

HOUSE JUDICIARY COMMITTEE SUBSTITUTE FOR  
HOUSE BILL 1032

48TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2007

AN ACT

RELATING TO SPECIAL DISTRICTS; CREATING A WATER AND SANITATION  
GROSS RECEIPTS TAX; ENACTING SECTIONS OF THE NMSA 1978.

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

Section 1. A new section of the County Local Option Gross  
Receipts Taxes Act is enacted to read:

"~~[NEW MATERIAL]~~ WATER AND SANITATION GROSS RECEIPTS TAX--  
AUTHORITY TO IMPOSE--RATE--ELECTION--USE OF REVENUE.--

A. An excise tax imposed by a governing body  
pursuant to this section may be referred to as the "water and  
sanitation gross receipts tax". The water and sanitation gross  
receipts tax shall be imposed by a governing body as set forth  
in this section, contingent upon a majority of the voters  
voting in an election on the question of whether to impose a  
water and sanitation gross receipts tax voting in favor of the

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underscored material = new  
[bracketed material] = delete

1 imposition.

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

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

21           D. A water and sanitation district created pursuant  
22 to the Water and Sanitation District Act in a class B county,  
23 the population of which pursuant to the most recent federal  
24 decennial census was greater than twenty-nine thousand but less  
25 than thirty-three thousand, with a net taxable value for rate-

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1 setting purposes for the 2006 property tax year or a subsequent  
2 property tax year of more than eight hundred fifty million  
3 dollars (\$850,000,000) but less than one billion dollars  
4 (\$1,000,000,000) as determined by the local government division  
5 of the department of finance and administration, may adopt a  
6 resolution requesting the county in which the water and  
7 sanitation district is located to impose a water and sanitation  
8 gross receipts tax, and to call an election on the question  
9 within the water and sanitation district of whether the water  
10 and sanitation gross receipts tax shall be imposed.

11 E. Within sixty days of the date the ordinance is  
12 adopted by the governing body, the governing body shall adopt a  
13 resolution calling for an election on the question of whether  
14 to impose a water and sanitation gross receipts tax. The  
15 question shall be submitted to the voters of the water and  
16 sanitation district requesting the county to impose the tax. A  
17 special election shall be called, conducted and canvassed in  
18 substantially the same manner as provided by law for general  
19 elections. If a majority of the voters voting on the question  
20 approves the ordinance imposing the water and sanitation gross  
21 receipts tax, then the ordinance shall become effective in  
22 accordance with the provisions of the County Local Option Gross  
23 Receipts Taxes Act on either January 1 or July 1 following the  
24 election approving the imposition of the tax. If the question  
25 of imposing the water and sanitation gross receipts tax fails,

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1 a resolution from the board of directors of the water and  
2 sanitation district initiating the request to the county to  
3 impose a water and sanitation gross receipts tax may not again  
4 be submitted to the governing body for a period of one year  
5 from the date of the election.

6 F. The proceeds from the water and sanitation gross  
7 receipts tax shall be administered by the governing body and  
8 disbursed by the county treasurer to the appropriate water and  
9 sanitation district in amounts and for the purposes authorized  
10 in this section and as set out in the resolution submitted by  
11 the board of directors to the governing body. An agreement  
12 shall be entered into between the water and sanitation district  
13 and the governing body that sets out the responsibilities of  
14 both parties regarding administration, distribution and use of  
15 the revenue from the water and sanitation gross receipts tax."

16 Section 2. EFFECTIVE DATE.--The effective date of the  
17 provisions of this act is July 1, 2007.