credited by the insurer
24 to the contract, any indebtedness to the insurer on the
25 contract or any prior withdrawals from or partial surrenders of

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1 the contract.

2 C. Notwithstanding the requirements of this
3 section, any deferred annuity contract may provide that if no
4 considerations have been received under a contract for a period
5 of two full years and the portion of the paid-up annuity
6 benefit at maturity on the plan stipulated in the contract
7 arising from prior considerations paid would be less than
8 twenty dollars (\$20.00) monthly, the insurer may at its option
9 terminate such contract by payment in cash of the then present
10 value of such portion of the paid-up annuity benefit,
11 calculated on the basis of the mortality table, if any, and
12 interest rate specified in the contract for determining the
13 paid-up annuity benefit, and by such payment shall be relieved
14 of any further obligation under such contract.

15 D. The minimum values as specified in Subsections
16 H, I, J, K and M of this section of any paid-up annuity, cash
17 surrender or death benefits available under an annuity contract
18 shall be based upon minimum nonforfeiture amounts as defined in
19 this section. The minimum nonforfeiture amount at any time at
20 or prior to the commencement of any annuity payments shall be
21 equal to an accumulation up to such time at rates of interest
22 as indicated in Subsection E of this section of the net
23 considerations, as hereinafter defined, paid prior to such
24 time, decreased by the sum of Paragraphs (1) through (4) of
25 this subsection:

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1 (1) any prior withdrawals from or partial
2 surrenders of the contract accumulated at rates of interest as
3 indicated in Subsection E of this section;

4 (2) an annual contract charge of fifty dollars
5 (\$50.00), accumulated at rates of interest as indicated in
6 Subsection E of this section;

7 (3) any state or local option gross receipts
8 tax ~~[pursuant to the Insurance Premium Tax Act]~~ paid by the
9 insurer for the contract, accumulated at rates of interest as
10 indicated in Subsection E of this section; and

11 (4) the amount of any indebtedness to the
12 insurer on the contract, including interest due and accrued.

13 E. The net considerations for a given contract year
14 used to define the minimum nonforfeiture amount shall be an
15 amount equal to eighty-seven and one-half percent of the gross
16 considerations credited to the contract during that contract
17 year. The interest rate used in determining minimum
18 nonforfeiture amounts shall be an annual rate of interest
19 determined as the lesser of three percent per annum and the
20 following, which shall be specified in the contract if the
21 interest rate will be reset:

22 (1) the five-year constant maturity treasury
23 rate reported by the federal reserve as of a date, or average
24 over a period, rounded to the nearest one-twentieth percent,
25 specified in the contract no longer than fifteen months prior

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1 to the contract issue date or redetermination date pursuant to
2 Paragraph (2) of this subsection reduced by one hundred twenty-
3 five basis points, where the resulting interest rate is not
4 less than one percent; and

5 (2) the interest rate shall apply for an
6 initial period and may be redetermined for additional periods.
7 The redetermination date, basis and period, if any, shall be
8 stated in the contract. The basis is the date or average over
9 a specified period that produces the value of the five-year
10 constant maturity treasury rate to be used at each
11 redetermination date.

12 F. Notwithstanding the provisions of Subsections D
13 and E of this section, during the period or term that a
14 contract provides substantive participation in an equity
15 indexed benefit, it may increase the reduction described in
16 Paragraph (1) of Subsection E of this section by up to an
17 additional one hundred basis points to reflect the value of the
18 equity index benefit. The present value at the contract issue
19 date, and at each redetermination date thereafter, of the
20 additional reduction shall not exceed the market value of the
21 benefit. The superintendent may require a demonstration that
22 the present value of the reduction does not exceed the market
23 value of the benefit. Lacking such a demonstration that is
24 acceptable to the superintendent, the superintendent may
25 disallow or limit the additional reduction.

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1 G. The superintendent may adopt rules to implement
2 the provisions of Subsection F of this section and to provide
3 for further adjustments to the calculation of minimum
4 nonforfeiture amounts for contracts that provide substantive
5 participation in an equity index benefit and for other
6 contracts that the superintendent determines adjustments are
7 justified.

8 H. Any paid-up annuity benefit available under a
9 contract shall be such that its present value on the date
10 annuity payments are to commence is at least equal to the
11 minimum nonforfeiture amount on that date. Such present value
12 shall be computed using the mortality table, if any, and the
13 interest rates specified in the contract for determining the
14 minimum paid-up annuity benefits guaranteed in the contract.

15 I. For contracts that provide cash surrender
16 benefits, such cash surrender benefits available prior to
17 maturity shall not be less than the present value as of the
18 date of surrender of that portion of the maturity value of the
19 paid-up annuity benefit that would be provided under the
20 contract at maturity arising from considerations paid prior to
21 the time of cash surrender reduced by the amount appropriate to
22 reflect any prior withdrawals from or partial surrenders of the
23 contract, such present value being calculated on the basis of
24 an interest rate not more than one percent higher than the
25 interest rate specified in the contract for accumulating the

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1 net considerations to determine such maturity value, decreased
2 by the amount of any indebtedness to the insurer on the
3 contract, including interest due and accrued, and increased by
4 any existing additional amounts credited by the insurer to the
5 contract. In no event shall any cash surrender benefit be less
6 than the minimum nonforfeiture amount at that time. The death
7 benefit under such contracts shall be at least equal to the
8 cash surrender benefit.

9 J. For contracts that do not provide cash surrender
10 benefits, the present value of any paid-up annuity benefit
11 available as a nonforfeiture option at any time prior to
12 maturity shall not be less than the present value of that
13 portion of the maturity value of the paid-up annuity benefit
14 provided under the contract arising from considerations paid
15 prior to the time the contract is surrendered in exchange for,
16 or changed to, a deferred paid-up annuity, such present value
17 being calculated for the period prior to the maturity date on
18 the basis of the interest rate specified in the contract for
19 accumulating the net considerations to determine such maturity
20 value, and increased by any existing additional amounts
21 credited by the insurer to the contract. For contracts that do
22 not provide any death benefits prior to the commencement of any
23 annuity payments, such present values shall be calculated on
24 the bases of such interest rate and the mortality table
25 specified in the contract for determining the maturity value of

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1 the paid-up annuity benefit. However, in no event shall the
2 present value of a paid-up annuity benefit be less than the
3 minimum nonforfeiture amount at that time.

4 K. For the purpose of determining the benefits
5 calculated under Subsections I and J of this section, in the
6 case of annuity contracts under which an election may be made
7 to have annuity payments commence at optional maturity dates,
8 the maturity date shall be deemed to be the latest date for
9 which election shall be permitted by the contract, but shall
10 not be deemed to be later than the anniversary of the contract
11 next following the annuitant's seventieth birthday or the tenth
12 anniversary of the contract, whichever is later.

13 L. Any contract that does not provide cash
14 surrender benefits or does not provide death benefits at least
15 equal to the minimum nonforfeiture amount prior to the
16 commencement of any annuity payments shall include a statement
17 in a prominent place in the contract that such benefits are not
18 provided.

19 M. Any paid-up annuity, cash surrender or death
20 benefits available at any time, other than on the contract
21 anniversary under any contract with fixed scheduled
22 considerations, shall be calculated with allowance for the
23 lapse of time and the payment of any scheduled considerations
24 beyond the beginning of the contract year in which cessation of
25 payment of considerations under the contract occurs.

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1 N. For any contract that provides, within the same
2 contract by rider or supplemental contract provision, both
3 annuity benefits and life insurance benefits that are in excess
4 of the greater of cash surrender benefits or a return of the
5 gross considerations with interest, the minimum nonforfeiture
6 benefits shall be equal to the sum of the minimum nonforfeiture
7 benefits for the annuity portion and the minimum nonforfeiture
8 benefits, if any, for the life insurance portion computed as if
9 each portion were a separate contract. Notwithstanding the
10 provisions of Subsections H, I, J, K and M of this section,
11 additional benefits payable in the event of total and permanent
12 disability, as reversionary annuity or deferred reversionary
13 annuity benefits, or as other policy benefits additional to
14 life insurance, endowment and annuity benefits, and
15 considerations for all such additional benefits, shall be
16 disregarded in ascertaining the minimum nonforfeiture amounts,
17 paid-up annuity, cash surrender and death benefits that may be
18 required by this section. The inclusion of such additional
19 benefits shall not be required in any paid-up benefits, unless
20 such additional benefits separately would require minimum
21 nonforfeiture amounts, paid-up annuity, cash surrender and
22 death benefits.

23 O. The superintendent may adopt rules to implement
24 the provisions of this section.

25 P. After July 1, 2003, an insurer may elect to

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1 apply its provisions to annuity contracts on a contract-form
2 by contract-form basis before July 1, 2005. In all other
3 instances this section shall become operative with respect to
4 annuity contracts issued by the insurer after June 30, 2005."

5 SECTION 55. Section 59A-22-50 NMSA 1978 (being Laws 2010,
6 Chapter 94, Section 1, as amended) is amended to read:

7 "59A-22-50. HEALTH INSURERS--DIRECT SERVICES.--

8 A. A health insurer shall reimburse direct services
9 as follows:

10 (1) for small groups, at no less than eighty
11 percent of aggregate premiums for all such products; and

12 (2) for large groups, at no less than eighty-
13 five percent of aggregate premiums for all such products.

14 B. Reimbursement for direct services shall be
15 determined based on services provided over the preceding three
16 calendar years, but not earlier than calendar year 2010, as
17 determined by reports filed with the office of superintendent
18 of insurance. Reimbursement calculations shall include short-
19 term plans, but exclude all other excepted benefits plans
20 governed by the provisions of Chapter 59A, Article 23G NMSA
21 1978.

22 C. For individually underwritten health care
23 policies, plans or contracts, the superintendent shall
24 establish, after notice and informal hearing, the level of
25 reimbursement for direct services, as determined by the reports

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1 filed with the office of superintendent of insurance, as a
2 percent of premiums. Additional informal hearings may be held
3 at the superintendent's discretion. In establishing the level
4 of reimbursement for direct services, the superintendent shall
5 consider the costs associated with the individual marketing and
6 medical underwriting of these policies, plans or contracts at a
7 level not less than seventy-five percent of premiums. A health
8 insurer writing these policies shall make reimbursement for
9 direct services at a level not less than that level established
10 by the superintendent pursuant to this subsection over the
11 three calendar years preceding the date upon which that rate is
12 established, but not earlier than calendar year 2010. Nothing
13 in this subsection shall be construed to preclude a purchaser
14 of one of these policies, plans or contracts from negotiating
15 an agreement with a health insurer that requires a higher
16 amount of premiums paid to be used for reimbursement for direct
17 services.

18 D. An insurer that fails to comply with the
19 reimbursement requirements pursuant to this section shall issue
20 a dividend or credit against future premiums to all
21 policyholders in an amount sufficient to ensure that the
22 benefits paid in the preceding three calendar years plus the
23 amount of the dividends or credits are equal to the required
24 direct services reimbursement level pursuant to Subsection A of
25 this section for group health coverage and blanket health

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1 coverage or the required direct services reimbursement level
2 pursuant to Subsection B of this section for individually
3 underwritten health policies, contracts or plans for the
4 preceding three calendar years. If the insurer fails to issue
5 the dividend or credit in accordance with the requirements of
6 this section, the superintendent shall enforce these
7 requirements and may pursue any other penalties as provided by
8 law, including general penalties pursuant to Section 59A-1-18
9 NMSA 1978.

10 E. After notice and hearing, the superintendent may
11 adopt and promulgate reasonable rules necessary and proper to
12 carry out the provisions of this section.

