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SENATE BILL 258

**44TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION,
2000**

INTRODUCED BY
Gloria Howes

AN ACT

RELATING TO TAXATION; AMENDING THE COUNTY CORRECTIONAL
FACILITY GROSS RECEIPTS TAX ACT TO EXPAND THE DEFINITIONS OF
"COUNTY" AND "JUDICIAL-CORRECTIONAL FACILITY".

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

Section 1. Section 7-20F-2 NMSA 1978 (being Laws 1993,
Chapter 303, Section 2, as amended) is amended to read:

"7-20F-2. DEFINITIONS.--As used in the County
Correctional Facility Gross Receipts Tax Act:

A. "county" means:

(1) a class A county, the population of
which does not exceed one hundred fifty thousand people as
determined by the 1990 federal decennial census;

(2) a class B county with a population of at
least fifty-seven thousand people but less than sixty
thousand as determined by the 1990 federal decennial census;

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1 [or]

2 (3) a class B county with a population of at
3 least forty-five thousand people but less than forty-seven
4 thousand as determined by the 1990 federal decennial census;
5 or

6 (4) a class B county with a population of at
7 least sixty thousand people but less than sixty-three
8 thousand as determined by the 1990 federal decennial census;

9 B. "county board" means the board of county
10 commissioners of a county;

11 C. "department" means the taxation and revenue
12 department, the secretary of taxation and revenue or any
13 employee of the department exercising authority lawfully
14 delegated to that employee by the secretary;

15 D. "judicial-correctional facility" means a
16 facility for housing and use by judicial and corrections
17 agencies, including housing for persons confined in county
18 corrections facilities; however, none of the facilities are
19 required to be located on the same or contiguous parcels of
20 land. A "judicial-correctional facility" also includes a
21 courthouse and any other county facility used as a county
22 administrative office;

23 E. "municipality" means any incorporated city,
24 town or village, whether incorporated under general act,
25 special act or special charter;

F. "person" means an individual or any other
legal entity;

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1 G. "pledged revenues" means the revenue, net
2 income or net revenues authorized to be pledged to the
3 payment of revenue bonds issued pursuant to the provisions of
4 the County Correctional Facility Gross Receipts Tax Act;

5 H. "refunding bond" means a refunding revenue bond
6 issued pursuant to the provisions of the County Correctional
7 Facility Gross Receipts Tax Act to refund revenue bonds
8 issued pursuant to the provisions of that act; and

9 I. "revenue bond" means a county correctional
10 facility gross receipts tax revenue bond."

11 Section 2. Section 7-20F-3 NMSA 1978 (being Laws 1993,
12 Chapter 303, Section 3, as amended) is amended to read:

13 "7-20F-3. COUNTY CORRECTIONAL FACILITY GROSS RECEIPTS
14 TAX--AUTHORITY TO IMPOSE--RATE--ORDINANCE REQUIREMENTS--
15 REFERENDUM.--

16 A. For those counties described in Paragraphs (1)
17 through (3) of Subsection A of Section 7-20F-2 NMSA 1978, the
18 majority of the members elected to [~~the~~] a county board may
19 enact an ordinance imposing on a county-wide basis an excise
20 tax not to exceed a rate of one-eighth of one percent of the
21 gross receipts of any person engaging in business in the
22 county, including all municipalities within the county;
23 provided that the voters of:

24 (1) a class A county described in Paragraph
25 (1) of Subsection A of Section 7-20F-2 NMSA 1978 or a class B
county described in Paragraph (2) of Subsection A of Section
7-20F-2 NMSA 1978 have approved the issuance of general

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1 obligation bonds of the county sufficient to pay at least
2 one-half of the costs of the construction and equipping of
3 the new county judicial-correctional facility for which the
4 county correctional facility gross receipts tax revenue is
5 dedicated; or

6 (2) a class B county described in Paragraph
7 (3) of Subsection A of Section 7-20F-2 NMSA 1978 have
8 approved the issuance of bonds by the New Mexico finance
9 authority sufficient to pay at least one-half of the costs of
10 designing, constructing, equipping, furnishing and otherwise
11 improving the new county correctional facility for which the
12 county correctional facility gross receipts tax revenue is
13 dedicated.

14 B. For those counties described in Paragraph (4)
15 of Subsection A of Section 7-20F-2 NSMA 1978, the majority of
16 the members elected to a county board may enact an ordinance
17 imposing on a county-wide basis an excise tax not to exceed a
18 rate of one-fourth of one percent of the gross receipts of
19 any person engaging in business in the county, including all
20 municipalities within the county.

21 ~~[B.]~~ C. The tax imposed pursuant to Subsection A
22 or B of this section may be referred to as the "county
23 correctional facility gross receipts tax". The county
24 correctional facility gross receipts tax shall be imposed
25 only once for the period necessary for payment of the
principal and interest on revenue bonds issued pursuant to
the County Correctional Facility Gross Receipts Tax Act, but

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1 the period shall not exceed ten years from the effective date
2 of the ordinance imposing the tax.

