

SENATE BILL

50TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2012

INTRODUCED BY

DISCUSSION DRAFT

AN ACT

RELATING TO TAXATION; PROVIDING FOR AUTHORITY TO REIMPOSE THE
COUNTY EDUCATION GROSS RECEIPTS TAX; UPDATING CERTAIN
REQUIREMENTS TO REFLECT CURRENT CENSUS DATA.

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

SECTION 1. Section 7-20E-20 NMSA 1978 (being Laws 2001,
Chapter 328, Section 1) is amended to read:

"7-20E-20. COUNTY EDUCATION GROSS RECEIPTS TAX--AUTHORITY
TO IMPOSE--RATE--ELECTION--USE OF REVENUE.--

A. Upon submission of a resolution to the governing
body pursuant to Subsection [E] D of this section, the
governing body of a county shall enact an ordinance imposing an
excise tax at a rate of one-half of one percent on any person
engaging in business in the county for the privilege of
engaging in business in the county. The tax imposed pursuant

.187702.1

1 to this ~~[subsection]~~ section may be referred to as the "county
2 education gross receipts tax".

3 B. The governing body, at the time of enacting an
4 ordinance imposing a county education gross receipts tax
5 pursuant to ~~[Subsection A of]~~ this section shall dedicate the
6 revenue only for the payment of county education gross receipts
7 tax bonds for public school capital projects and off-campus
8 instruction program capital projects, if any, in the county.
9 The tax shall be imposed for the period necessary for payment
10 of the principal and interest on the county education gross
11 receipts tax revenue bonds issued to accomplish the purpose for
12 which the revenue is dedicated, but the period shall not exceed
13 ten years from the effective date of the ordinance imposing the
14 tax.

15 C. The governing body may reimpose a county
16 education gross receipts tax to be effective upon termination
17 of a previously imposed county education gross receipts tax by
18 following the procedure set forth in this section. The
19 duration of the imposition of the tax shall be for the period
20 necessary for payment of the principal and interest on the
21 county education gross receipts tax revenue bonds issued to
22 accomplish the purpose for which the revenue is dedicated, but
23 the period shall not exceed ten years from the effective date
24 of the ordinance imposing the tax.

25 ~~[G-]~~ D. Upon a finding of need, the boards of every

1 school district in a county that is either located wholly
2 within the exterior boundaries of the county or that has a
3 student membership no more than ten percent of whom reside
4 outside the exterior boundaries of the county may enter into a
5 joint agreement to submit a resolution to the governing body of
6 the county requiring the governing body to impose a county
7 education gross receipts tax and to issue county education
8 gross receipts tax revenue bonds for funding public school
9 capital projects and, if applicable, off-campus instruction
10 program capital projects. The boards must agree to provide at
11 least one-fourth of the bond proceeds for capital projects for
12 an off-campus instruction program, if one of the school
13 districts in the county has established such a program. The
14 remaining revenues shall be distributed proportionately to each
15 school district for public school capital outlay projects based
16 on the ratio that the population of each school district,
17 according to the [2000] 2010 federal decennial census, bears to
18 the population of all of the school districts in the county
19 [~~who~~] that are parties to the agreement.

20 [~~D.~~] E. An ordinance imposing the county education
21 gross receipts tax shall not go into effect until after an
22 election is held and a majority of the voters in the county
23 voting in the election votes in favor of imposing the tax. The
24 governing body shall adopt a resolution calling for an election
25 within sixty days of the date the ordinance is adopted on the

1 question of imposing the tax. The question shall be submitted
2 to the voters of the county as a separate question at a general
3 election or at a special election called for that purpose by
4 the governing body. A special election shall be called,
5 conducted and canvassed in substantially the same manner as
6 provided by law for general elections. If a majority of the
7 voters voting on the question approves the ordinance imposing
8 the county education gross receipts tax, then the ordinance
9 shall become effective in accordance with the provisions of the
10 County Local Option Gross Receipts Taxes Act. If the question
11 of imposing the county education gross receipts tax fails, a
12 resolution from the boards of school districts in the county
13 may not again be proposed to the governing body requesting
14 imposition of the tax for a period of one year from the date of
15 the election.

16 ~~[F.]~~ F. The proceeds from county education gross
17 receipts tax revenue bonds shall be administered by the
18 governing body and disbursed by the county treasurer to the
19 respective school districts in the amounts and for the purposes
20 authorized in this section and as set out in the resolution
21 submitted by the boards to the governing body.

22 ~~[F.]~~ G. As used in this section:

23 (1) "board" means the governing body of a
24 school district;

25 (2) "capital projects" means the designing,

1 constructing and equipping of new buildings; the remodeling,
2 renovating or making additions to and equipping existing
3 buildings; or the improving or equipping of the grounds
4 surrounding buildings;

5 (3) "county" means:

6 (a) a class B county with a population
7 of less than twenty-five thousand according to the 1990 federal
8 decennial census and a net taxable value for property tax
9 purposes for the 1999 property tax year of more than five
10 hundred million dollars (\$500,000,000);

11 (b) a county that has imposed a local
12 hospital gross receipts tax pursuant to the Local Hospital
13 Gross Receipts Tax Act, which tax will expire on December 31,
14 2001; and

15 ~~[(c) a county in which the question of~~
16 ~~imposing school district general obligation debt for public~~
17 ~~school capital outlay projects has been submitted to the voters~~
18 ~~and has failed to pass at least twice in at least two school~~
19 ~~districts in the county in the six-year period immediately~~
20 ~~prior to imposition of a county education gross receipts tax;~~
21 ~~and]~~

22 (c) a county that has previously imposed
23 a county education gross receipts tax; and

24 (4) "off-campus instruction program" means a
25 program established by a school district pursuant to the Off-

underscored material = new
[bracketed material] = delete

1 Campus Instruction Act."

2 SECTION 2. EFFECTIVE DATE.--The effective date of the
3 provisions of this act is July 1, 2012.

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