13 F. For the purposes of this section:

14 (1) "direct services" means services rendered
15 to an individual by a health insurer or a health care
16 practitioner, facility or other provider, including case
17 management, disease management, health education and promotion,
18 preventive services, quality incentive payments to providers
19 and any portion of an assessment that covers services rather
20 than administration and for which an insurer does not receive a
21 tax credit pursuant to the Medical Insurance Pool Act;
22 provided, however, that "direct services" does not include care
23 coordination, utilization review or management or any other
24 activity designed to manage utilization or services;

25 (2) "health insurer" means a person duly

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1 authorized to transact the business of health insurance in the
2 state pursuant to the Insurance Code, including a person that
3 issues a short-term plan and a person that only issues an
4 excepted benefit policy intended to supplement major medical
5 coverage, including medicare supplement, vision, dental,
6 disease-specific, accident-only or hospital indemnity-only
7 insurance policies, or that only issues policies for long-term
8 care or disability income;

9 (3) "premium" means all income received from
10 individuals and private and public payers or sources for the
11 procurement of health coverage, including capitated payments,
12 self-funded administrative fees, self-funded claim
13 reimbursements, recoveries from third parties or other insurers
14 and interests less any state and local option gross receipts
15 tax paid [~~pursuant to the Insurance Premium Tax Act~~] and fees
16 associated with participating in a health insurance exchange
17 that serves as a clearinghouse for insurance; and

18 (4) "short-term plan" means a nonrenewable
19 health benefits plan covering a resident of the state,
20 regardless of where the plan is delivered, that:

21 (a) has a maximum specified duration of
22 not more than three months after the effective date of the
23 plan;

24 (b) is issued only to individuals who
25 have not been enrolled in a health benefits plan that provides

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1 the same or similar nonrenewable coverage from any health
2 insurance carrier within the three months preceding enrollment
3 in the short-term plan; and

4 (c) is not an excepted benefit or
5 combination of excepted benefits."

6 SECTION 56. Section 59A-23C-10 NMSA 1978 (being Laws
7 2010, Chapter 94, Section 2, as amended) is amended to read:

8 "59A-23C-10. HEALTH INSURERS--DIRECT SERVICES.--

9 A. A health insurer shall make reimbursement for
10 direct services at a level not less than eighty-five percent of
11 premiums across all health product lines over the preceding
12 three calendar years, but not earlier than calendar year 2010,
13 as determined by reports filed with the office of
14 superintendent of insurance. Nothing in this subsection shall
15 be construed to preclude a purchaser from negotiating an
16 agreement with a health insurer that requires a higher amount
17 of premiums paid to be used for reimbursement for direct
18 services for one or more products or for one or more years.

19 B. An insurer that fails to comply with the eighty-
20 five percent reimbursement requirement in Subsection A of this
21 section shall issue a dividend or credit against future
22 premiums to all policyholders in an amount sufficient to assure
23 that the benefits paid in the preceding three calendar years
24 plus the amount of the dividends or credits equal eighty-five
25 percent of the premiums collected in the preceding three

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1 calendar years. If the insurer fails to issue the dividend or
2 credit in accordance with the requirements of this section, the
3 superintendent shall enforce the requirements and may pursue
4 any other penalties as provided by law, including general
5 penalties pursuant to Section 59A-1-18 NMSA 1978.

6 C. After notice and hearing, the superintendent may
7 adopt and promulgate reasonable rules necessary and proper to
8 carry out the provisions of this section.

9 D. For the purposes of this section:

10 (1) "direct services" means services rendered
11 to an individual by a health insurer or a health care
12 practitioner, facility or other provider, including case
13 management, disease management, health education and promotion,
14 preventive services, quality incentive payments to providers
15 and any portion of an assessment that covers services rather
16 than administration and for which an insurer does not receive a
17 tax credit pursuant to the Medical Insurance Pool Act;
18 provided, however, that "direct services" does not include care
19 coordination, utilization review or management or any other
20 activity designed to manage utilization or services;

21 (2) "health insurer" means a person duly
22 authorized to transact the business of health insurance in the
23 state pursuant to the Insurance Code but does not include a
24 person that only issues a limited-benefit policy intended to
25 supplement major medical coverage, including medicare

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1 supplement, vision, dental, disease-specific, accident-only or
2 hospital indemnity-only insurance policies, or that only issues
3 policies for long-term care or disability income; and

4 (3) "premium" means all income received from
5 individuals and private and public payers or sources for the
6 procurement of health coverage, including capitated payments,
7 self-funded administrative fees, self-funded claim
8 reimbursements, recoveries from third parties or other insurers
9 and interests less any state and local option gross receipts
10 tax paid [~~pursuant to the Insurance Premium Tax Act and~~] fees
11 associated with participating in a health insurance exchange
12 that serves as a clearinghouse for insurance."

13 SECTION 57. Section 59A-23F-6.1 NMSA 1978 (being Laws
14 2020, Chapter 35, Section 6) is amended to read:

15 "59A-23F-6.1. BOARD--ADDITIONAL DUTIES AND POWERS.--In
16 addition to other duties and powers in the New Mexico Health
17 Insurance Exchange Act, the board shall:

18 A. in consultation with the superintendent:

19 (1) establish policies and procedures for the
20 review and recommendation of health benefits plans to be
21 offered on the exchange;

22 (2) determine additional minimum requirements
23 for a health insurance issuer to be considered for
24 participation in the exchange; and

25 (3) determine standards and criteria for

1 health benefits plans to be offered through the exchange that
2 offer an optimal level of choice, value, quality and service
3 and that are in the best interests of qualified individuals and
4 qualified small employers;

5 B. establish policies and procedures that allow
6 city, county and state governments, Indian nations, tribes and
7 pueblos, tribal organizations, urban Native American
8 organizations, private foundations and other entities to pay
9 premiums and cost-sharing on behalf of qualified individuals
10 consistent with federal requirements;

11 C. provide for the operation of a toll-free hotline
12 to respond to requests for assistance, using staff that is
13 trained to provide assistance in a culturally and
14 linguistically appropriate manner;

15 D. provide for an annual regular enrollment period
16 and special enrollment periods in the best interest of
17 qualified individuals and qualified small employers;

18 E. maintain an internet website through which
19 enrollees and prospective enrollees of qualified health plans
20 may obtain standardized comparative information on those plans;

21 F. use a standardized format for presenting health
22 benefit plan options in the exchange;

23 G. determine the criteria and process for
24 eligibility, enrollment and disenrollment of enrollees and
25 potential enrollees in the exchange and coordinate that process

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1 with the human services department in order to ensure
2 consistent eligibility and enrollment processes and seamless
3 transitions between coverages;

4 H. inform individuals of eligibility requirements
5 for medicaid, the children's health insurance program or other
6 applicable state or local public programs. If the exchange
7 assesses that an individual may be eligible for a program, the
8 board shall share information with that program to facilitate
9 the eligibility determination and enrollment of the individual;

10 I. establish and make available by electronic means
11 a calculator to determine the actual cost of coverage after the
12 application of any [~~premium tax credits and~~] cost-sharing
13 reductions under applicable federal or state law;

14 J. perform duties required of, or delegated to, the
15 exchange by the secretary of the United States department of
16 health and human services or the United States secretary of the
17 treasury related to determining eligibility for [~~premium tax~~
18 ~~credits or~~] reduced cost sharing;

19 K. maintain a statewide consumer assistance
20 program, including a navigator program; and

21 L. maintain a small business health options program
22 exchange through which qualified employers may access coverage
23 for their employees, providing as appropriate premium
24 aggregation and other related services to minimize the
25 administrative burdens for qualified employers and to:

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1 (1) enable a qualified employer to specify a
2 level of coverage so that its employees may enroll in a
3 qualified health plan offered through the small business health
4 options program exchange at the specified level of coverage; or

5 (2) enable a qualified employer to provide a
6 specific amount or other payment formulated in accordance with
7 federal law to be used as part of an employee's choice of
8 plan."

9 SECTION 58. Section 59A-23F-11 NMSA 1978 (being Laws
10 2021, Chapter 136, Section 4) is amended to read:

11 "59A-23F-11. HEALTH CARE AFFORDABILITY FUND.--

12 A. The "health care affordability fund" is created
13 in the state treasury. The fund consists of distributions,
14 appropriations, gifts, grants and donations. Money in the fund
15 at the end of a fiscal year shall not revert to any other fund.
16 The office of superintendent of insurance shall administer the
17 fund, and money in the fund is subject to appropriation by the
18 legislature for purposes provided by this section.

19 Disbursements from the fund shall be made by warrant of the
20 secretary of finance and administration pursuant to vouchers
21 signed by the superintendent or the superintendent's authorized
22 representative.

23 B. The purpose of the fund is to:

24 (1) reduce health care premiums and cost
25 sharing for New Mexico residents who purchase health care

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1 coverage on the New Mexico health insurance exchange;

2 (2) reduce premiums for small businesses and
3 their employees purchasing health care coverage in the fully
4 insured small group market;

5 (3) provide resources for planning, design and
6 implementation of health care coverage initiatives for
7 uninsured New Mexico residents; and

8 (4) provide resources for administration of
9 state health care coverage initiatives for uninsured New Mexico
10 residents.

11 C. If the federal Patient Protection and Affordable
12 Care Act is repealed in full or in part by an act of congress
13 or invalidated by the United States supreme court and
14 eliminates or reduces comprehensive health care coverage for
15 New Mexico residents through medicaid or the New Mexico health
16 insurance exchange, the fund may be used to maintain coverage
17 through the New Mexico health insurance exchange or through
18 medical assistance programs administered by the human services
19 department; provided that coverage is prioritized for New
20 Mexico residents with incomes below two hundred percent of the
21 federal poverty level.

22 ~~[D. Prior to July 1, 2025, the staff of the~~
23 ~~legislative finance committee shall conduct a program~~
24 ~~evaluation to measure the impact of changes to the health~~
25 ~~insurance premium surtax and the creation of the health care~~

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1 ~~affordability fund as it relates to the purpose of the fund.~~

2 ~~E.]~~ D. Prior to July 1 of each year, the
3 superintendent shall provide actuarial data from the health
4 care affordability fund to the legislative finance committee.

5 ~~[F.]~~ E. Prior to July 1 of each year, the
6 superintendent, in consultation with the secretary of human
7 services, the secretary of taxation and revenue and the chief
8 executive officer of the New Mexico health insurance exchange,
9 shall work with the legislative finance committee and the
10 department of finance and administration to develop and report
11 on performance measures relating to the health care
12 affordability fund and any programs or initiatives funded by
13 the fund."

14 SECTION 59. Section 59A-34-33 NMSA 1978 (being Laws 1984,
15 Chapter 127, Section 579) is amended to read:

16 "59A-34-33. UNAUTHORIZED BUSINESS IN OTHER STATES.--

17 A. No domestic insurer shall transact insurance in
18 any other state without first being legally authorized to do so
19 under the laws of [~~such~~] that state.

20 B. Subsection A [~~above~~] of this section shall not
21 apply to:

22 (1) contracts entered into where the
23 prospective insured when [~~he~~] the prospective insured signs the
24 application for the insurance is personally present in a state
25 in which the insurer is then authorized to transact the kind of

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1 insurance involved;

2 (2) issuance of certificates under a lawfully
3 transacted group life or group health insurance policy where
4 the master policy or contract was entered into in a state in
5 which the insurer was then authorized to transact the insurance
6 involved and in which the policyholder was then domiciled or
7 otherwise had a bona fide situs; or

8 (3) renewal or continuance in force, with or
9 without modification, of policies and insurance contracts
10 otherwise lawful and not originally issued in violation of
11 Subsection A [~~above~~] of this section.

