

1 SENATE BILL 148

2 **56TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2024**

3 INTRODUCED BY

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10 AN ACT

11 RELATING TO TAXATION; REPEALING ADMINISTRATIVE FEES IMPOSED FOR  
12 COLLECTING, DISTRIBUTING AND TRANSFERRING CERTAIN TAXES AND  
13 OTHER FEES.

14  
15 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

16 SECTION 1. Section 7-1-6.12 NMSA 1978 (being Laws 1983,  
17 Chapter 211, Section 17, as amended) is amended to read:

18 "7-1-6.12. TRANSFER--REVENUES FROM MUNICIPAL LOCAL OPTION  
19 GROSS RECEIPTS AND COMPENSATING TAXES.--

20 A. A transfer pursuant to Section 7-1-6.1 NMSA 1978  
21 shall be made to each municipality for which the department is  
22 collecting a local option gross receipts tax and municipal  
23 compensating tax imposed by that municipality in an amount,  
24 subject to any increase or decrease made pursuant to Section  
25 7-1-6.15 NMSA 1978, equal to the net receipts attributable to

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1 the local option gross receipts tax and municipal compensating  
2 tax imposed by that municipality [~~less any deduction for~~  
3 ~~administrative cost determined and made by the department~~  
4 ~~pursuant to the provisions of the act authorizing imposition by~~  
5 ~~that municipality of the local option gross receipts tax and~~  
6 ~~municipal compensating tax and any additional administrative~~  
7 ~~fee withheld pursuant to Section 7-1-6.41 NMSA 1978~~].

8 B. A transfer pursuant to this section may be  
9 adjusted for a distribution made to a tax increment development  
10 district with respect to a portion of a gross receipts tax  
11 increment dedicated by a municipality pursuant to the Tax  
12 Increment for Development Act.

13 C. A transfer pursuant to this section shall be  
14 adjusted for a distribution made to the Local Economic  
15 Development Act fund pursuant to Section 7-1-6.67 NMSA 1978 and  
16 with respect to the amount dedicated by a municipality pursuant  
17 to Subsection B of Section 5-10-17 NMSA 1978.

18 D. A transfer pursuant to this section shall be  
19 adjusted for a distribution made to the metropolitan  
20 redevelopment fund pursuant to Section [~~11 of this 2023 act~~]  
21 7-1-6.71 NMSA 1978 and with respect to the amount dedicated by  
22 a municipality pursuant to Section 3-60A-23 NMSA 1978."

23 SECTION 2. Section 7-1-6.13 NMSA 1978 (being Laws 1983,  
24 Chapter 211, Section 18, as amended) is amended to read:

25 "7-1-6.13. TRANSFER--REVENUES FROM COUNTY LOCAL OPTION

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1 GROSS RECEIPTS AND COMPENSATING TAXES.--

2 A. A transfer pursuant to Section 7-1-6.1 NMSA 1978  
3 shall be made to each county for which the department is  
4 collecting a local option gross receipts tax and county  
5 compensating tax imposed by that county in an amount, subject  
6 to any increase or decrease made pursuant to Section 7-1-6.15  
7 NMSA 1978, equal to the net receipts attributable to the local  
8 option gross receipts tax and county compensating tax imposed  
9 by that county [~~less any deduction for administrative cost~~  
10 ~~determined and made by the department pursuant to the~~  
11 ~~provisions of the act authorizing imposition by that county of~~  
12 ~~the local option gross receipts tax and county compensating tax~~  
13 ~~and any additional administrative fee withheld pursuant to~~  
14 ~~Section 7-1-6.41 NMSA 1978)].~~

15 B. A transfer pursuant to this section may be  
16 adjusted for a distribution made to a tax increment development  
17 district with respect to a portion of a gross receipts tax  
18 increment dedicated by a county pursuant to the Tax Increment  
19 for Development Act.

20 C. A transfer pursuant to this section shall be  
21 adjusted for a distribution made to the Local Economic  
22 Development Act fund pursuant to Section 7-1-6.67 NMSA 1978 and  
23 with respect to the amount dedicated by a county pursuant to  
24 Subsection B of Section 5-10-17 NMSA 1978.

25 D. A transfer pursuant to this section shall be  
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1 adjusted for a distribution made to the metropolitan  
2 redevelopment fund pursuant to Section [~~11 of this 2023 act~~]  
3 7-1-6.71 NMSA 1987 and with respect to the amount dedicated by  
4 a county pursuant to Section 3-60A-23 NMSA 1978."

