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HOUSE BILL 42

**49TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2010**

INTRODUCED BY

Rodolpho "Rudy" S. Martinez

AN ACT

RELATING TO TAXATION; PROVIDING MUNICIPALITIES WITH THE  
AUTHORITY TO IMPOSE THE MUNICIPAL ENVIRONMENTAL SERVICES GROSS  
RECEIPTS TAX AT A MAXIMUM RATE OF ONE-HALF PERCENT.

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

Section 1. Section 7-19D-10 NMSA 1978 (being Laws 1990,  
Chapter 99, Section 51, as amended) is amended to read:

"7-19D-10. MUNICIPAL ENVIRONMENTAL SERVICES GROSS  
RECEIPTS TAX--AUTHORITY TO IMPOSE--ORDINANCE REQUIREMENTS.--

A. Except as otherwise provided in this section,  
the majority of the members of the governing body of a  
municipality may enact an ordinance imposing an excise tax on  
any person engaging in business in the municipality for the  
privilege of engaging in business. The rate of the tax shall

.180584.1

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1     ~~[be one-sixteenth of one]~~ not exceed one-half percent of the  
2     gross receipts of the person engaging in business and shall be  
3     imposed in one-sixteenth percent increments if imposed at a  
4     rate of less than one-half percent.

5             B. The tax imposed in accordance with Subsection A  
6     of this section may be referred to as the "municipal  
7     environmental services gross receipts tax". The imposition of  
8     a municipal environmental services gross receipts tax is not  
9     subject to referendum.

10            C. The governing body of a municipality shall, at  
11    the time of enacting an ordinance imposing the rate of the tax  
12    authorized in Subsection A of this section, dedicate the  
13    revenue for acquisition, construction, operation and  
14    maintenance of solid waste facilities, water facilities,  
15    wastewater facilities, sewer systems and related facilities.

16            D. The governing body of a municipality in a class  
17    B county with a net taxable value used for rate-setting  
18    purposes for the 2008 property tax year of greater than seven  
19    hundred fifty million dollars (\$750,000,000) and a population  
20    in the entire county according to the most recent federal  
21    decennial census of less than twenty-five thousand may enact an  
22    ordinance imposing an excise tax on any person engaging in  
23    business in the municipality for the privilege of engaging in  
24    business; provided that:

25                   (1) the rate of the tax imposed shall not

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1 exceed one-half of one percent of the gross receipts of the  
2 person engaging in business;

3 (2) the tax is imposed in one-fourth of one  
4 percent increments; and

5 (3) the population of the municipality  
6 imposing the municipal environmental services gross receipts  
7 tax according to the most recent federal decennial census is:

8 (a) more than seven thousand five  
9 hundred but less than seven thousand eight hundred; or

10 (b) more than one thousand five hundred  
11 but less than two thousand."

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