12 C. The superintendent may revoke the certificate of
13 authority of an insurer [~~which~~] that violates this section, and
14 may require the insurer to pay to the state in which the
15 business was so unlawfully written the [~~premium~~] taxes
16 otherwise applicable as provided by the laws of [~~such~~] the
17 state."

18 SECTION 60. Section 59A-39-5 NMSA 1978 (being Laws 1984,
19 Chapter 127, Section 662, as amended) is amended to read:

20 "59A-39-5. ATTORNEY.--

21 A. "Attorney", as used in Chapter 59A, Article 39
22 NMSA 1978, refers to the attorney-in-fact of a reciprocal
23 insurer. The attorney may be an individual, firm or
24 corporation.

25 B. The attorney of a foreign reciprocal insurer,

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1 which insurer is duly authorized to transact insurance in this
2 state, shall not, by virtue of the discharge of its duties as
3 such attorney with respect to the insurer's transactions in
4 this state, be thereby deemed to be doing business in this
5 state within the meaning of any laws of this state applying to
6 foreign persons, firms or corporations.

7 C. The subscribers and the attorney-in-fact
8 comprise a reciprocal insurer and single entity for the
9 purposes of the [~~Insurance Premium~~] Gross Receipts and
10 Compensating Tax Act and Sections 59A-6-3 through 59A-6-6 NMSA
11 1978 as to all operations under the insurer's certificate of
12 authority."

13 SECTION 61. Section 59A-46-2 NMSA 1978 (being Laws 1993,
14 Chapter 266, Section 2, as amended by Laws 2019, Chapter 235,
15 Section 10 and by Laws 2019, Chapter 259, Section 17) is
16 amended to read:

17 "59A-46-2. DEFINITIONS.--As used in the Health
18 Maintenance Organization Law:

19 A. "basic health care services" means medically
20 necessary services consisting of preventive care, emergency
21 care, inpatient and outpatient hospital and physician care,
22 diagnostic laboratory, diagnostic and therapeutic radiological
23 services and services of pharmacists and pharmacist clinicians;

24 B. "capitated basis" means fixed per member per
25 month payment or percentage of premium payment wherein the

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1 provider assumes the full risk for the cost of contracted
2 services without regard to the type, value or frequency of
3 services provided and includes the cost associated with
4 operating staff model facilities;

5 C. "carrier" means a health maintenance
6 organization, an insurer, a nonprofit health care plan or other
7 entity responsible for the payment of benefits or provision of
8 services under a group contract;

9 D. "copayment" means an amount an enrollee must pay
10 in order to receive a specific service that is not fully
11 prepaid;

12 E. "credentialing" means the process of obtaining
13 and verifying information about a provider and evaluating that
14 provider when that provider seeks to become a participating
15 provider;

16 F. "deductible" means the amount an enrollee is
17 responsible to pay out-of-pocket before the health maintenance
18 organization begins to pay the costs associated with treatment;

19 G. "direct services" means services rendered to an
20 individual by a carrier or a health care practitioner, facility
21 or other provider, which services include case management,
22 disease management, health education and promotion, preventive
23 services, quality incentive payments to providers and any
24 proportion of an assessment that covers services rather than
25 administration and for which a carrier does not receive a tax

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1 credit pursuant to the Medical Insurance Pool Act; provided
2 that "direct services" does not include care coordination,
3 utilization review or management or any other activity designed
4 to manage utilization or services;

5 H. "enrollee" means an individual who is covered by
6 a health maintenance organization;

7 I. "evidence of coverage" means a policy, contract
8 or certificate showing the essential features and services of
9 the health maintenance organization coverage that is given to
10 the subscriber by the health maintenance organization or by the
11 group contract holder;

12 J. "extension of benefits" means the continuation
13 of coverage under a particular benefit provided under a
14 contract or group contract following termination with respect
15 to an enrollee who is totally disabled on the date of
16 termination;

17 K. "grievance" means a written complaint submitted
18 in accordance with the health maintenance organization's formal
19 grievance procedure by or on behalf of the enrollee regarding
20 any aspect of the health maintenance organization relative to
21 the enrollee;

22 L. "group contract" means a contract for health
23 care services that by its terms limits eligibility to members
24 of a specified group and may include coverage for dependents;

25 M. "group contract holder" means the person to whom

1 a group contract has been issued;

2 N. "health care services" means any services
3 included in the furnishing to any individual of medical,
4 mental, dental, pharmaceutical or optometric care or
5 hospitalization or nursing home care or incident to the
6 furnishing of such care or hospitalization, as well as the
7 furnishing to any person of any and all other services for the
8 purpose of preventing, alleviating, curing or healing human
9 physical or mental illness or injury;

10 O. "health maintenance organization" means a person
11 that undertakes to provide or arrange for the delivery of basic
12 health care services to enrollees on a prepaid basis, except
13 for enrollee responsibility for copayments or deductibles,
14 including a carrier that issues:

15 (1) a short-term contract;

16 (2) an excepted benefit policy or contract
17 intended to supplement major medical coverage, including
18 medicare supplement, vision, dental, disease-specific,
19 accident-only or hospital indemnity-only insurance policies; or

20 (3) a policy for long-term care or disability
21 income;

22 P. "health maintenance organization agent" means a
23 person who solicits, negotiates, effects, procures, delivers,
24 renews or continues a policy or contract for health maintenance
25 organization membership or who takes or transmits a membership

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1 fee or premium for such a policy or contract, other than for
2 that person, or a person who advertises or otherwise makes any
3 representation to the public as such;

4 Q. "individual contract" means a contract for
5 health care services issued to and covering an individual and
6 it may include dependents of the subscriber;

7 R. "insolvent" or "insolvency" means that the
8 organization has been declared insolvent and placed under an
9 order of liquidation by a court of competent jurisdiction;

10 S. "managed hospital payment basis" means
11 agreements in which the financial risk is related primarily to
12 the degree of utilization rather than to the cost of services;

13 T. "net worth" means the excess of total admitted
14 assets over total liabilities, but the liabilities shall not
15 include fully subordinated debt;

16 U. "participating provider" means a provider as
17 defined in Subsection Z of this section that, under an express
18 contract with the health maintenance organization or with its
19 contractor or subcontractor, has agreed to provide health care
20 services to enrollees with an expectation of receiving payment,
21 other than copayment or deductible, directly or indirectly from
22 the health maintenance organization;

23 V. "person" means an individual or other legal
24 entity;

25 W. "pharmacist" means a person licensed as a

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1 pharmacist pursuant to the Pharmacy Act;

2 X. "pharmacist clinician" means a pharmacist who
3 exercises prescriptive authority pursuant to the Pharmacist
4 Prescriptive Authority Act;

5 Y. "premium" means all income received from
6 individuals and private and public payers or sources for the
7 procurement of health coverage, including capitated payments,
8 self-funded administrative fees, self-funded claim
9 reimbursements, recoveries from third parties or other carriers
10 and interests less any ~~[premium]~~ state and local option gross
11 receipts tax paid ~~[pursuant to Section 59A-6-2 NMSA 1978]~~ and
12 fees associated with participating in a health insurance
13 exchange that serves as a clearinghouse for insurance;

14 Z. "provider" means a physician, pharmacist,
15 pharmacist clinician, hospital or other person licensed or
16 otherwise authorized to furnish health care services;

17 AA. "replacement coverage" means the benefits
18 provided by a succeeding carrier;

19 BB. "short-term contract" means a nonrenewable
20 health maintenance organization contract covering a resident of
21 the state, regardless of where the contract is delivered, that:

22 (1) has a maximum specified duration of not
23 more than three months after the effective date of the
24 contract; and

25 (2) is issued only to individuals who have not

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1 been enrolled in a health maintenance organization contract
2 that provides the same or similar nonrenewable coverage from
3 any carrier within the three months preceding enrollment in the
4 short-term contract;

5 CC. "subscriber" means an individual whose
6 employment or other status, except family dependency, is the
7 basis for eligibility for enrollment in the health maintenance
8 organization or, in the case of an individual contract, the
9 person in whose name the contract is issued; and

10 DD. "uncovered expenditures" means the costs to the
11 health maintenance organization for health care services that
12 are the obligation of the health maintenance organization, for
13 which an enrollee may also be liable in the event of the health
14 maintenance organization's insolvency and for which no
15 alternative arrangements have been made that are acceptable to
16 the superintendent."

17 SECTION 62. Section 59A-47-3 NMSA 1978 (being Laws 1984,
18 Chapter 127, Section 879.1, as amended) is amended to read:

19 "59A-47-3. DEFINITIONS.--As used in Chapter 59A, Article
20 47 NMSA 1978:

21 A. "acquisition expenses" includes all expenses
22 incurred in connection with the solicitation and enrollment of
23 subscribers;

24 B. "administration expenses" means all expenses of
25 the health care plan other than the cost of health care expense

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1 payments and acquisition expenses;

2 C. "agent" means a person appointed by a health
3 care plan authorized to transact business in this state to act
4 as its representative in any given locality for soliciting
5 health care policies and other related duties as may be
6 authorized;

7 D. "chiropractor" means any person holding a
8 license provided for in the Chiropractic Physician Practice
9 Act;

10 E. "credentialing" means the process of obtaining
11 and verifying information about a provider and evaluating that
12 provider when that provider seeks to become a participating
13 provider;

14 F. "direct services" means services rendered to an
15 individual by a health care plan, health insurer or a health
16 care practitioner, facility or other provider, including case
17 management, disease management, health education and promotion,
18 preventive services, quality incentive payments to providers
19 and any portion of an assessment that covers services rather
20 than administration and for which a health care plan or a
21 health insurer does not receive a tax credit pursuant to the
22 Medical Insurance Pool Act; provided, however, that "direct
23 services" does not include care coordination, utilization
24 review or management or any other activity designed to manage
25 utilization or services;

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~~[bracketed material] = delete~~

1 G. "doctor of oriental medicine" means any person
2 licensed as a doctor of oriental medicine under the Acupuncture
3 and Oriental Medicine Practice Act;

4 H. "health care" means the treatment of persons for
5 the prevention, cure or correction of any illness or physical
6 or mental condition, including optometric services;

7 I. "health care expense payment" means a payment
8 for health care to a purveyor on behalf of a subscriber, or
9 such a payment to the subscriber;

10 J. "health care plan" means an organization that
11 demonstrates to the superintendent that it has been granted
12 exemption from the federal income tax by the United States
13 commissioner of internal revenue as an organization described
14 in Section 501(c)(3) of the United States Internal Revenue Code
15 of 1986, as that section may be amended or renumbered, and is
16 authorized by the superintendent to enter into contracts with
17 subscribers and to make health care expense payments, including
18 an organization that issues:

19 (1) a short-term health care plan;

20 (2) an excepted benefit health care plan
21 intended to supplement major medical coverage, including
22 medicare supplement, vision, dental, disease-specific,
23 accident-only or hospital indemnity-only insurance policies; or

24 (3) a policy or plan for long-term care or
25 disability income;

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1 K. "indemnity benefit" means a payment that the
2 purveyor has not agreed to accept as payment in full for health
3 care furnished the subscriber;

4 L. "item of health care" means a service or
5 material used in health care;

6 M. "pharmacist" means a person licensed as a
7 pharmacist pursuant to the Pharmacy Act;

8 N. "pharmacist clinician" means a pharmacist who
9 exercises prescriptive authority pursuant to the Pharmacist
10 Prescriptive Authority Act;

11 O. "premium" means all income received from
12 individuals and private and public payers or sources for the
13 procurement of health coverage, including capitated payments,
14 self-funded administrative fees, self-funded claim
15 reimbursements, recoveries from third parties or other insurers
16 and interests less any [~~premium~~] state and local option gross
17 receipts tax paid [~~pursuant to Section 59A-6-2 NMSA 1978~~] and
18 fees associated with participating in a health insurance
19 exchange that serves as a clearinghouse for insurance;