5 SECTION 3. Section 7-1-6.32 NMSA 1978 (being Laws 1990,  
6 Chapter 99, Section 44, as amended) is amended to read:

7 "7-1-6.32. DISTRIBUTION--SOLID WASTE ASSESSMENT FEE.--A  
8 distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be  
9 made to the solid waste facility grant fund of the net receipts  
10 attributable to the solid waste assessment fee authorized under  
11 the Solid Waste Act [~~less any administrative fee withheld~~  
12 ~~pursuant to Section 7-1-6.41 NMSA 1978~~]."

13 SECTION 4. Section 66-12-20 NMSA 1978 (being Laws 1959,  
14 Chapter 338, Section 19, as amended) is amended to read:

15 "66-12-20. DISPOSITION OF FEES.--The fees collected  
16 pursuant to the provisions of the Boat Act [~~less the~~  
17 ~~administrative fee withheld pursuant to Section 1 of this 1997~~  
18 ~~act~~] shall be [~~covered~~] deposited into the state park and  
19 recreation fund."

20 SECTION 5. Section 74-1-13 NMSA 1978 (being Laws 1993,  
21 Chapter 317, Section 2, as amended) is amended to read:

22 "74-1-13. WATER CONSERVATION FEE--IMPOSITION--  
23 DEFINITIONS.--

24 A. There is imposed on every person who operates a  
25 public water supply system a water conservation fee in an

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1 amount equal to three cents (\$.03) per thousand gallons of  
2 water produced on which the fee imposed by this subsection has  
3 not been paid.

4 B. The "water conservation fund" is created in the  
5 state treasury and shall be administered by the department.  
6 The fund shall consist of water conservation fees collected  
7 pursuant to this section. Balances in the fund at the end of  
8 any fiscal year shall not revert to the general fund but shall  
9 accrue to the credit of the fund. Earnings on the fund shall  
10 be credited to the fund.

11 C. Money in the water conservation fund is  
12 appropriated to the department for administration of a public  
13 water supply program to:

14 (1) test public water supplies for the  
15 contaminants required to be tested pursuant to the provisions  
16 of the federal Safe Drinking Water Act, as amended, and collect  
17 chemical compliance samples as required by those provisions of  
18 the federal act;

19 (2) perform vulnerability assessments that  
20 will be used to assess a public water supply's susceptibility  
21 to those contaminants; and

22 (3) implement new requirements of the Utility  
23 Operators Certification Act and provide training for all public  
24 water supply operators.

25 D. The taxation and revenue department shall

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1 provide by regulation for the manner and form of collection of  
2 the water conservation fee. All water conservation fees  
3 collected by the taxation and revenue department [~~less the~~  
4 ~~administrative fee withheld pursuant to Section 7-1-6.41 NMSA~~  
5 ~~1978~~] shall be deposited in the water conservation fund.

6 E. The fee imposed by this section shall be  
7 administered in accordance with the provisions of the Tax  
8 Administration Act and shall be paid to the taxation and  
9 revenue department by each person who operates a public water  
10 supply system in the manner required by the department on or  
11 before the twenty-fifth day of the month following the month in  
12 which the water is produced.

13 F. Each operator of a public water supply system  
14 shall register and comply with the provisions of Section 7-1-12  
15 NMSA 1978 and furnish such information as may be required by  
16 the taxation and revenue department.

17 G. The department shall compile a list of the  
18 contaminants that require testing pursuant to Paragraph (1) of  
19 Subsection C of this section. The list shall be compiled no  
20 less than once every twelve months and include the contaminants  
21 that will be tested in the subsequent twelve months. The  
22 department shall establish by rule procedures to compile the  
23 list and to determine which contaminants that require testing  
24 will be tested in the subsequent twelve months. The  
25 determination of which contaminants will be tested shall

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1 include consideration of the availability of funds in the water  
2 conservation fund, the needs of the public water supplies being  
3 tested for additional contaminants and public health and  
4 safety.

5 H. As used in this section:

6 (1) "person" means any individual or legal  
7 entity and also means, to the extent permitted by law, any  
8 federal, state or other governmental unit or subdivision or an  
9 agency, department or instrumentality thereof; and

10 (2) "public water supply system" means a  
11 system that provides piped water to the public for human  
12 consumption and that has at least fifteen service connections  
13 or regularly services an average of at least twenty-five  
14 individuals at least sixty days per year."

15 SECTION 6. REPEAL.--Section 7-1-6.41 NMSA 1978 (being  
16 Laws 1997, Chapter 125, Section 1) is repealed.

17 SECTION 7. EFFECTIVE DATE.--The effective date of the  
18 provisions of this act is July 1, 2025.