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HOUSE BILL 24

48TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2008

INTRODUCED BY

Roberto "Bobby" J. Gonzales

FOR THE REVENUE STABILIZATION AND TAX POLICY COMMITTEE

AN ACT

RELATING TO TAXATION; REMOVING RESTRICTIONS ON THE ELIGIBILITY OF MUNICIPALITIES OR COUNTIES TO IMPOSE A CAPITAL OUTLAY GROSS RECEIPTS TAX.

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

Section 1. Section 7-19D-12 NMSA 1978 (being Laws 2001, Chapter 172, Section 1, as amended) is amended to read:

"7-19D-12. MUNICIPAL CAPITAL OUTLAY GROSS RECEIPTS TAX--PURPOSES--REFERENDUM.--

A. The majority of the members of the governing body of ~~[an eligible]~~ a municipality may enact an ordinance imposing an excise tax at a rate not to exceed one-fourth of one percent of the gross receipts of any person engaging in business in the municipality for the privilege of engaging in business. The tax may be imposed in increments of one-

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1 sixteenth of one percent not to exceed an aggregate rate of
2 one-fourth of one percent.

3 B. The tax imposed pursuant to Subsection A of this
4 section may be referred to as the "municipal capital outlay
5 gross receipts tax".

6 C. The governing body, at the time of enacting an
7 ordinance imposing a rate of tax authorized in Subsection A of
8 this section, may dedicate the revenue for any municipal
9 infrastructure purpose, including:

10 (1) the design, construction, acquisition,
11 improvement, renovation, rehabilitation, equipping or
12 furnishing of public buildings or facilities, including parking
13 facilities, the acquisition of land for the public buildings or
14 facilities and the acquisition or improvement of the grounds
15 surrounding public buildings or facilities;

16 (2) acquisition, construction or improvement
17 of water, wastewater or solid waste systems or facilities and
18 related facilities, including water or sewer lines and storm
19 sewers and other drainage improvements;

20 (3) acquisition, rehabilitation or improvement
21 of firefighting equipment;

22 (4) construction, reconstruction or
23 improvement of municipal streets, alleys, roads or bridges,
24 including acquisition of rights of way;

25 (5) design, construction, acquisition,

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1 improvement or equipping of airport facilities, including
2 acquisition of land, easements or rights of way for airport
3 facilities;

4 (6) acquisition of land for open space, public
5 parks or public recreational facilities and the design,
6 acquisition, construction, improvement or equipping of parks
7 and recreational facilities; and

8 (7) payment of gross receipts tax revenue
9 bonds issued pursuant to Chapter 3, Article 31 NMSA 1978 for
10 infrastructure purposes.

11 D. An ordinance imposing the municipal capital
12 outlay gross receipts tax shall not go into effect until after
13 an election is held on the question of imposing the tax for the
14 purpose for which the revenue is dedicated and a majority of
15 the voters in the municipality voting in the election votes in
16 favor of imposing the tax. The governing body shall adopt a
17 resolution calling for an election within seventy-five days of
18 the date the ordinance is adopted on the question of imposing
19 the tax. The question shall be submitted to the voters of the
20 municipality as a separate question at a general election or at
21 a special election called for that purpose by the governing
22 body. A special election shall be called, conducted and
23 canvassed in substantially the same manner as provided by law
24 for general elections. If a majority of the voters voting on
25 the question approves the question of imposing the municipal

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1 capital outlay gross receipts tax, then the ordinance shall
2 become effective in accordance with the provisions of the
3 Municipal Local Option Gross Receipts Taxes Act. If the
4 question of imposing the municipal capital outlay gross
5 receipts tax fails, the governing body shall not again propose
6 the imposition of the tax for a period of one year from the
7 date of the election.

