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SENATE BILL 1129

43RD LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1997

INTRODUCED BY

BEN D. ALTAMIRANO

AN ACT

RELATING TO THE TAXATION AND REVENUE DEPARTMENT; AUTHORIZING THE WITHHOLDING OF AN ADMINISTRATIVE FEE ON CERTAIN DISTRIBUTIONS; PROVIDING FOR THE DISTRIBUTION OF THE ADMINISTRATIVE FEE WITHHELD; AUTHORIZING THE NEW MEXICO FINANCE AUTHORITY TO ISSUE REVENUE BONDS; AMENDING AND ENACTING SECTIONS OF THE NMSA 1978; MAKING APPROPRIATIONS; DECLARING AN EMERGENCY.

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

Section 1. A new section of the Tax Administration Act is enacted to read:

" [NEW MATERIAL] ADMINISTRATIVE FEE IMPOSED--
APPROPRIATION. --

A. The taxation and revenue department is directed to withhold an administrative fee of three percent of the net amount to be distributed under the provisions of:

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- 1 (1) Section 7-1-6.4 NMSA 1978;
- 2 (2) Section 7-1-6.5 NMSA 1978;
- 3 (3) Section 7-1-6.32 NMSA 1978;
- 4 (4) Section 66-12-20 NMSA 1978; and
- 5 (5) Section 74-1-13 NMSA 1978.

6 B. The administrative fee shall be withheld on
7 distributions made on or after July 1, 1997 and shall continue
8 until the earlier of June 30, 2003 or the date on which the New
9 Mexico finance authority certifies to the taxation and revenue
10 department that all obligations for bonds issued pursuant to
11 Section 8 of this act have been fully discharged and directs the
12 department to cease distributing money to the authority pursuant
13 to this section.

14 C. The administrative fee shall be distributed
15 monthly to the New Mexico finance authority to be pledged
16 irrevocably for the payment of principal, interest and any
17 expenses or obligations related to the bonds issued by the
18 authority to finance the taxation and revenue information
19 management systems project. "

20 Section 2. Section 7-1-6.4 NMSA 1978 (being Laws 1983,
21 Chapter 211, Section 9, as amended) is amended to read:

22 "7-1-6.4. DISTRIBUTION--MUNICIPALITY FROM GROSS RECEIPTS
23 TAX. --

24 A. Except as provided in Subsection B of this
25 section, a distribution pursuant to Section 7-1-6.1 NMSA 1978

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1 shall be made to each municipality in an amount, subject to any
2 increase or decrease made pursuant to Section 7-1-6.15 NMSA
3 1978, and deduction of any administrative fee pursuant to
4 Section 1 of this act, equal to the product of the quotient of
5 one and two hundred twenty-five thousandths percent divided by
6 the tax rate imposed by Section 7-9-4 NMSA 1978 times the net
7 receipts for the month attributable to the gross receipts tax
8 from business locations:

9 (1) within that municipality;

10 (2) on land owned by the state, commonly known
11 as the "state fair grounds", within the exterior boundaries of
12 that municipality;

13 (3) outside the boundaries of any municipality
14 on land owned by that municipality; and

15 (4) on an Indian reservation or pueblo grant in
16 an area that is contiguous to that municipality and in which the
17 municipality performs services pursuant to a contract between
18 the municipality and the Indian tribe or Indian pueblo if:

19 (a) the contract describes an area in
20 which the municipality is required to perform services and
21 requires the municipality to perform services that are
22 substantially the same as the services the municipality performs
23 for itself; and

24 (b) the governing body of the
25 municipality has submitted a copy of the contract to the

Underscored material = new
[bracketed material] = delete

1 secretary.

