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HOUSE BILL 881

44TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1999

INTRODUCED BY

Raymond G. Sanchez

AN ACT

RELATING TO THE PUBLIC PEACE, HEALTH, SAFETY AND WELFARE.

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

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1 FORTY-FOURTH LEGISLATURE
2 FIRST SESSION, 1999
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4
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6 March 15, 1999
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8 Mr. Speaker:
9

10 Your TAXATION AND REVENUE COMMITTEE, to whom has
11 been referred
12

13 HOUSE BILL 881
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15 has had it under consideration and reports same with
16 recommendation that it DO NOT PASS, but that

17 HOUSE TAXATION AND REVENUE COMMITTEE SUBSTITUTE
18 FOR HOUSE BILL 881
19

20 DO PASS.
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FORTY-FOURTH LEGISLATURE
FIRST SESSION, 1999

HTRC/CSHB 881

Page 3

Respectfully submitted,

Jerry W. Sandel, Chairman

Adopted _____

(Chief Clerk)

Not Adopted _____

(Chief Clerk)

Date _____

The roll call vote was 13 For 0 Against

Yes: 13

Excused: Gubbels, Lujan

Absent: None

J:\99BillsWP\H0881

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1 HOUSE TAXATION AND REVENUE COMMITTEE SUBSTITUTE FOR
2 HOUSE BILL 881
3 **44TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1999**
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9 AN ACT

10 RELATING TO THE PUBLIC PEACE, HEALTH, SAFETY AND WELFARE;
11 AMENDING THE TAX ADMINISTRATION ACT TO PROVIDE FOR A
12 DISTRIBUTION OF RECEIPTS FROM THE GROSS RECEIPTS TAX.

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

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

16 "7-1-6.4. DISTRIBUTION--MUNICIPALITY FROM GROSS RECEIPTS
17 TAX. --

18 A. Except as provided in Subsection B of this
19 section, a distribution pursuant to Section 7-1-6.1 NMSA 1978
20 shall be made to each municipality in an amount, subject to
21 any increase or decrease made pursuant to Section 7-1-6.15
22 NMSA 1978, equal to the product of the quotient of one and two
23 hundred twenty-five thousandths percent divided by the tax
24 rate imposed by Section 7-9-4 NMSA 1978 times the net receipts
25 for the month attributable to the gross receipts tax from
business locations:

. 129068. 3

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- (1) within that municipality;
- (2) on land owned by the state, commonly known as the "state fair grounds", within the exterior boundaries of that municipality;
- (3) outside the boundaries of any municipality on land owned by that municipality; and
- (4) on an Indian reservation or pueblo grant in an area that is contiguous to that municipality and in which the municipality performs services pursuant to a contract between the municipality and the Indian tribe or Indian pueblo if:
 - (a) the contract describes an area in which the municipality is required to perform services and requires the municipality to perform services that are substantially the same as the services the municipality performs for itself; and
 - (b) the governing body of the municipality has submitted a copy of the contract to the secretary.

B. If the reduction made by Laws 1991, Chapter 9, Section 9 to the distribution under this section impairs the ability of a municipality to meet its principal or interest payment obligations for revenue bonds outstanding prior to July 1, 1991 that are secured by the pledge of all or part of the municipality's revenue from the distribution made under this section, then the amount distributed pursuant to this section to that municipality shall be increased by an amount sufficient to meet any required payment, provided that the distribution amount does not exceed the amount that would have been due that municipality under this section as it was in effect on June 30, 1992.

C. In addition to the distribution pursuant to

1 Subsection A of this section and except as provided in
2 Subsection D of this section, from July 1, 2001 until June 30,
3 2011 a distribution pursuant to Section 7-1-6.1 NMSA 1978
4 shall be made to a municipality having a population of more
5 than three hundred thousand according to the most recent
6 federal decennial census in the amount of two hundred fifty
7 thousand dollars (\$250,000) from the net receipts attributable
8 to the gross receipts tax. This distribution shall be made
9 solely for the purpose of financing water and sewer
10 distribution and collection systems only in the developed and
11 underserved areas of the county in which the municipality is
12 located. This distribution is contingent upon the secretary
13 receiving certification from the municipality and the county
14 in which the municipality is located that funding in the
15 amount of seventy million dollars (\$70,000,000) has been
16 secured from other sources to construct the water and sewer
17 distribution and collection systems.

18 D. The distribution pursuant to Subsection C of this
19 section shall be reduced by an amount equal to one-twelfth of
20 the total amount of proceeds received in the previous fiscal
21 year from severance tax bonds issued pursuant to the Severance
22 Tax Bonding Act or any general fund appropriation, if the
23 bonds were issued or the appropriation made for the purpose of
24 financing water and sewer distribution and collection systems
25 only in the developed and underserved areas of the county in
which the municipality is located. The distribution pursuant
to Subsection C of this section shall not be less than zero. "

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