20 P. "provider" means a physician or other individual
21 licensed or otherwise authorized to furnish health care
22 services in the state;

23 Q. "purveyor" means a person who furnishes any item
24 of health care and charges for that item;

25 R. "service benefit" means a payment that the

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1 purveyor has agreed to accept as payment in full for health
2 care furnished the subscriber;

3 S. "short-term health care plan" means a
4 nonrenewable health care plan covering a resident of the state,
5 regardless of where the plan is delivered, that:

6 (1) has a maximum specified duration of not
7 more than three months after the effective date of the plan;
8 and

9 (2) is issued only to individuals who have not
10 been enrolled in a health care plan that provides the same or
11 similar nonrenewable coverage from any nonprofit health care
12 plan within the three months preceding enrollment in the
13 short-term plan;

14 T. "solicitor" means a person employed by the
15 licensed agent of a health care plan for the purpose of
16 soliciting health care policies and other related duties in
17 connection with the handling of the business of the agent as
18 may be authorized and paid for the person's services either on
19 a commission basis or salary basis or part by commission and
20 part by salary;

21 U. "subscriber" means any individual who, because
22 of a contract with a health care plan entered into by or for
23 the individual, is entitled to have health care expense
24 payments made on the individual's behalf or to the individual
25 by the health care plan; and

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1 V. "underwriting manual" means the health care
2 plan's written criteria, approved by the superintendent, that
3 defines the terms and conditions under which subscribers may be
4 selected. The underwriting manual may be amended from time to
5 time, but the amendment will not be effective until approved by
6 the superintendent. The superintendent shall notify the health
7 care plan filing the underwriting manual or the amendment
8 thereto of the superintendent's approval or disapproval thereof
9 in writing within thirty days after filing or within sixty days
10 after filing if the superintendent shall so extend the time.
11 If the superintendent fails to act within such period, the
12 filing shall be deemed to be approved."

13 SECTION 63. Section 59A-47-8 NMSA 1978 (being Laws 1984,
14 Chapter 127, Section 879.6, as amended) is amended to read:

15 "59A-47-8. CERTIFICATE OF AUTHORITY REQUIRED--APPLICATION
16 AND CONDITIONS--EXCEPTIONS.--

17 A. No health care plan shall make health care
18 expense payments unless and until it has obtained from the
19 superintendent a certificate of authority to do business.
20 Violation of this provision shall constitute a misdemeanor
21 punishable upon conviction by a fine of not to exceed one
22 thousand dollars (\$1,000).

23 B. A newly formed health care plan's application
24 for initial certificate of authority must be filed with the
25 superintendent prior to expiration of one year from date of

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1 issuance of the preliminary permit referred to in Section
2 59A-47-6 NMSA 1978.

3 C. The application for certificate of authority
4 shall be in the form prescribed and furnished by the
5 superintendent consistent with Chapter 59A, Article 47 NMSA
6 1978, and be verified by two of the applicant's officers. The
7 application shall include or be accompanied by such proof as
8 the superintendent may reasonably require that the applicant is
9 qualified for the certificate of authority under this article.
10 At filing of the application, the applicant shall pay to the
11 superintendent the applicable filing fee as specified in
12 Section 59A-6-1 NMSA 1978. The filing fee shall not be
13 refundable.

14 D. No such certificate of authority shall be
15 required for a health care plan formerly so authorized, to
16 enable it to investigate and settle losses under its contracts
17 lawfully written in New Mexico, or to liquidate assets and
18 liabilities (other than collection of new premiums) resulting
19 from its former authorized operations in this state. A health
20 care plan not transacting new business in this state but
21 continuing collection of premiums on and servicing contracts
22 remaining in force as to residents of or risks located in this
23 state, is transacting business in New Mexico for the purpose of
24 ~~[premium]~~ gross receipts tax requirements only and is not
25 required to have a certificate of authority."

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1 SECTION 64. Section 59A-54-3 NMSA 1978 (being Laws 1987,
2 Chapter 154, Section 3, as amended) is amended to read:

3 "59A-54-3. DEFINITIONS.--As used in the Medical Insurance
4 Pool Act:

5 A. "board" means the board of directors of the
6 pool;

7 B. "creditable coverage" means, with respect to
8 an individual, coverage of the individual pursuant to:

- 9 (1) a group health plan;
- 10 (2) health insurance coverage;
- 11 (3) Part A or Part B of Title 18 of the Social
12 Security Act;

13 (4) Title 19 of the Social Security Act except
14 coverage consisting solely of benefits pursuant to Section 1928
15 of that title;

- 16 (5) 10 USCA Chapter 55;
- 17 (6) the Medical Insurance Pool Act;
- 18 (7) a health plan offered pursuant to
19 5 USCA Chapter 89;

20 (8) a public health plan as defined in federal
21 regulations; or

22 (9) a health benefit plan offered pursuant to
23 Section 5(e) of the federal Peace Corps Act;

24 C. "federally defined eligible individual" means an
25 individual:

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1 (1) for whom, as of the date on which the
2 individual seeks coverage under the Medical Insurance Pool Act,
3 the aggregate of the periods of creditable coverage is eighteen
4 or more months;

5 (2) whose most recent prior creditable
6 coverage was under a group health plan, governmental plan,
7 church plan or health insurance coverage, as those plans or
8 coverage are defined in Section 59A-23E-2 NMSA 1978, offered in
9 connection with that plan;

10 (3) who is not eligible for coverage under
11 a group health plan, Part A or Part B of Title 18 of the Social
12 Security Act or a state plan under Title 19 or Title 21 of the
13 Social Security Act or a successor program and who does not
14 have other health insurance coverage;

15 (4) with respect to whom the most recent
16 coverage within the period of aggregate creditable coverage was
17 not terminated based on a factor relating to nonpayment of
18 premiums or fraud;

19 (5) who, if offered the option of continuation
20 of coverage under a continuation provision pursuant to the
21 Consolidated Omnibus Budget Reconciliation Act of 1985 or a
22 similar state program, elected this coverage; and

23 (6) who has exhausted continuation coverage
24 under this provision or program, if the individual elected the
25 continuation coverage described in Paragraph (5) of this

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1 subsection;

2 D. "health care facility" means an entity providing
3 health care services that is licensed by the department of
4 health;

5 E. "health care services" means services or
6 products included in the furnishing to an individual of medical
7 care or hospitalization, or incidental to the furnishing of
8 that care or hospitalization, as well as the furnishing to a
9 person of other services or products for the purpose of
10 preventing, alleviating, curing or healing human illness or
11 injury;

12 F. "health insurance" means a hospital and medical
13 expense-incurred policy; nonprofit health care service plan
14 contract; health maintenance organization subscriber contract;
15 short-term, accident, fixed indemnity or specified disease
16 policy; disability income contracts; limited benefit insurance;
17 credit insurance; or as the term is defined by Section 59A-7-3
18 NMSA 1978. "Health insurance" does not include insurance
19 arising out of the Workers' Compensation Act or similar law,
20 automobile medical payment insurance or insurance under which
21 benefits are payable with or without regard to fault and that
22 is required by law to be contained in a liability insurance
23 policy;

24 G. "health maintenance organization" means ~~[a~~
25 ~~person who provides, at a minimum, either directly or through~~

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1 ~~contractual or other arrangements with others, basic health~~
2 ~~care services to enrollees on a fixed prepayment basis and who~~
3 ~~is responsible for the availability, accessibility and quality~~
4 ~~of the health care services provided or arranged, or] "health~~
5 maintenance organization" as defined by Subsection [M] Q of
6 Section 59A-46-2 NMSA 1978;

7 H. "health plan" means an arrangement by which
8 persons, including dependents or spouses, covered or making
9 application to be covered under the pool have access to
10 hospital and medical benefits or reimbursement, including group
11 or individual insurance or subscriber contract; coverage
12 through health maintenance organizations, preferred provider
13 organizations or other alternate delivery systems; coverage
14 under prepayment, group practice or individual practice plans;
15 coverage under uninsured arrangements of group or group-type
16 contracts, including employer self-insured, cost-plus or other
17 benefits methodologies not involving insurance or not subject
18 to [~~New Mexico premium~~] state and local option gross receipts
19 taxes; coverage under group-type contracts that are not
20 available to the general public and can be obtained only
21 because of connection with a particular organization or group;
22 and coverage by medicare or other governmental benefits.
23 "Health plan" includes coverage through health insurance;

24 I. "insured" means an individual resident of this
25 state who is eligible to receive benefits from an insurer or

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1 other health plan;

2 J. "insurer" means an insurance company authorized
3 to transact health insurance business in this state, a
4 nonprofit health care plan, a health maintenance organization
5 and self-insurers not subject to federal preemption. "Insurer"
6 does not include an insurance company that is licensed under
7 the Prepaid Dental Plan Law or a company that is solely engaged
8 in the sale of dental insurance and is licensed not under that
9 act, but under another provision of the Insurance Code;

10 K. "medicare" means coverage under Part A or Part B
11 of Title 18 of the Social Security Act, as amended;

12 L. "pool" means the New Mexico medical insurance
13 pool;

14 M. "preexisting condition" means a physical or
15 mental condition for which medical advice, medication,
16 diagnosis, care or treatment was recommended for or received by
17 an applicant within six months before the effective date of
18 coverage, except that pregnancy is not considered a preexisting
19 condition for a federally defined eligible individual; and

20 N. "therapist" means a licensed physical,
21 occupational, speech or respiratory therapist."

22 SECTION 65. Section 59A-54-7.1 NMSA 1978 (being Laws
23 2003, Chapter 396, Section 1) is amended to read:

24 "59A-54-7.1. PRESCRIPTION DRUG PROGRAM--COST-SHARING.--

25 A. The board may establish a prescription drug

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1 program, in whole or in part, including a pilot or phase-in
2 program, to offer selected eligible persons the ability to
3 purchase prescription drugs. The board may establish varying
4 levels of eligibility and cost-sharing criteria as needed for
5 selected eligible persons and, if established, shall ensure
6 that cost-containment mechanisms are included in the program.

7 B. The board may establish the cost-sharing amounts
8 payable by a person enrolled in the prescription drug program,
9 including the premium, deductible, coinsurance, co-payment and
10 other out-of-pocket expenses.

11 C. If the board establishes a prescription drug
12 program, the board shall establish the assessments pursuant to
13 Section 59A-54-10 NMSA 1978.

14 ~~D. If the board establishes a prescription drug~~
15 ~~program, the assessment for a pool member shall be determined~~
16 ~~in the same manner as provided in this section provided that a~~
17 ~~pool member shall be allowed a fifty percent credit for the~~
18 ~~prescription drug program assessment on the premium tax return~~
19 ~~for that member.~~

20 E.] D. The board may issue a pool prescription drug
21 program benefit policy for a person who is over the age of
22 sixty-five and unable to purchase or is ineligible for a
23 similar prescription drug program. The board may issue a pool
24 prescription drug program benefit policy for a person who is
25 eligible for a state-funded or state-operated low-income

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1 pharmacy benefit program.

2 [F-] E. If the board establishes a prescription
3 drug program, the board shall cooperate with other state and
4 federal prescription drug initiatives."

5 SECTION 66. Section 60-2E-47 NMSA 1978 (being Laws 1997,
6 Chapter 190, Section 49, as amended) is amended to read:

7 "60-2E-47. GAMING TAX--IMPOSITION--ADMINISTRATION.--

8 A. An excise tax is imposed on the privilege of
9 engaging in gaming activities in the state. This tax shall be
10 known as the "gaming tax".