2 B. If the reduction made by Laws 1991, Chapter 9,
3 Section 9 or by Section 1 of this 1997 act to the distribution
4 under this section impairs the ability of a municipality to meet
5 its principal or interest payment obligations for revenue bonds
6 outstanding prior to [~~July 1, 1991~~] the effective date of the
7 applicable act that are secured by the pledge of all or part of
8 the municipality's revenue from the distribution made under this
9 section, then the amount distributed pursuant to this section to
10 that municipality shall be increased by an amount sufficient to
11 meet any required payment, provided that the distribution amount
12 does not exceed the amount that would have been due that
13 municipality under this section as it was in effect on [~~June 30,~~
14 ~~1992~~] the date prior to the effective date of the applicable
15 act. "

16 Section 3. Section 7-1-6.5 NMSA 1978 (being Laws 1983,
17 Chapter 214, Section 6, as amended) is amended to read:

18 "7-1-6.5. DISTRIBUTION--SMALL COUNTIES ASSISTANCE FUND.--A
19 distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be made
20 to the small counties assistance fund in an amount equal to ten
21 percent of the net receipts attributable to the compensating tax
22 less any administrative fee deducted pursuant to Section 1 of
23 this act. "

24 Section 4. Section 7-1-6.32 NMSA 1978 (being Laws 1990,
25 Chapter 99, Section 44) is amended to read:

. 116561. 1

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1 "7-1-6.32. DISTRIBUTION--SOLID WASTE ASSESSMENT FEE.--A
2 distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be made
3 to the solid waste facility grant fund of the net receipts
4 attributable to the solid waste assessment fee authorized under
5 the Solid Waste Act less any administrative fee deducted
6 pursuant to Section 1 of this act."

7 Section 5. Section 7-2C-12 NMSA 1978 (being Laws 1985,
8 Chapter 106, Section 12, as amended) is amended to read:

9 "7-2C-12. ADMINISTRATIVE COSTS--CHARGES APPROPRIATED TO
10 DEPARTMENT.--

11 A. The department [may] shall charge claimant
12 agencies [for the costs incurred by the department in setting
13 off] an administrative fee of three percent of the debts for the
14 claimant agencies pursuant to the Tax Refund Intercept Program
15 Act. [The department shall determine those costs, and the
16 determination of the department shall be conclusive. Claimant
17 agencies shall pay to the department any charges made, and these
18 payments are appropriated to the department for use in
19 administering the Tax Refund Intercept Program Act.]

20 B. The administrative fee authorized pursuant to
21 Subsection A of this section shall be withheld on all debts set
22 off and collected by the department on or after July 1, 1997 and
23 shall be distributed monthly to the New Mexico finance authority
24 to be pledged irrevocably for the payment of the principal,
25 interest and expenses or other obligations related to the bonds

Underscored material = new
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1 for the taxation and revenue information management systems
2 project. That distribution shall continue until the earlier of
3 June 30, 2003 or the date on which the New Mexico finance
4 authority certifies to the department that all obligations for
5 bonds issued pursuant to Section 8 of this act have been fully
6 discharged or provision has been made for their discharge and
7 directs the department to cease distributing the money from the
8 fee pursuant to Subsection A of this section to the authority.
9 Thereafter, the administrative fees are appropriated to the
10 department for use in administering the Tax Refund Intercept
11 Program Act. "

12 Section 6. Section 66-12-20 NMSA 1978 (being Laws 1959,
13 Chapter 338, Section 19, as amended) is amended to read:

14 "66-12-20. DISPOSITION OF FEES. --The fees collected under
15 the provisions of the Boat Act, after deduction of any
16 administrative fee pursuant to Section 1 of this act, shall be
17 covered into the state park and recreation fund. "

18 Section 7. Section 74-1-13 NMSA 1978 (being Laws 1993,
19 Chapter 317, Section 2) is amended to read:

20 "74-1-13. WATER CONSERVATION FEE--IMPOSITION--
21 DEFINITIONS. --

22 A. There is imposed on every person who operates a
23 public water supply system a water conservation fee in an amount
24 equal to three cents (\$.03) per thousand gallons of water
25 produced on which the fee imposed by this subsection has not

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1 been paid.

2 B. The "water conservation fund" is created in the
3 state treasury and shall be administered by the department of
4 environment. The fund shall consist of water conservation fees
5 collected pursuant to this section. Balances in the fund at the
6 end of any fiscal year shall not revert to the general fund but
7 shall accrue to the credit of the fund. Earnings on the fund
8 shall be credited to the fund.

