

1 SENATE BILL 445

2 **57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025**

3 INTRODUCED BY

4 Roberto "Bobby" J. Gonzales

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10 AN ACT

11 RELATING TO TAXATION; REMOVING THE SIX-YEAR LIMITATION ON  
12 IMPOSITION OF THE WATER AND SANITATION GROSS RECEIPTS TAX FOR  
13 ORDINANCES IMPOSING THE TAX THAT ARE APPROVED BY VOTERS ON OR  
14 AFTER JULY 1, 2025.

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

17 SECTION 1. Section 7-20E-26 NMSA 1978 (being Laws 2007,  
18 Chapter 346, Section 1) is amended to read:

19 "7-20E-26. WATER AND SANITATION GROSS RECEIPTS TAX--  
20 AUTHORITY TO IMPOSE--RATE--ELECTION--USE OF REVENUE.--

21 A. An excise tax imposed by a governing body  
22 pursuant to this section may be referred to as the "water and  
23 sanitation gross receipts tax". The water and sanitation gross  
24 receipts tax shall be imposed by a governing body as set forth  
25 in this section, contingent upon a majority of the voters

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1 voting in an election on the question of whether to impose a  
2 water and sanitation gross receipts tax voting in favor of the  
3 imposition.

4 B. Upon receipt of a resolution adopted and  
5 submitted by the board of directors of a water and sanitation  
6 district that requests the governing body to impose a water and  
7 sanitation gross receipts tax on behalf of the water and  
8 sanitation district, a governing body shall enact an ordinance  
9 imposing a water and sanitation gross receipts tax in that  
10 water and sanitation district. The ordinance shall impose the  
11 tax at a rate of one-fourth percent on a person engaging in  
12 business within the area of the county located within the water  
13 and sanitation district for the privilege of engaging in  
14 business within that water and sanitation district within the  
15 county.

16 C. The governing body, at the time of enacting an  
17 ordinance imposing a water and sanitation gross receipts tax  
18 authorized pursuant to Subsection A of this section, shall  
19 dedicate the revenue only for the operation of the water and  
20 sanitation district for which the tax is imposed. ~~[The tax~~  
21 ~~shall be imposed for six years from the date on which the water~~  
22 ~~and sanitation gross receipts tax goes into effect.]~~

23 D. Within sixty days of the date the ordinance is  
24 adopted by the governing body, the governing body shall adopt a  
25 resolution calling for an election on the question of whether

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1 to impose a water and sanitation gross receipts tax. The  
2 question shall be submitted to the voters of the water and  
3 sanitation district requesting the county to impose the tax. A  
4 special election shall be called, conducted and canvassed in  
5 substantially the same manner as provided by law for general  
6 elections. If a majority of the voters voting on the question  
7 approves the ordinance imposing the water and sanitation gross  
8 receipts tax, then the ordinance shall become effective in  
9 accordance with the provisions of the County Local Option Gross  
10 Receipts and Compensating Taxes Act on either January 1 or July  
11 1 following the election approving the imposition of the tax.  
12 If the question of imposing the water and sanitation gross  
13 receipts tax fails, a resolution from the board of directors of  
14 the water and sanitation district initiating the request to the  
15 county to impose a water and sanitation gross receipts tax may  
16 not again be submitted to the governing body for a period of  
17 one year from the date of the election.

18 E. The proceeds from the water and sanitation gross  
19 receipts tax shall be administered by the governing body and  
20 disbursed by the county treasurer to the appropriate water and  
21 sanitation district in amounts and for the purposes authorized  
22 in this section and as set out in the resolution submitted by  
23 the board of directors to the governing body. An agreement  
24 shall be entered into between the water and sanitation district  
25 and the governing body that sets out the responsibilities of

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1 both parties regarding administration, distribution and use of  
2 the revenue from the water and sanitation gross receipts tax."

3 SECTION 2. APPLICABILITY.--The provisions of this act  
4 apply to an ordinance imposing a water and sanitation gross  
5 receipts tax that is approved by voters on or after July 1,  
6 2025.

7 SECTION 3. EFFECTIVE DATE.--The effective date of the  
8 provisions of this act is July 1, 2025.

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