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AN ACT

RELATING TO TAXATION; EXPANDING THE ALLOWABLE USE OF EXCESS
COUNTY CORRECTIONAL FACILITY GROSS RECEIPTS TAX REVENUE.

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

SECTION 1. Section 7-20F-3 NMSA 1978 (being Laws 1993,
Chapter 303, Section 3, as amended) is amended to read:

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

A. The majority of the members elected to the
county board may enact an ordinance imposing on a countywide
basis an excise tax not to exceed a rate of one-eighth
percent of the gross receipts of any person engaging in
business in the county, including all municipalities within
the county.

B. The tax imposed pursuant to Subsection A of
this section may be referred to as the "county correctional
facility gross receipts tax".

C. Any ordinance imposing a county correctional
facility gross receipts tax pursuant to this section shall:

(1) impose the tax in any number of
increments of one-sixteenth percent not to exceed an
aggregate amount of one-eighth percent;

(2) specify that the imposition of the tax

1 will begin on either July 1 or January 1, whichever occurs
2 first after the expiration of at least three months from the
3 date that the department is notified personally or by mail by
4 the county of adoption of the ordinance; and

5 (3) dedicate the revenue from the county
6 correctional facility gross receipts tax:

7 (a) for the purpose of operating,
8 maintaining, constructing, purchasing, furnishing, equipping,
9 rehabilitating, expanding or improving a judicial-
10 correctional or a county correctional facility or the grounds
11 of a judicial-correctional or county correctional facility,
12 including acquiring and improving parking lots, landscaping
13 or any combination of the foregoing;

14 (b) for the purpose of transporting or
15 extraditing prisoners; or

16 (c) to payment of principal and
17 interest on revenue bonds or refunding bonds issued pursuant
18 to the provisions of the County Correctional Facility Gross
19 Receipts Tax Act.

20 D. An ordinance imposing a county correctional
21 facility gross receipts tax pursuant to this section shall be
22 subject to optional referendum selection by the governing
23 body, as provided in Subsection A of Section 7-20E-3 NMSA
24 1978.

25 E. If the county has pledged the revenue from

1 imposition of the county correctional facility gross receipts
2 tax to the repayment of bonds or other indebtedness, revenue
3 produced by the imposition of a county correctional facility
4 gross receipts tax that is in excess of the annual principal
5 and interest due on bonds secured by a pledge of the county
6 correctional facility gross receipts tax may be accumulated
7 in a debt service reserve account until an amount equal to
8 the maximum amount permitted by United States treasury
9 regulations is accumulated in the debt service reserve
10 account. After the debt service reserve account requirements
11 have been met, the excess revenue may be accumulated in an
12 extraordinary mandatory redemption fund and annually used to
13 redeem the bonds prior to their stated maturity date or re-
14 dedicated by the county for any of the purposes listed in
15 Paragraph (3) of Subsection C of this section. If a debt
16 service reserve account is not required for the repayment of
17 bonds or other indebtedness, the excess revenue may be re-
18 dedicated by the county for any of the purposes listed in
19 that paragraph.

20 F. If the county has pledged the revenue from
21 imposition of the county correctional facility gross receipts
22 tax to the repayment of bonds or other indebtedness, when all
23 outstanding bonds have been paid, whether from the debt
24 service reserve, the redemption fund or maturity, the
25 ordinance shall be repealed if the county correctional

