

HOUSE BILL 225

53RD LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2018

INTRODUCED BY

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Pursuant to House Rule 24-1, this document incorporates amendments that have been adopted prior to consideration of this measure by the House. It is a tool to show the amendments in context and is not to be used for the purpose of amendments.

AN ACT

RELATING TO TAXATION; ALLOWING A COUNTY TO USE CERTAIN REVENUE FROM THE COUNTY CORRECTIONAL FACILITY GROSS RECEIPTS TAX THAT IS IN EXCESS OF AMOUNTS NECESSARY TO MEET PRINCIPAL AND INTEREST PAYMENTS ON BONDS FOR OTHER AUTHORIZED COUNTY PURPOSES.

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

SECTION 1. Section 7-20F-3 NMSA 1978 (being Laws 1993, Chapter 303, Section 3, as amended) is amended to read:

"7-20F-3. COUNTY CORRECTIONAL FACILITY GROSS RECEIPTS

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TAX--AUTHORITY TO IMPOSE--RATE--ORDINANCE REQUIREMENTS--  
REFERENDUM.--

A. The majority of the members elected to the county board may enact an ordinance imposing on a countywide basis an excise tax not to exceed a rate of one-eighth percent of the gross receipts of any person engaging in business in the county, including all municipalities within the county.

B. The tax imposed pursuant to Subsection A of this section may be referred to as the "county correctional facility gross receipts tax".

C. Any ordinance imposing a county correctional facility gross receipts tax pursuant to this section shall:

(1) impose the tax in any number of increments of one-sixteenth percent not to exceed an aggregate amount of one-eighth percent;

(2) specify that the imposition of the tax will begin on either July 1 or January 1, whichever occurs first after the expiration of at least three months from the date that the department is notified personally or by mail by the county of adoption of the ordinance; and

(3) dedicate the revenue from the county correctional facility gross receipts tax:

(a) for the purpose of operating, maintaining, constructing, purchasing, furnishing, equipping, rehabilitating, expanding or improving a judicial-correctional

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or a county correctional facility or the grounds of a judicial-  
correctional or county correctional facility, including  
acquiring and improving parking lots, landscaping or any  
combination of the foregoing;

(b) for the purpose of transporting or  
extraditing prisoners; or

(c) to payment of principal and interest  
on revenue bonds or refunding bonds issued pursuant to the  
provisions of the County Correctional Facility Gross Receipts  
Tax Act.

D. An ordinance imposing a county correctional  
facility gross receipts tax pursuant to this section shall be  
subject to optional referendum selection by the governing body,  
as provided in Subsection A of Section 7-20E-3 NMSA 1978.

E. If the county has pledged the revenue from  
imposition of the county correctional ~~[facilities]~~ facility  
gross receipts tax to the repayment of bonds or other  
indebtedness, revenue produced by the imposition of a county  
correctional facility gross receipts tax that is in excess of  
the annual principal and interest due on bonds secured by a  
pledge of the county correctional facility gross receipts tax  
may be accumulated in a debt service reserve account until an  
amount equal to the maximum amount permitted pursuant to the  
provisions of the United States treasury regulations is  
accumulated in the debt service reserve account. After the

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debt service reserve account requirements have been met, the excess revenue [shall] may be accumulated in an extraordinary mandatory redemption fund and annually used to redeem the bonds prior to their stated maturity date. Once the debt service reserve account is fully funded, or if a debt service reserve account is not required to secure the bonds or other indebtedness, any revenue in excess of the amount necessary to meet all principal and interest payments and other requirements incident to repayment of bonds secured by a pledge of the county correctional facility gross receipts tax may be re-dedicated by the county for any of the purposes provided in Paragraph (3) of Subsection C of this section HTRC→, ~~except for the purpose of operating a judicial-correctional or county correctional facility~~←HTRC.

F. If the county has pledged the revenue from imposition of the county correctional [~~facilities~~] facility gross receipts tax to the repayment of bonds or other indebtedness, when all outstanding bonds have been paid, whether from the debt service reserve, the redemption fund or maturity, the ordinance shall be repealed if the county correctional facility gross receipts tax revenue is no longer required for the purposes for which it may be used pursuant to the provisions of the County Correctional Facility Gross Receipts Tax Act.

G. The repeal of an ordinance imposing a county

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correctional facility gross receipts tax shall state that the repeal shall be effective on January 1 or July 1, whichever occurs first following the date the department is notified personally or by mail by the county of the repeal."