8 [E. ~~For purposes of this section, "eligible~~
9 ~~municipality" means a municipality that has imposed all~~
10 ~~increments of the municipal gross receipts tax pursuant to~~
11 ~~Section 7-19D-9 NMSA 1978 and all increments of the municipal~~
12 ~~infrastructure gross receipts tax pursuant to Section 7-19D-11~~
13 ~~NMSA 1978 and has not imposed after January 1, 2001 any~~
14 ~~increment of the supplemental municipal gross receipts tax~~
15 ~~pursuant to the Supplemental Municipal Gross Receipts Tax~~
16 ~~Act.~~"]

17 Section 2. Section 7-20E-21 NMSA 1978 (being Laws 2001,
18 Chapter 172, Section 2, as amended) is amended to read:

19 "7-20E-21. COUNTY CAPITAL OUTLAY GROSS RECEIPTS TAX--
20 PURPOSES--REFERENDUM.--

21 A. The majority of the members of the governing
22 body of ~~[an eligible]~~ a county may enact an ordinance imposing
23 an excise tax at a rate not to exceed one-fourth of one percent
24 of the gross receipts of any person engaging in business in the
25 county for the privilege of engaging in business. The tax may

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1 be imposed in increments of one-sixteenth of one percent not to
2 exceed an aggregate rate of one-fourth of one percent.

3 B. The tax imposed pursuant to Subsection A of this
4 section may be referred to as the "county capital outlay gross
5 receipts tax".

6 C. The governing body, at the time of enacting an
7 ordinance imposing a rate of tax authorized in Subsection A of
8 this section, may dedicate the revenue for any county
9 infrastructure purpose, including:

10 (1) the design, construction, acquisition,
11 improvement, renovation, rehabilitation, equipping or
12 furnishing of public buildings or facilities, including parking
13 facilities, the acquisition of land for the public buildings or
14 facilities and the acquisition or improvement of the grounds
15 surrounding public buildings or facilities;

16 (2) acquisition, construction or improvement
17 of water, wastewater or solid waste systems or facilities and
18 related facilities, including water or sewer lines and storm
19 sewers and other drainage improvements;

20 (3) design, construction, acquisition,
21 improvement or equipping of a county jail, juvenile detention
22 facility or other county correctional facility or multipurpose
23 regional adult jail or juvenile detention facility;

24 (4) construction, reconstruction or
25 improvement of roads, streets or bridges, including acquisition

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1 of rights of way;

2 (5) design, construction, acquisition,
3 improvement or equipping of airport facilities, including
4 acquisition of land, easements or rights of way for airport
5 facilities;

6 (6) acquisition of land for open space, public
7 parks or public recreational facilities and the design,
8 acquisition, construction, improvement or equipping of parks
9 and recreational facilities; and

10 (7) payment of gross receipts tax revenue
11 bonds issued pursuant to Chapter 4, Article 62 NMSA 1978 for
12 infrastructure purposes.

13 D. An ordinance imposing the county capital outlay
14 gross receipts tax shall not go into effect until after an
15 election is held on the question of imposing the tax for the
16 purpose for which the revenue is dedicated and a majority of
17 the voters in the county voting in the election votes in favor
18 of imposing the tax. The governing body shall adopt a
19 resolution calling for an election within seventy-five days of
20 the date the ordinance is adopted on the question of imposing
21 the tax. The question shall be submitted to the voters of the
22 county as a separate question at a general election or at a
23 special election called for that purpose by the governing body.
24 A special election shall be called, conducted and canvassed in
25 substantially the same manner as provided by law for general

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1 elections. If a majority of the voters voting on the question
2 approves the question of imposing the county capital outlay
3 gross receipts tax, then the ordinance shall become effective
4 in accordance with the provisions of the County Local Option
5 Gross Receipts Taxes Act. If the question of imposing the
6 county capital outlay gross receipts tax fails, the governing
7 body shall not again propose the imposition of the tax for a
8 period of one year from the date of the election.

9 [E. ~~For purposes of this section, "eligible county"~~
10 ~~means a county that has imposed all increments of the county~~
11 ~~gross receipts tax pursuant to Section 7-20E-9 NMSA 1978 and~~
12 ~~all increments of the county infrastructure gross receipts tax~~
13 ~~pursuant to Section 7-20E-19 NMSA 1978.]"~~

14 Section 3. EFFECTIVE DATE.--The effective date of the
15 provisions of this act is July 1, 2008.

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