9 C. Money in the water conservation fund is
10 appropriated to the department of environment for administration
11 of a public water supply program to:

12 (1) test public water supplies for the
13 contaminants required to be tested pursuant to the provisions of
14 Section 1412 of the federal Safe Drinking Water Act, [~~and~~] as
15 finalized through July 1, 1992, and collect chemical compliance
16 samples as required by those provisions of the federal act;

17 (2) perform vulnerability assessments which
18 will be used to assess a public water supply's susceptibility to
19 those contaminants; and

20 (3) implement new requirements of the Utility
21 Operators Certification Act and provide training for all public
22 water supply operators.

23 D. The taxation and revenue department shall provide
24 by regulation for the manner and form of collection of the water
25 conservation fee. All water conservation fees collected by the

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1 taxation and revenue department, less any administrative fee
2 imposed pursuant to Section 1 of this act, shall be deposited in
3 the water conservation fund.

4 E. The fee imposed by this section shall be
5 administered in accordance with the provisions of the Tax
6 Administration Act and shall be paid to the taxation and revenue
7 department by each person who operates a public water supply
8 system in the manner required by the department on or before the
9 twenty-fifth day of the month following the month in which the
10 water is produced.

11 F. Each operator of a public water supply system
12 shall register and comply with the provisions of Section 7-1-12
13 NMSA 1978 and furnish such information as may be required by the
14 taxation and revenue department.

15 G. As used in this section:

16 (1) "person" means any individual or legal
17 entity and also means, to the extent permitted by law, any
18 federal, state or other governmental unit or subdivision or an
19 agency, department or instrumentality thereof; and

20 (2) "public water supply system" means a system
21 that provides piped water to the public for human consumption
22 and that has at least fifteen service connections or regularly
23 services an average of at least twenty-five individuals at least
24 sixty days per year. "

25 Section 8. NEW MEXICO FINANCE AUTHORITY REVENUE BONDS--

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1 PURPOSE-- APPROPRIATION. --

2 A. The New Mexico finance authority may issue and
3 sell revenue bonds in compliance with the New Mexico Finance
4 Authority Act in installments or at one time in a total amount
5 not exceeding thirty-three million seven hundred nine thousand
6 eight hundred dollars (\$33,709,800) for the purpose of financing
7 the taxation and revenue information management systems project.

8 B. The New Mexico finance authority may issue and
9 sell revenue bonds authorized by this section from time to time
10 when the secretary of taxation and revenue, with the concurrence
11 of the legislative finance committee, certifies the need for
12 issuance of the bonds. The net proceeds from the sale of the
13 bonds are appropriated to the taxation and revenue department
14 for the purpose of financing the taxation and revenue
15 information management systems project.

16 C. The revenue from administrative fees distributed
17 monthly to the New Mexico finance authority shall be pledged
18 irrevocably for the payment of the principal, interest and any
19 expenses or other obligations related to the bonds.

20 D. The administrative fees distributed to the New
21 Mexico finance authority shall be deposited in a separate fund
22 or account of the authority. Upon payment of all principal,
23 interest and any other expenses or obligations related to the
24 bonds, the authority shall certify to the taxation and revenue
25 department that all obligations for the bonds issued pursuant to

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1 this section have been fully discharged or provision has been
2 made for their discharge and direct the department to cease the
3 distributions to the authority of administrative fees pursuant
4 to Sections 1 and 5 of this act.

5 E. Any law authorizing the imposition or
6 distribution of the administrative fees or that affects the
7 administrative fees shall not be amended, repealed or otherwise
8 directly or indirectly modified so as to impair any outstanding
9 revenue bonds that may be secured by a pledge of the
10 administrative fees, unless the revenue bonds have been
11 discharged in full or provision has been made for a full
12 discharge.

13 F. The New Mexico finance authority is authorized to
14 make an interim cash loan from the public project revolving fund
15 in an amount not to exceed two million five hundred thousand
16 dollars (\$2,500,000) prior to issuance of the bonds pursuant to
17 this section.

18 Section 9. EFFECTIVE DATE. -- The effective date of the
19 provisions of Sections 1 through 7 of this act is July 1, 1997.

20 Section 10. EMERGENCY. -- It is necessary for the public
21 peace, health and safety that this act take effect immediately.