11 B. The gaming tax is an amount equal to: [~~ten~~]

12 (1) two percent of the gross receipts of
13 manufacturer licensees from the sale, lease or other transfer
14 of gaming devices in or into the state, except receipts of a
15 manufacturer from the sale, lease or other transfer to a
16 licensed distributor for subsequent sale or lease may be
17 excluded from gross receipts;

18 (2) ten percent of the gross receipts of
19 distributor licensees from the sale, lease or other transfer of
20 gaming devices in or into the state; and

21 (3) ten percent of the net take of a gaming
22 operator licensee that is a nonprofit organization; and twenty-
23 six percent of the net take of every other gaming operator
24 licensee. [~~For the purposes of this section, "gross receipts"~~
25 ~~means the total amount of money or the value of other~~

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1 ~~consideration received from selling, leasing or otherwise~~
2 ~~transferring gaming devices.]~~

3 C. The gaming tax imposed on a licensee is in lieu
4 of all state and local gross receipts taxes on that portion of
5 the licensee's gross receipts attributable to gaming
6 activities.

7 D. The gaming tax is to be paid on or before the
8 fifteenth day of the month following the month in which the
9 taxable event occurs. The gaming tax shall be administered and
10 collected by the taxation and revenue department in cooperation
11 with the board. The provisions of the Tax Administration Act
12 apply to the collection and administration of the tax.

13 E. In addition to the gaming tax, a gaming operator
14 licensee that is a racetrack shall pay twenty percent of its
15 net take to purses to be distributed in accordance with rules
16 adopted by the state racing commission. An amount not to
17 exceed twenty percent of the interest earned on the balance of
18 any fund consisting of money for purses distributed by
19 racetrack gaming operator licensees pursuant to this subsection
20 may be expended for the costs of administering the
21 distributions. A racetrack gaming operator licensee shall
22 spend no less than one-fourth percent of the net take of its
23 gaming machines to fund or support programs for the treatment
24 and assistance of compulsive gamblers.

25 F. A nonprofit gaming operator licensee shall

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[bracketed material] = delete

1 distribute at least sixty percent of the balance of its net
2 take, after payment of the gaming tax and any income taxes,
3 for charitable or educational purposes.

4 G. For the purposes of this section, "gross
5 receipts" means the total amount of money or the value of other
6 consideration received from selling, leasing or otherwise
7 transferring gaming devices."

8 SECTION 67. Section 60-2F-21 NMSA 1978 (being Laws 2009,
9 Chapter 81, Section 21) is amended to read:

10 "60-2F-21. TAX IMPOSITION.--

11 A. A bingo and raffle tax equal to [~~one-half~~] two
12 percent of the gross receipts of any game of chance held,
13 operated or conducted for or by a qualified organization shall
14 be imposed on the qualified organization.

15 B. No other state or local gross receipts tax shall
16 apply to a qualified organization's receipts generated by a
17 game of chance authorized by the New Mexico Bingo and Raffle
18 Act.

19 C. The tax imposed pursuant to this section shall
20 be submitted quarterly to the taxation and revenue department
21 on or before April 25, July 25, October 25 and January 25.

22 D. The taxation and revenue department shall
23 administer the tax imposed in this section pursuant to the Tax
24 Administration Act."

25 SECTION 68. A new section of the Motor Vehicle Code is

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1 enacted to read:

2 "[NEW MATERIAL] ADDITIONAL REGISTRATION FEE--ELECTRIC AND
3 PLUG-IN HYBRID ELECTRIC VEHICLES.--

4 A. For registration of vehicles subject to the
5 registration fees imposed by Sections 66-6-2 and 66-6-4 NMSA
6 1978, there is imposed an additional annual fee of six hundred
7 fifty dollars (\$650) for which an electric vehicle with a gross
8 vehicle weight of twenty-six thousand pounds or less is
9 registered.

10 B. For registration of vehicles subject to the
11 registration fees imposed by Sections 66-6-2 and 66-6-4 NMSA
12 1978, there is imposed an additional annual fee of three
13 hundred twenty-five dollars (\$325) for which a plug-in hybrid
14 electric vehicle with a gross vehicle weight of twenty-six
15 thousand pounds or less is registered.

16 C. All fees collected pursuant to this section
17 shall be paid to the state treasurer to the credit of the motor
18 vehicle suspense fund with distribution in accordance with
19 Section 66-6-23 NMSA 1978.

20 D. As used in this section:

21 (1) "electric vehicle" means a motor vehicle
22 that derives all of the vehicle's power from electricity stored
23 in a battery that:

24 (a) has a capacity of not less than six
25 kilowatt-hours;

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1 (b) is capable of powering the vehicle
2 for a range of at least forty miles; and

3 (c) is capable of being recharged from
4 an external source of electricity; and

5 (2) "plug-in hybrid electric vehicle" means a
6 motor vehicle that derives part of the vehicle's power from
7 electricity stored in a battery that:

8 (a) has a capacity of not less than six
9 kilowatt-hours;

10 (b) is capable of powering the vehicle
11 for a range of at least forty miles; and

12 (c) is capable of being recharged from
13 an external source of electricity."

14 SECTION 69. Section 66-3-7 NMSA 1978 (being Laws 1978,
15 Chapter 35, Section 27, as amended) is amended to read:

16 "66-3-7. GROUNDS FOR REFUSING, SUSPENDING OR REVOKING
17 REGISTRATION OR CERTIFICATE OF TITLE.--The division may refuse,
18 suspend or revoke registration or issuance of a certificate of
19 title or a transfer of registration upon the [~~ground~~] grounds
20 that:

21 A. the application contains a false or fraudulent
22 statement or that the applicant failed to furnish the required
23 information or reasonable additional information requested by
24 the division or that the applicant is not entitled to the
25 issuance of a certificate of title or registration of the

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1 vehicle under the Motor Vehicle Code;

2 B. the vehicle is mechanically unfit or unsafe to
3 be operated or moved upon the highways;

4 C. a commercial motor vehicle is operated by a
5 commercial motor carrier that is prohibited from operating the
6 vehicle by order of a state or federal agency;

7 D. the division has [~~a~~] reasonable [~~ground~~] grounds
8 to believe that the vehicle is a stolen or embezzled vehicle or
9 that the granting of registration or the issuance of a
10 certificate of title would constitute a fraud against the
11 rightful owner or other person having valid lien upon the
12 vehicle;

13 E. the registration of the vehicle stands suspended
14 or revoked for any reason as provided in the motor vehicle laws
15 of this state;

16 F. the required fee has not been paid;

17 [~~G. the motor vehicle excise tax has not been paid;~~

18 H.] G. the weight distance tax has not been paid;

19 [~~H.~~] H. international fuel tax agreement taxes have
20 not been paid;

21 [~~J.~~] I. if the vehicle is a mobile home, the
22 property tax has not been paid;

23 [~~K.~~] J. the owner's address, as shown in the
24 records of the division, is within a class A county or within a
25 municipality that has a vehicle emission inspection and

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1 maintenance program and the applicant has applied at an office
2 outside the designated county or municipality; or

3 ~~[L.]~~ K. the owner is required to but has failed to
4 provide proof of compliance with a vehicle emission inspection
5 and maintenance program, if required in the county or
6 municipality in which the owner resides."

7 **SECTION 70.** Section 66-3-118 NMSA 1978 (being Laws 1978,
8 Chapter 35, Section 65, as amended) is amended to read:

9 "66-3-118. MANUFACTURER'S CERTIFICATE OF ORIGIN--TRANSFER
10 OF VEHICLE NOT PREVIOUSLY REGISTERED.--

11 A. Whenever a manufacturer or the agent or
12 distributor of a manufacturer transfers a vehicle, not
13 previously registered, to a dealer in this state, the
14 manufacturer, agent or distributor at the time of transfer of
15 the vehicle shall deliver to the dealer a manufacturer's
16 certificate of origin. The certificate shall be signed by the
17 manufacturer and shall specify that the vehicle described has
18 been transferred to the dealer named and that the transfer is
19 the first transfer of the vehicle in ordinary trade and
20 commerce.

21 B. The certificate shall contain a description of
22 the vehicle, number of cylinders, type of body, engine number,
23 serial number or other standard identification number provided
24 by the manufacturer of the vehicle and space for proper
25 reassignment to a New Mexico dealer or to a dealer duly

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1 licensed or recognized as such in another state, territory or
2 possession of the United States.

3 C. Any dealer when transferring a vehicle, not
4 previously registered, to another dealer shall, at the time of
5 transfer, give the transferee the proper manufacturer's
6 certificate of origin fully assigned to the transferee.

7 D. When a vehicle not previously registered is
8 transferred to a dealer who does not hold a franchise granted
9 by the manufacturer of the vehicle to sell that type or model
10 of vehicle, the transferee must obtain a registration of the
11 vehicle and certificate of title [~~but shall not be required to~~
12 ~~pay the excise tax imposed by Section 7-14-3 NMSA 1978~~]."

13 SECTION 71. Section 66-3-401 NMSA 1978 (being Laws 1978,
14 Chapter 35, Section 80, as amended) is amended to read:

15 "66-3-401. OPERATION OF VEHICLES UNDER DEALER PLATES.--

16 A. Any vehicle that is required to be registered
17 pursuant to the Motor Vehicle Code and that is included in the
18 inventory of a dealer may be operated or moved upon the
19 highways for any purpose, provided that the vehicle display in
20 the manner prescribed in Section 66-3-18 NMSA 1978 a unique
21 plate issued to the dealer as provided in Section 66-3-402 NMSA
22 1978. This subsection shall not be construed as limiting the
23 use of temporary registration permits issued to dealers
24 pursuant to Section 66-3-6 NMSA 1978. Each dealer plate shall
25 be issued for a specific vehicle in a dealer's inventory. If a

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1 dealer wishes to use the plate on a different vehicle, the
2 dealer must reregister that plate to the different vehicle.

3 B. The provisions of this section do not apply to
4 work or service vehicles used by a dealer. For the purposes of
5 this subsection, "work or service vehicle" includes any vehicle
6 used substantially as a:

- 7 (1) parts or delivery vehicle;
- 8 (2) vehicle used to tow another vehicle;
- 9 (3) courtesy shuttle; or
- 10 (4) vehicle loaned to customers for their
11 convenience.

12 C. Each vehicle included in a dealer's inventory
13 required to be registered pursuant to the provisions of
14 Subsection A of this section must conform to the registration
15 provisions of the Motor Vehicle Code, but is not required to be
16 titled pursuant to the provisions of that code. When a vehicle
17 is no longer included in a dealer's inventory, and is not sold
18 or leased to an unrelated entity, the dealer must title the
19 vehicle ~~[and pay the motor vehicle excise tax that would have~~
20 ~~been due when the vehicle was first registered by the dealer].~~

21 D. In lieu of the use of dealer plates pursuant to
22 this section, a dealer may register and title a vehicle
23 included in a dealer's inventory in the name of the dealer upon
24 payment of the registration fee applicable to that vehicle,
25 ~~[but without payment of the motor vehicle excise tax]~~ provided

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1 the vehicle is subsequently sold or leased in the ordinary
2 course of business in a transaction subject to the [~~motor~~
3 ~~vehicle excise~~] gross receipts tax or the leased vehicle gross
4 receipts tax."