3 ~~[E-]~~ D. Any ordinance imposing a county
4 correctional facility gross receipts tax pursuant to this
5 section shall:

6 (1) impose the tax in any number of
7 increments of one-sixteenth of one percent not to exceed:

8 (a) an aggregate amount of one-eighth
9 of one percent if imposed pursuant to Subsection A of this
10 section; or

11 (b) an aggregate amount of one-fourth
12 of one percent if imposed pursuant to Subsection B of this
13 section;

14 (2) specify that the imposition of the tax
15 will begin on either July 1 or January 1, whichever occurs
16 first after the expiration of at least three months from the
17 date that the department is notified personally or by mail by
18 the county that imposition of the county correctional
19 facility gross receipts tax has been approved by a majority
20 of the registered voters in the county voting on the
21 question; and

22 (3) dedicate the revenue from the county
23 correctional facility gross receipts tax for the purpose of
24 constructing, purchasing, furnishing, equipping,
25 rehabilitating, expanding or improving a judicial-
correctional or a county correctional facility or the grounds
of a judicial-correctional or county correctional facility,

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1 including ~~[but not limited to]~~ acquiring and improving
2 parking lots, landscaping or any combination of the foregoing
3 or to payment of principal and interest on revenue bonds or
4 refunding bonds issued pursuant to the provisions of the
5 County Correctional Facility Gross Receipts Tax Act.

6 ~~[D.]~~ E. An ordinance imposing a county
7 correctional facility gross receipts tax pursuant to this
8 section shall not become effective until after an election is
9 held and a simple majority of the qualified electors of the
10 county voting in the election votes in favor of imposing the
11 tax.

12 ~~[E.]~~ F. The ~~[governing body]~~ county board shall
13 adopt a resolution calling for an election within
14 seventy-five days of the date the ordinance is adopted on the
15 question of imposing the tax, and:

16 (1) in a class A county described in
17 Paragraph (1) of Subsection A of Section 7-20F-2 NMSA 1978 or
18 a class B county described in Paragraph (2) of Subsection A
19 of Section 7-20F-2 NMSA 1978, if a property tax at a rate
20 necessary to comply with the provisions of Subsection A of
21 this section has not been approved by the voters of the
22 county, the question submitted to the voters shall be the
23 question of imposing a county correctional facility gross
24 receipts tax and a property tax at a rate necessary for the
25 issuance of general obligation bonds of the county sufficient
to comply with the provisions of the County Correctional
Facility Gross Receipts Tax Act; ~~[or]~~

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1 (2) in a class B county described in
2 Paragraph (3) of Subsection A of Section 7-20F-2 NMSA 1978,
3 the question to be submitted to the voters is "Shall a county
4 correctional facility gross receipts tax be imposed to repay
5 bonds that will be issued by the New Mexico finance authority
6 in an amount sufficient to pay at least one-half of the costs
7 of designing, constructing, equipping, furnishing and
8 otherwise improving the new county correctional facility?";
9 or

10 (3) in a class B county described in
11 Paragraph (4) of Subsection A of Section 7-20F-2 NMSA 1978,
12 the question submitted to the voters shall be determined by
13 the county board and included in the resolution calling for
14 the election.

15 [F.] G. The question shall be submitted to the
16 voters at any general election or special election called for
17 that purpose by the board.

18 [G.] H. The election upon the question shall be
19 called, held, conducted and canvassed in substantially the
20 same manner as may be provided by law for general elections.

21 [H.] I. If the question of imposing the county
22 correctional facility gross receipts tax and a property tax,
23 if the question includes a property tax, fails, the board
24 shall not again propose imposition of a county correctional
25 facility gross receipts tax for a period of one year after
the election.

[I.] J. Revenue produced by the imposition of a

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1 county correctional facility gross receipts tax that is in
2 excess of the annual principal and interest due on bonds
3 secured by a pledge of the county correctional facility gross
4 receipts tax may be accumulated in a debt service reserve
5 account until an amount equal to the maximum amount permitted
6 pursuant to the provisions of the United States treasury
7 regulations is accumulated in the debt service reserve
8 account. After the debt service reserve account requirements
9 have been met, the excess revenue shall be accumulated in an
10 extraordinary mandatory redemption fund and annually used to
11 redeem the bonds prior to their stated maturity date.

12 ~~[J-]~~ K. When all outstanding bonds have been paid,
13 whether from the debt service reserve, the redemption fund or
14 maturity, the ordinance shall be repealed if the county
15 correctional facility gross receipts tax revenue is no longer
16 required for the purposes for which it may be used pursuant
17 to the provisions of the County Correctional Facility Gross
18 Receipts Tax Act.

19 ~~[K-]~~ L. The repeal of an ordinance imposing a
20 county correctional facility gross receipts tax shall state
21 that the repeal shall be effective on January 1 or July 1,
22 whichever occurs first following the date the department is
23 notified personally or by mail by the county of the repeal."
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