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AN ACT

RELATING TO TAXATION; EXPANDING THE DEFINITION OF A  
MUNICIPALITY ELIGIBLE TO IMPOSE THE MUNICIPAL HIGHER  
EDUCATION FACILITIES GROSS RECEIPTS TAX.

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

Section 1. Section 7-19D-16 NMSA 1978 (being Laws 2007,  
Chapter 148, Section 1) is amended to read:

"7-19D-16. MUNICIPAL HIGHER EDUCATION FACILITIES GROSS  
RECEIPTS TAX.--

A. The majority of the members of the governing  
body of an eligible municipality may impose by ordinance an  
excise tax at a rate not to exceed one-fourth of one percent  
of the gross receipts of a person engaging in business in the  
municipality for the privilege of engaging in business. The  
tax may be imposed in increments of one-sixteenth of one  
percent not to exceed an aggregate rate of one-fourth of one  
percent. The tax shall be imposed for a period of not more  
than twenty years from the effective date of the ordinance  
imposing the tax.

B. The tax imposed pursuant to this section may be  
referred to as the "municipal higher education facilities  
gross receipts tax".

C. The governing body, at the time of enacting an  
ordinance imposing a rate of tax authorized in Subsection A

1 of this section, shall dedicate the revenue only for:

2 (1) acquisition, construction, renovation or  
3 improvement of facilities of a four-year post-secondary  
4 public educational institution located in the municipality  
5 and acquisition of or improvements to land for those  
6 facilities; or

7 (2) payment of municipal higher education  
8 facilities gross receipts tax revenue bonds issued pursuant  
9 to Chapter 3, Article 31 NMSA 1978.

10 D. An ordinance imposing any increment of the  
11 municipal higher education facilities gross receipts tax  
12 shall not go into effect until after an election is held and  
13 a majority of the voters of the municipality voting in the  
14 election votes in favor of imposing the tax. The governing  
15 body shall adopt a resolution calling for an election on the  
16 question of imposing the tax at the next regular municipal  
17 election. The question shall be submitted to the voters of  
18 the municipality as a separate question. If a majority of  
19 the voters voting on the question approves the ordinance  
20 imposing the municipal higher education facilities gross  
21 receipts tax, the ordinance shall become effective in  
22 accordance with the provisions of the Municipal Local Option  
23 Gross Receipts Taxes Act. If the question of imposing the  
24 municipal higher education facilities gross receipts tax  
25 fails, the governing body shall not again propose the

1 imposition of any increment of the tax for a period of one  
2 year from the date of the election.

3 E. For the purposes of this section, "eligible  
4 municipality" means:

5 (1) a municipality that has a population  
6 greater than fifty thousand according to the most recent  
7 federal decennial census and that is located in a class B  
8 county having a net taxable value for rate-setting purposes  
9 for the 2006 property tax year or any subsequent year of more  
10 than two billion dollars (\$2,000,000,000); and

11 (2) any municipality that qualified under  
12 Paragraph (1) of this subsection prior to January 1, 2008."

13 Section 2. EFFECTIVE DATE.--The effective date of the  
14 provisions of this act is July 1, 2008. \_\_\_\_\_

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