5 SECTION 72. Section 66-3-1006 NMSA 1978 (being Laws 1978,
6 Chapter 35, Section 202, as amended) is amended to read:

7 "66-3-1006. GROUNDS FOR REFUSING REGISTRATION OR
8 CERTIFICATE OF TITLE.--The division may refuse registration or
9 issuance of a certificate of title or any transfer of a
10 registration certificate if:

11 A. the division has reasonable grounds to believe
12 that the application contains any false or fraudulent statement
13 or that the applicant has failed to furnish the required
14 information or reasonable additional information requested by
15 the division or that the applicant is not entitled to the
16 issuance of a certificate of title or registration certificate
17 of the off-highway motor vehicle under the Motor Vehicle Code
18 or laws of this state;

19 B. the division has reasonable grounds to believe
20 that the off-highway motor vehicle is stolen or embezzled or
21 that the granting of a registration certificate or the issuance
22 of a certificate of title would constitute a fraud against the
23 rightful owner or other person having a valid lien upon the
24 off-highway motor vehicle;

25 C. the division has reasonable grounds to believe

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1 that a nonresident applicant is not entitled to registration
2 issuance under the laws of the nonresident applicant's state of
3 residence; or

4 D. the required fees have not been paid [~~or~~

5 ~~E. the motor vehicle excise tax has not been paid~~
6 ~~pursuant to Chapter 7, Article 14 NMSA 1978]."~~

7 SECTION 73. Section 66-6-23 NMSA 1978 (being Laws 1978,
8 Chapter 35, Section 358, as amended) is amended to read:

9 "66-6-23. DISPOSITION OF FEES.--

10 A. After the necessary disbursements for refunds
11 and other purposes have been made, the money remaining in the
12 motor vehicle suspense fund, except for remittances received
13 within the previous two months that are unidentified as to
14 source or disposition, shall be distributed as follows:

15 (1) to each municipality, county or fee agent
16 operating a motor vehicle field office:

17 (a) an amount equal to six dollars
18 (\$6.00) per driver's license and five dollars (\$5.00) per
19 identification card or motor vehicle or motorboat registration
20 or title transaction performed;

21 (b) for each such agent determined by
22 the secretary pursuant to Section 66-2-16 NMSA 1978 to have
23 performed ten thousand or more transactions in the preceding
24 fiscal year, other than a class A county with a population
25 exceeding three hundred thousand or a municipality with a

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1 population exceeding three hundred thousand that has been
2 designated as an agent pursuant to Section 66-2-14.1 NMSA 1978,
3 an amount equal to one dollar (\$1.00) in addition to the amount
4 distributed pursuant to Subparagraph (a) of this paragraph for
5 each driver's license, identification card, motor vehicle
6 registration, motorboat registration or title transaction
7 performed; and

8 (c) to each military installation
9 designated as a fee agent pursuant to Section 66-2-14.1 NMSA
10 1978, an amount equal to one dollar fifty cents (\$1.50) in
11 addition to the amount distributed pursuant to Subparagraph (a)
12 of this paragraph for each administrative service fee remitted
13 by the military installation to the department pursuant to
14 Subsection A of Section 66-2-16 NMSA 1978;

15 (2) to each municipality or county, other than
16 a class A county with a population exceeding three hundred
17 thousand or a municipality with a population exceeding three
18 hundred thousand that has been designated as an agent pursuant
19 to Section 66-2-14.1 NMSA 1978, operating a motor vehicle field
20 office, an amount equal to one dollar fifty cents (\$1.50) for
21 each administrative service fee remitted by that county or
22 municipality to the department pursuant to the provisions of
23 Subsection A of Section 66-2-16 NMSA 1978;

24 (3) to the state road fund:

25 (a) an amount equal to the fees

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1 collected pursuant to Sections 66-7-413 and 66-7-413.4 NMSA
2 1978;

3 (b) an amount equal to the fee collected
4 pursuant to Section 66-3-417 NMSA 1978;

5 (c) the remainder of each driver's
6 license fee collected by the department employees from an
7 applicant to whom a license is granted after deducting from the
8 driver's license fee the amount of the distribution authorized
9 in Paragraph (1) of this subsection with respect to that
10 collected driver's license fee; [~~and~~]

11 (d) an amount equal to fifty percent of
12 the fees collected pursuant to Section 66-6-19 NMSA 1978; and

13 (e) an amount equal to fifty
14 percent of the fees collected pursuant to Section 68 of this
15 2023 act;

16 (4) to the transportation project fund, an
17 amount equal to fifty percent of the fees collected pursuant to
18 Section 68 of this 2023 act;

19 [~~(4)~~] (5) to the local governments road fund,
20 the amount of the fees collected pursuant to Subsection B of
21 Section 66-5-33.1 NMSA 1978 and the remainder of the fees
22 collected pursuant to Subsection A of Section 66-5-408 NMSA
23 1978;

24 [~~(5)~~] (6) to the department:

25 (a) any amounts reimbursed to the

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1 department pursuant to Subsection D of Section 66-2-14.1 NMSA
2 1978;

3 (b) an amount equal to two dollars
4 (\$.00) of each motorcycle registration fee collected pursuant
5 to Section 66-6-1 NMSA 1978;

6 (c) an amount equal to the fees provided
7 for in Subsection D of Section 66-2-7 NMSA 1978, Subsection E
8 of Section 66-2-16 NMSA 1978, Subsections K and L of Section
9 66-3-6 NMSA 1978 other than the administrative fee, Subsection
10 C of Section 66-5-44 NMSA 1978 and Subsection B of Section
11 66-5-408 NMSA 1978;

12 (d) the amounts due to the department
13 for the manufacture and issuance of a special registration
14 plate collected pursuant to the section of law authorizing the
15 issuance of the specialty plate;

16 (e) an amount equal to the registration
17 fees collected pursuant to Section 66-6-6.1 NMSA 1978 for the
18 purposes of enforcing the provisions of the Mandatory Financial
19 Responsibility Act and for creating and maintaining a
20 multilanguage noncommercial driver's license testing program;
21 and after those purposes are met, the balance of the
22 registration fees shall be distributed to the department to
23 defray the costs of operating the ~~[motor vehicle]~~ division;

24 (f) an amount equal to fifty cents
25 (\$.50) for each administrative fee remitted to the department

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1 by a county or municipality operating a motor vehicle field
2 office pursuant to Subsection A of Section 66-2-16 NMSA 1978;

3 (g) an amount equal to one dollar
4 twenty-five cents (\$1.25) for each administrative fee collected
5 by the department or any of its agents other than a county or
6 municipality operating a motor vehicle field office pursuant to
7 Subsection A of Section 66-2-16 NMSA 1978; and

8 (h) an amount equal to the royalties or
9 other consideration paid by commercial users of databases of
10 motor vehicle-related records of the department pursuant to
11 Subsection C of Section 14-3-15.1 NMSA 1978 for the purpose of
12 defraying the costs of maintaining databases of motor vehicle-
13 related records of the department; and after that purpose is
14 met, the balance of the royalties and other consideration shall
15 be distributed to the department to defray the costs of
16 operating the [~~motor vehicle~~] division or for use pursuant to
17 Subsection F of Section 66-6-13 NMSA 1978;

18 [~~(6)~~] (7) to each New Mexico institution of
19 higher education, an amount equal to that part of the fees
20 distributed pursuant to Paragraph (2) of Subsection D of
21 Section 66-3-416 NMSA 1978 proportionate to the number of
22 special registration plates issued in the name of the
23 institution to all such special registration plates issued in
24 the name of all institutions;

25 [~~(7)~~] (8) to the armed forces veterans license

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1 fund, the amount to be distributed pursuant to Paragraph (2) of
2 Subsection E of Section 66-3-419 NMSA 1978;

3 ~~[(8)]~~ (9) to the children's trust fund, the
4 amount to be distributed pursuant to Paragraph (2) of
5 Subsection D of Section 66-3-420 NMSA 1978;

6 ~~[(9)]~~ (10) to the department of
7 transportation, an amount equal to the fees collected pursuant
8 to Section 66-5-35 NMSA 1978;

9 ~~[(10)]~~ (11) to the state equalization
10 guarantee distribution made annually pursuant to the general
11 appropriation act, an amount equal to one hundred percent of
12 the driver safety fee collected pursuant to Subsection D of
13 Section 66-5-44 NMSA 1978;

14 ~~[(11)]~~ (12) to the motorcycle training fund,
15 two dollars (\$2.00) of each motorcycle registration fee
16 collected pursuant to Section 66-6-1 NMSA 1978;

17 ~~[(12)]~~ (13) to the recycling and illegal
18 dumping fund:

19 (a) fifty cents (\$.50) of the tire
20 recycling fee collected pursuant to the provisions of Section
21 66-6-1 NMSA 1978;

22 (b) fifty cents (\$.50) of each of the
23 tire recycling fees collected pursuant to the provisions of
24 Sections 66-6-2 and 66-6-4 NMSA 1978; and

25 (c) twenty-five cents (\$.25) of each of

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1 the tire recycling fees collected pursuant to Sections 66-6-5
2 and 66-6-8 NMSA 1978;

3 ~~[(13)]~~ (14) to the highway infrastructure
4 fund:

5 (a) fifty cents (\$.50) of the tire
6 recycling fee collected pursuant to the provisions of Section
7 66-6-1 NMSA 1978;

8 (b) one dollar (\$1.00) of each of the
9 tire recycling fees collected pursuant to the provisions of
10 Sections 66-6-2 and 66-6-4 NMSA 1978; and

11 (c) twenty-five cents (\$.25) of each of
12 the tire recycling fees collected pursuant to Sections 66-6-5
13 and 66-6-8 NMSA 1978;

14 ~~[(14)]~~ (15) to each county, an amount equal to
15 fifty percent of the fees collected pursuant to Section 66-6-19
16 NMSA 1978 multiplied by a fraction, the numerator of which is
17 the total mileage of public roads maintained by the county and
18 the denominator of which is the total mileage of public roads
19 maintained by all counties in the state;

20 ~~[(15)]~~ (16) to the litter control and
21 beautification fund, an amount equal to the fees collected
22 pursuant to Section 66-6-6.2 NMSA 1978;

23 ~~[(16)]~~ (17) to the local government division
24 of the department of finance and administration, an amount
25 equal to the fees collected pursuant to Section 66-3-424.3 NMSA
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1 1978 for distribution to each county to support animal control
2 spaying and neutering programs in an amount proportionate to
3 the number of residents of that county who have purchased pet
4 care special registration plates pursuant to Section 66-3-424.3
5 NMSA 1978; and

6 [~~(17)~~] (18) to the Cumbres and Toltec scenic
7 railroad commission, twenty-five dollars (\$25.00) collected
8 pursuant to the Cumbres and Toltec scenic railroad special
9 registration plate.

10 B. The balance, exclusive of unidentified
11 remittances, shall be distributed in accordance with Section
12 66-6-23.1 NMSA 1978.

13 C. If any of the paragraphs, subsections or
14 sections referred to in Subsection A of this section are
15 recompiled or otherwise redesignated without a corresponding
16 change to Subsection A of this section, the reference in
17 Subsection A of this section shall be construed to be the
18 recompiled or redesignated paragraph, subsection or section."

19 SECTION 74. Section 66-6-25 NMSA 1978 (being Laws 1978,
20 Chapter 35, Section 360, as amended) is amended to read:

21 "66-6-25. REGISTRATION BY COUNTY OR MUNICIPALITY
22 PROHIBITED.--

23 A. Except as provided in Subsection B of this
24 section, no county or municipality shall require registration
25 or charge fees for any vehicle subject to registration under
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1 the Motor Vehicle Code.

2 B. ~~[Notwithstanding the provisions of Subsection A~~
3 ~~of this section]~~ A county or municipality designated as an
4 agent pursuant to Section 66-2-14.1 NMSA 1978 may impose a fee
5 in an amount not to exceed five dollars (\$5.00) per year in
6 addition to any other registration fee required. ~~[This fee~~
7 ~~shall not be imposed if the county or municipality has imposed~~
8 ~~a gasoline tax pursuant to the County and Municipal Gasoline~~
9 ~~Tax Act, the proceeds of which are used to fund a vehicle~~
10 ~~emission inspection program.]~~ Any money collected as a result
11 of the imposition of an additional fee pursuant to this
12 subsection shall be used only to fund a vehicle emission
13 inspection program."