1 FORTY-THIRD LEGISLATURE
2 FIRST SESSION, 1997
3
4

5 March 5, 1997
6

7 Mr. President:
8

9 Your FINANCE COMMITTEE, to whom has been referred
10

11 SENATE BILL 1129
12

13 has had it under consideration and reports same with
14 recommendation that it DO PASS.
15

16 Respectfully submitted,
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18 _____
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21 Ben D. Altamirano, Chairman
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25 Adopted _____ Not Adopted _____
(Chief Clerk) (Chief Clerk)

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Date _____

The roll call vote was 6 For 0 Against

Yes: 6

No: None

Excused: Aragon, Ingle, Lyons, McKibben, Romero

Absent: None

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1 FORTY-THIRD LEGISLATURE
2 FIRST SESSION, 1997
3
4

5 March 10, 1997
6

7 Mr. President:
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9 Your FINANCE COMMITTEE, to whom has been referred
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11 SENATE BILL 1129
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13 has had it under consideration and reports same with
14 recommendation that it DO NOT PASS, but that
15

16 SENATE FINANCE COMMITTEE SUBSTITUTE FOR
17 SENATE BILL 1129
18

19 DO PASS.
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21 Respectfully submitted,
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25 _____
Ben D. Altamirano, Chairman

Adopted _____ Not Adopted _____
(Chief Clerk) (Chief Clerk)

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Date _____

The roll call vote was 7 For 1 Against

Yes: 7

No: McKibben

Excused: Eisenstadt, Ingle, Lyons

Absent: None

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FORTY-THIRD LEGISLATURE

FIRST SESSION

March 14, 1997

SENATE FLOOR AMENDMENT number _____ to SENATE FINANCE COMMITTEE
SUBSTITUTE FOR SENATE BILL
1129

Amendment sponsored by Senator Pete Campos

1. On page 2, line 7, strike "2005" and insert in lieu thereof
"2006".

2. On page 2, strike lines 13 through 17 and insert in lieu
thereof:

"C. The taxation and revenue department is directed to
withhold an additional administrative fee at the following percentage
of the net amount to be distributed pursuant to the following
provisions of law:

. 118860.1

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FORTY-THIRD LEGISLATURE
FIRST SESSION

SF1/SFC/SB 1129

Page 16

(1) two percent of the net amount to be distributed pursuant to Section 7-1-6.12 NMSA 1978; and

(2) six-tenths of one percent of the net amount to be distributed pursuant to Section 7-1-6.13 NMSA 1978. "

3. On page 3, strike lines 2 through 6 and insert in lieu thereof:

"E. The administrative fee to be withheld by the taxation and revenue department under Section 7-1-6.12 and 7-1-6.13 NMSA 1978 shall be set at three percent of the net amount to be distributed pursuant to the provisions of those sections. "

4. On page 3, line 10, strike "2005" and insert in lieu thereof "2006".

5. On page 4, lines 8 through 11, strike the brackets and line-through, and on line 11, before "administrative" insert "and any additional".

118860.1

Underscored material = new
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FORTY-THIRD LEGISLATURE
FIRST SESSION

SF1/SFC/SB 1129

Page 17

6. On page 4, line 12, before "Section" insert "Subsection C
of".

7. On page 4, lines 22 through 24, strike the brackets and
line-through and on line 25, before "administrative" insert "and any
additional".

8. On page 4, line 25, before "Section" insert "Subsection C
of".

Pete Campos

Adopted _____
(Chief Clerk)

Not Adopted _____
(Chief Clerk)

118860.1

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FORTY-THIRD LEGISLATURE
FIRST SESSION

SF1/SFC/SB 1129

Page 18

Date _____

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**State of New Mexico
House of Representatives**

**FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997**

March 18, 1997

Mr. Speaker:

**Your APPROPRIATIONS AND FINANCE COMMITTEE, to whom
has been referred**

**SENATE FINANCE COMMITTEE SUBSTITUTE FOR
SENATE BILL 1129, as amended**

**has had it under consideration and reports same with
recommendation that it DO PASS.**

Respectfully submitted,

Max Coll, Chairman

FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997

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Adopted _____ Not Adopted _____

(Chief Clerk)

(Chief Clerk)

Date _____

The roll call vote was 12 For 0 Against

Yes: 12

Excused: Abeyta, Picraux, Salazar, Taylor, J. P., Wallace

Absent: None

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Underscored material = new
~~[bracketed material] = delete~~