14 SECTION 75. Section 66-12-5.2 NMSA 1978 (being Laws 1987,
15 Chapter 247, Section 7) is amended to read:

16 "66-12-5.2. OWNER'S CERTIFICATE OF TITLE--FEES--
17 DUPLICATES.--

18 A. Except as provided in Subsection C of this
19 section, every owner of a boat subject to titling under the
20 provisions of the Boat Act shall apply to the division for
21 issuance of a certificate of title for the boat within thirty
22 days after acquisition. The application shall be on forms the
23 division prescribes and accompanied by the required fee. The
24 application shall be signed and sworn to before a notary public
25 or other person who administers oaths, or include a

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1 certification signed in writing containing substantially the
2 representation that statements made are true and correct to the
3 best of the applicant's knowledge, information and belief,
4 under penalty of perjury. The application shall contain the
5 date of sale and gross price of the boat or the fair market
6 value if no sale immediately preceded the transfer and any
7 additional information the division requires. If the
8 application is made for a boat last previously registered or
9 titled in another state or foreign country, it shall contain
10 this information and any other information the division
11 requires.

12 B. The division shall not issue or renew a
13 certificate of number to any boat required to be registered and
14 numbered in the state unless the division has issued a
15 certificate of title to the owner, if the boat is required to
16 be titled.

17 C. Any person who, on July 1, 1987, is the owner of
18 a boat with a valid certificate of number issued by the state
19 is not required to file an application for a certificate of
20 title for the boat until [~~he~~] the person transfers any part of
21 [~~his~~] the person's interest in the boat or he renews the
22 certificate of number for the boat.

23 D. If a dealer buys or acquires a used boat for
24 resale, [~~he~~] the dealer shall report the acquisition to the
25 division on forms the division provides, or [~~he~~] the dealer may

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1 apply for and obtain a certificate of title as provided in this
2 section. If a dealer buys or acquires a used unnumbered boat,
3 ~~[he]~~ the dealer shall apply for a certificate of title in ~~[his]~~
4 the dealer's name within thirty days. If a dealer buys or
5 acquires a new boat for resale, ~~[he]~~ the dealer may apply for a
6 certificate of title in ~~[his]~~ the dealer's name.

7 E. Every dealer transferring a boat requiring
8 titling under this section shall assign the title to the new
9 owner or, in the case of a new boat, assign the certificate of
10 origin. Within thirty days, the dealer or purchaser, as
11 applicable, shall file with the division the necessary
12 application and fee required under this section.

13 F. The division shall maintain a record of any
14 certificate of title it issues.

15 G. No person shall sell, assign or transfer a boat
16 titled by the state without delivering to the purchaser or
17 transferee a certificate of title with an assignment on it
18 showing title in the purchaser or transferee and with a
19 statement of all liens upon the title. No person may purchase
20 or otherwise acquire a boat required to be titled by the state
21 without obtaining a certificate of title for it in ~~[his]~~ the
22 person's name.

23 H. The division shall charge a ten dollar (\$10.00)
24 fee to issue a certificate of title, a transfer of title, a
25 duplicate or corrected certificate of title.

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1 I. If a certificate of title is lost, stolen,
2 mutilated, destroyed or becomes illegible, the first lienholder
3 or, if there is none, the owner named in the certificate, as
4 shown by the division's records, shall within thirty days
5 obtain a duplicate by applying to the division. The applicant
6 shall furnish information concerning the original certificate
7 and the circumstances of its loss, mutilation or destruction as
8 the division requires. Mutilated or illegible certificates
9 shall be returned to the division with the application for a
10 duplicate. [~~Issuance of a duplicate certificate of title is~~
11 ~~not subject to the excise tax imposed under Section 66-12-6.1~~
12 ~~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 76. Section 66-12-6.1 NMSA 1978 (being Laws 1987,
21 Chapter 247, Section 9) is repealed and a new Section 66-12-6.1
22 is enacted to read:

23 "[NEW MATERIAL] 66-12-6.1. BOAT FUND.--the "boat fund" is
24 created as a nonreverting fund in the state treasury. The fund
25 consists of distributions, appropriations, gifts, grants,

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1 donations and other transfers to the fund. The division shall
2 administer the fund, and money in the fund is appropriated to
3 the division for improvements and maintenance of lakes and
4 boating facilities owned or leased by the state and for
5 administration and enforcement of the Boat Act."

6 SECTION 77. TEMPORARY PROVISION---EXHAUSTION OF
7 CREDITS.--

8 A. If a taxpayer has met the eligibility
9 requirements to apply for and claim a tax credit being repealed
10 by this act for a period prior to the effective date of this
11 act, the taxpayer may claim, and the taxation and revenue
12 department may approve, the credit for those periods, including
13 amounts that may be carried forward pursuant to those sections
14 as they were in effect prior to the effective date of this act.

15 B. If a taxpayer has claimed and been awarded a tax
16 credit being repealed by this act but a portion of the credit
17 claimed remains unused, the taxpayer may claim the unused
18 portion, including amounts that could have been carried forward
19 pursuant to those sections being repealed as they were in
20 effect prior to the effective date of this act.

21 SECTION 78. REPEAL--PROVISIONS OF THE TAX INCREMENT FOR
22 DEVELOPMENT ACT.--Sections 5-15-15.1, 5-15-21, 5-15-27 and
23 5-15-29 NMSA 1978 (being Laws 2019, Chapter 275, Section 3;
24 Laws 2006, Chapter 75, Sections 21 and 27; and Laws 2019,
25 Chapter 275, Section 8, as amended) are repealed.

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1 **SECTION 79. REPEAL--BONDS FOR COUNTY CORRECTIONAL**
2 **FACILITY LOANS--OUTDATED SECTION OF LAW.--**Section 6-21-5.1 NMSA
3 1978 (being Laws 1998, Chapter 65, Section 1, as amended) is
4 repealed.

5 **SECTION 80. REPEAL--PROVISIONS OF THE TAX ADMINISTRATION**
6 **ACT.--**Sections 7-1-6.4, 7-1-6.36, 7-1-6.46, 7-1-6.47, 7-1-6.52,
7 7-1-6.54, 7-1-6.60 and 7-1-6.66 NMSA 1978 (being Laws 1983,
8 Chapter 211, Section 9; Laws 1992, Chapter 50, Section 13 and
9 Laws 1992, Chapter 67, Section 13; Laws 2004, Chapter 116,
10 Sections 1 and 2; Laws 2005, Chapter 104, Section 1; Laws 2006,
11 Chapter 75, Section 29; Laws 2010, Chapter 31, Section 2; and
12 Laws 2021, Chapter 4, Section 1, as amended) are repealed.

13 **SECTION 81. REPEAL.--**That version of 7-2-7 NMSA 1978
14 (bearing Laws 2005, (1st S.S.), Chapter 3, Section 2) is
15 repealed.

16 **SECTION 82. REPEAL--PROVISIONS OF THE INCOME TAX ACT AND**
17 **CORPORATE INCOME AND FRANCHISE TAX ACT.--**Sections 7-2-7.2
18 through 7-2-7.6, 7-2-18.2 through 7-2-18.5, 7-2-18.8 through
19 7-2-18.11, 7-2-18.14, 7-2-18.17 through 7-2-18.28, 7-2-18.30,
20 7-2-18.33, 7-2-38, 7-2A-8.6 through 7-2A-8.9, 7-2A-14, 7-2A-15,
21 7-2A-17.1 through 7-2A-27, 7-2A-29 and 7-2A-30 NMSA 1978 (being
22 Laws 2005 (1st S.S.), Chapter 3, Sections 3 and 4; Laws 2021,
23 Chapter 4, Section 2; Laws 2022 (3rd S.S.), Chapter 2, Section
24 1; Laws 2022, Chapter 47, Section 4; Laws 1984, Chapter 34,
25 Section 1; Laws 1994, Chapter 115, Section 1; Laws 1998,

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1 Chapter 97, Section 2; Laws 2001, Chapter 73, Section 1; Laws
2 2003, Chapter 331, Section 7; Laws 2003, Chapter 400, Section
3 1; Laws 2006, Chapter 93, Section 1; Laws 2007, Chapter 172,
4 Section 1; Laws 2007, Chapter 204, Sections 2, 3 and 7; Laws
5 2007, Chapter 361, Section 2; Laws 2008 (2nd S.S.), Chapter 3,
6 Section 1; Laws 2009, Chapter 271, Section 1; Laws 2009,
7 Chapter 279, Section 1; Laws 2010, Chapter 84, Section 1; Laws
8 2011, Chapter 89, Section 1; Laws 2012, Chapter 55, Section 1;
9 Laws 2018, Chapter 36, Section 1; Laws 2022, Chapter 47,
10 Section 3; Laws 2019, Chapter 264, Section 1; Laws 1984,
11 Chapter 34, Section 2; Laws 1998, Chapter 97, Section 3; Laws
12 2003, Chapter 331, Section 8; Laws 1983, Chapter 218, Section
13 1; Laws 1994, Chapter 115, Section 2; Laws 2003, Chapter 400,
14 Section 2; Laws 2001, Chapter 73, Section 2; Laws 2002, Chapter
15 59, Section 1; Laws 2007, Chapter 204, Sections 4 and 8; Laws
16 2009, Chapter 271, Section 2; Laws 2009, Chapter 279, Section
17 2; Laws 2010, Chapter 84, Section 2; Laws 2012, Chapter 55,
18 Section 2; Laws 2018, Chapter 36, Section 2; and Laws 2019,
19 Chapter 270, Section 20, as amended) are repealed.

20 SECTION 83. REPEAL--VENTURE CAPITAL INVESTMENT ACT.--
21 Sections 7-2D-1 through 7-2D-14 NMSA 1978 (being Laws 1993,
22 Chapter 313, Sections 1, 2 and 4 through 8; Laws 1995, Chapter
23 89, Section 8; and Laws 1993, Chapter 313, Sections 9 through
24 14, as amended) are repealed.

25 SECTION 84. REPEAL--RURAL JOB TAX CREDIT.--Section

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1 7-2E-1.1 NMSA 1978 (being Laws 2007, Chapter 172, Section 2, as
2 amended) is repealed.

3 SECTION 85. REPEAL--FILM PRODUCTION TAX CREDIT ACT.--
4 Sections 7-2F-1 through 7-2F-15 NMSA 1978 (being Laws 2002,
5 Chapter 36, Section 1; Laws 2011, Chapter 165, Section 2 and
6 Laws 2011, Chapter 177, Section 3; Laws 2003, Chapter 127,
7 Section 2; Laws 2015, Chapter 143, Section 4; Laws 2011,
8 Chapter 165, Sections 4 and 5; Laws 2015, Chapter 62, Section
9 1; Laws 2015, Chapter 143, Sections 5 through 10; and Laws
10 2019, Chapter 87, Sections 6 through 9, as amended) are
11 repealed.

12 SECTION 86. REPEAL--ESTATE TAX ACT AND ART ACCEPTANCE
13 ACT.--Sections 7-7-1 through 7-7-20 NMSA 1978 (being Laws 1973,
14 Chapter 345, Sections 1 through 12 and Laws 1983, Chapter 209,
15 Sections 1 through 6, as amended) are repealed.

16 SECTION 87. REPEAL.--Laws 2021, Chapter 65, Section 13 is
17 repealed.

18 SECTION 88. REPEAL--PROVISIONS OF THE GROSS RECEIPTS AND
19 COMPENSATING TAX ACT.--Sections 7-9-13.1, 7-9-13.3 through
20 7-9-13.5, 7-9-15, 7-9-16, 7-9-18, 7-9-19 through 7-9-25,
21 7-9-26.1, 7-9-29 through 7-9-31, 7-9-38.1 through 7-9-41,
22 7-9-41.4 through 7-9-41.6, 7-9-47 through 7-9-54.5, 7-9-56.1
23 through 7-9-69, 7-9-71 through 7-9-78, 7-9-79 through 7-9-95,
24 7-9-110.2 through 7-9-114 and 7-9-118 NMSA 1978 (being Laws
25 1989, Chapter 262, Section 4; Laws 2001, Chapter 231, Section
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1 12; Laws 2002, Chapter 20, Section 1; Laws 2005, Chapter 351,
2 Section 2; Laws 1970, Chapter 12, Section 1; Laws 1969, Chapter
3 144, Sections 9, 11 and 12; Laws 1988, Chapter 82, Section 1;
4 Laws 1969, Chapter 144, Section 15; Laws 1987, Chapter 247,
5 Section 1; Laws 1969, Chapter 144, Section 16; Laws 1987,
6 Chapter 247, Section 2; Laws 1969, Chapter 144, Sections 17 and
7 18; Laws 2003, Chapter 62, Section 1; Laws 1970, Chapter 12,
8 Section 3; Laws 1969, Chapter 144, Sections 23 and 24; Laws
9 1992, Chapter 50, Section 12 and Laws 1992, Chapter 67, Section
10 12; Laws 2002, Chapter 18, Section 2; Laws 1969, Chapter 144,
11 Section 32; Laws 1970, Chapter 60, Section 2; Laws 1972,
12 Chapter 61, Section 2; Laws 2009, Chapter 62, Section 1; Laws
13 2019, Chapter 270, Section 34; Laws 2020 (1st S.S.), Chapter 4,
14 Section 3; Laws 1969, Chapter 144, Sections 37 through 42; Laws
15 2012, Chapter 5, Section 6; Laws 1969, Chapter 144, Sections 43
16 and 44; Laws 1992, Chapter 40, Section 1; Laws 1995, Chapter
17 183, Section 2; Laws 2002, Chapter 37, Section 8; Laws 2003,
18 Chapter 62, Section 4; Laws 2004, Chapter 16, Section 3; Laws
19 1998, Chapter 92, Sections 1 and 2; Laws 2003, Chapter 232,
20 Section 1; Laws 1969, Chapter 144, Section 47; Laws 2002,
21 Chapter 10, Section 1; Laws 1969, Chapter 144, Sections 48 and
22 49; Laws 1970, Chapter 12, Section 4; Laws 1981, Chapter 37,
23 Section 52; Laws 2000, Chapter 48, Section 1; Laws 1969,
24 Chapter 144, Section 52; Laws 2000 (2nd S.S.), Chapter 4,
25 Section 2; Laws 1969, Chapter 144, Sections 53, 54, 56 and 57;

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1 Laws 1984, Chapter 129, Section 2; Laws 1969, Chapter 144,
2 Sections 58, 60, 61 and 63; Laws 1970, Chapter 78, Section 2;
3 Laws 1991, Chapter 8, Section 3; Laws 1998, Chapter 95, Section
4 2 and Laws 1998, Chapter 99, Section 4; Laws 2014, Chapter 26,
5 Section 1; Laws 1971, Chapter 217, Section 2; Laws 1972,
6 Chapter 39, Section 2; Laws 1977, Chapter 288, Section 2; Laws
7 1979, Chapter 338, Section 7; Laws 1984, Chapter 2, Section 6;
8 Laws 1966, Chapter 47, Section 15; Laws 1998, Chapter 96,
9 Section 1; Laws 1969, Chapter 144, Section 65; Laws 1966,
10 Chapter 47, Section 16; Laws 1989, Chapter 262, Section 8; Laws
11 2007, Chapter 204, Section 9; Laws 1993, Chapter 364, Sections
12 1 and 2; Laws 1994, Chapter 43, Section 1; Laws 1995, Chapter
13 80, Section 1; Laws 1995, Chapter 155, Section 35; Laws 1999,
14 Chapter 223, Section 2; Laws 2001, Chapter 134, Section 1; Laws
15 1998, Chapter 89, Section 2; Laws 1999, Chapter 231, Section 3;
16 Laws 2001, Chapter 135, Section 1; Laws 2004, Chapter 116,
17 Sections 5 and 6; Laws 2005, Chapter 104, Sections 23 and 25;
18 Laws 2011, Chapter 60, Section 2 and Laws 2011, Chapter 61,
19 Section 2; Laws 2011, Chapter 60, Section 3 and Laws 2011,
20 Chapter 61, Section 3; Laws 2007, Chapter 361, Section 6; Laws
21 2007, Chapter 204, Section 10; Laws 2010, Chapter 77, Section 1
22 and Laws 2010, Chapter 78, Section 1; and Laws 2021, Chapter 4,
23 Section 3, as amended) are repealed.

24 SECTION 89. REPEAL--INVESTMENT CREDIT ACT.--Sections
25 7-9A-1 through 7-9A-11 NMSA 1978 (being Laws 1979, Chapter 347,
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1 Sections 1 and 2; Laws 2001, Chapter 57, Section 2 and Laws
2 2001, Chapter 337, Section 2; Laws 1979, Chapter 347, Sections
3 3 through 7; Laws 1983, Chapter 206, Section 6; Laws 1979,
4 Chapter 347, Sections 8 and 9; and Laws 1997, Chapter 62,
5 Section 2, as amended) are repealed.

6 SECTION 90. REPEAL--INTERSTATE TELECOMMUNICATIONS GROSS
7 RECEIPTS TAX ACT.--Sections 7-9C-1 through 7-9C-11 NMSA 1978
8 (being Laws 1992, Chapter 50, Section 1 and Laws 1992, Chapter
9 67, Section 1; Laws 1992, Chapter 50, Section 2 and Laws 1992,
10 Chapter 67, Section 2; Laws 1992, Chapter 50, Section 3 and
11 Laws 1992, Chapter 67, Section 3; Laws 1992, Chapter 50,
12 Section 4 and Laws 1992, Chapter 67, Section 4; Laws 1992,
13 Chapter 50, Section 5 and Laws 1992, Chapter 67, Section 5;
14 Laws 1992, Chapter 50, Section 6 and Laws 1992, Chapter 67,
15 Section 6; Laws 1992, Chapter 50, Section 7 and Laws 1992,
16 Chapter 67, Section 7; Laws 1992, Chapter 50, Section 8 and
17 Laws 1992, Chapter 67, Section 8; Laws 1992, Chapter 50,
18 Section 9 and Laws 1992, Chapter 67, Section 9; Laws 1992,
19 Chapter 50, Section 10 and Laws 1992, Chapter 67, Section 10;
20 and Laws 1992, Chapter 50, Section 11 and Laws 1992, Chapter
21 67, Section 11, as amended) are repealed.

22 SECTION 91. REPEAL--LABORATORY PARTNERSHIP WITH SMALL
23 BUSINESS TAX CREDIT ACT.--Sections 7-9E-1 through 7-9E-11 NMSA
24 1978 (being Laws 2000 (2nd S.S.), Chapter 20, Sections 1
25 through 9 and Laws 2007, Chapter 172, Sections 19 and 20, as
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underscored material = new
~~[bracketed material] = delete~~

1 amended) are repealed.

2 **SECTION 92. REPEAL--TECHNOLOGY JOBS AND RESEARCH AND**
3 **DEVELOPMENT TAX CREDIT ACT.--**Sections 7-9F-1 through 7-9F-13
4 NMSA 1978 (being Laws 2000 (2nd S.S.), Chapter 22, Sections 1
5 through 6, 8 and 9; Laws 2015 (1st S.S.), Chapter 2, Section
6 17; Laws 2000 (2nd S.S.), Chapter 22, Sections 10 through 12;
7 and Laws 2015 (1st S.S.), Chapter 2, Section 18, as amended)
8 are repealed.

9 **SECTION 93. REPEAL--HIGH-WAGE JOBS TAX CREDIT AND**
10 **ADVANCED ENERGY COMBINED REPORTING TAX CREDIT.--**Sections 7-9G-1
11 and 7-9G-2 NMSA 1978 (being Laws 2004, Chapter 15, Section 1
12 and Laws 2007, Chapter 229, Section 1, as amended) are
13 repealed.

14 **SECTION 94. REPEAL--AFFORDABLE HOUSING TAX CREDIT**
15 **ACT.--**Sections 7-9I-1 through 7-9I-6 NMSA 1978 (being Laws
16 2005, Chapter 104, Sections 17 through 22, as amended) are
17 repealed.

18 **SECTION 95. REPEAL--ALTERNATIVE ENERGY PRODUCT**
19 **MANUFACTURERS TAX CREDIT ACT.--**Sections 7-9J-1 through 7-9J-8
20 NMSA 1978 (being Laws 2007, Chapter 204, Sections 11 through
21 18, as amended) are repealed.

22 **SECTION 96. REPEAL--RAILROAD CAR COMPANY TAX ACT.--**
23 Sections 7-11-1 through 7-11-6 NMSA 1978 (being Laws 1982,
24 Chapter 18, Sections 17 through 22, as amended) are repealed.

25 **SECTION 97. REPEAL--MOTOR VEHICLE EXCISE TAX ACT.--**

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1 Sections 7-14-1 through 7-14-11 NMSA 1978 (being Laws 1988,
2 Chapter 73, Sections 11 through 17; Laws 1991, Chapter 197,
3 Section 4; Laws 1988, Chapter 73, Sections 18 and 19; Laws
4 1993, Chapter 347, Sections 4 and 5; and Laws 1988, Chapter 73,
5 Sections 20 and 21, as amended) are repealed.

6 SECTION 98. REPEAL--ALTERNATIVE FUEL TAX ACT.--Sections
7 7-16B-1 through 7-16B-10 NMSA 1978 (being Laws 1995, Chapter
8 16, Sections 1 through 10, as amended) are repealed.

9 SECTION 99. REPEAL--PROVISIONS OF THE SUPPLEMENTAL
10 MUNICIPAL GROSS RECEIPTS TAX ACT AND MUNICIPAL LOCAL OPTION
11 GROSS RECEIPTS AND COMPENSATING TAXES ACT.--Sections 7-19-14
12 and 7-19D-5 NMSA 1978 (being Laws 1979, Chapter 397, Section 5
13 and Laws 1993, Chapter 346, Section 5, as amended) are
14 repealed.

15 SECTION 100. REPEAL--COUNTY AND MUNICIPAL GASOLINE TAX
16 ACT.--Sections 7-24A-1 through 7-24A-21 NMSA 1978 (being Laws
17 1978, Chapter 182, Section 1; Laws 1991, Chapter 156, Section
18 2; Laws 1978, Chapter 182, Sections 3 through 6; Laws 1986,
19 Chapter 74, Section 1; Laws 1978, Chapter 182, Section 7; Laws
20 1990, Chapter 88, Section 8; and Laws 1978, Chapter 182,
21 Sections 8, 10 through 12 and 14 through 21, as amended) are
22 repealed.

23 SECTION 101. REPEAL--INSURANCE PREMIUM TAX ACT.--Sections
24 7-40-1 through 7-40-10 NMSA 1978 (being Laws 2018, Chapter 57,
25 Sections 1 through 7 and 10, as amended) are repealed.

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

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SECTION 102. APPLICABILITY.--The provisions of Sections 25 through 27 of this act apply to taxable years beginning on and after January 1, 2024.

SECTION 103. EFFECTIVE DATE.--The effective date of the provisions of this act is January 1, 2024.