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HOUSE BILL 54

56TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2024

INTRODUCED BY

Larry R. Scott

AN ACT

RELATING TO TAXATION; CREATING THE ALL CITIES AND COUNTIES FUND TO TRANSFER A PORTION OF GROSS RECEIPTS TAX REVENUE TO MUNICIPALITIES AND COUNTIES; DISTRIBUTING A PORTION OF GROSS RECEIPTS TAX REVENUE TO THE ALL CITIES AND COUNTIES FUND.

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

SECTION 1. [NEW MATERIAL] ALL CITIES AND COUNTIES FUND.--

A. The "all cities and counties fund" is created in the state treasury.

B. The taxation and revenue department shall calculate an amount to be transferred to each municipality in an amount equal to the result of the following formula, where "municipality" is the municipality receiving the transfer and "county" is the county in which the municipality is located; provided that if a municipality is located in more than one

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1 county, a transfer shall be calculated for each county in which
2 the municipality is located:

3 municipality population * [0.7 * (fund balance/state
4 population) + 0.3 * (((county EGRTR/all county EGRTR) * fund
5 balance)/county population)].

6 C. The taxation and revenue department shall
7 calculate an amount to be transferred to each county in an
8 amount equal to the result of the following formula:

9 county area population * [0.7 * (fund balance/state
10 population) + 0.3 * (((county EGRTR/all county EGRTR) * fund
11 balance)/county population)].

12 D. By December 1, 2025 and December 1 of each year
13 thereafter, the taxation and revenue department shall certify
14 to the state treasurer the amounts to be transferred to each
15 municipality and county as calculated pursuant to Subsections B
16 and C of this section.

17 E. By January 1, 2026 and January 1 of each year
18 thereafter, the state treasurer shall transfer from the all
19 cities and counties fund to each municipality and county the
20 amounts certified by the taxation and revenue department.

21 F. As used in this section:

22 (1) "all county EGRTR" means the equalized
23 gross receipts tax revenue of all counties;

24 (2) "county area population" means the
25 population in that portion of a county located outside the

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1 boundaries of any municipality according to the most recent
2 estimate of the resident population for incorporated places as
3 published by the United States census bureau, except that for H
4 class counties, "county area population" means the population
5 of the entire county;

6 (3) "county EGRTR" means the equalized gross
7 receipts tax revenue of the county receiving a transfer
8 pursuant to this section or, in the case of a municipality
9 receiving a transfer pursuant to this section, of the county in
10 which the municipality is located;

11 (4) "county population" means the population
12 of a county according to the most recent estimate of the
13 resident population of incorporated places as published by the
14 United States census bureau;

15 (5) "equalized gross receipts tax revenue"
16 means the net receipts received by the taxation and revenue
17 department in the prior fiscal year, subject to any increase or
18 decrease made pursuant to Section 7-1-6.15 NMSA 1978,
19 attributable to a county local option gross receipts tax rate
20 of one-fourth percent;

21 (6) "fund balance" means the amount of money
22 in the all cities and counties fund as of the end of the fiscal
23 year that precedes the date a transfer is required to be made
24 pursuant to this section;

25 (7) "municipality population" means the

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1 population of a municipality, except an H class county,
2 according to the most recent estimate of the resident
3 population for incorporated places as published by the United
4 States census bureau; provided that if a municipality is
5 located in more than one county, "municipality population"
6 means the population of the municipality within each of the
7 counties; and

8 (8) "state population" means the population of
9 the state of New Mexico according to the most recent estimate
10 of the resident population for incorporated places as published
11 by the United States census bureau.

12 SECTION 2. A new section of the Tax Administration Act is
13 enacted to read:

14 "[NEW MATERIAL] DISTRIBUTION--ALL CITIES AND COUNTIES
15 FUND.--A distribution pursuant to Section 7-1-6.1 NMSA 1978
16 shall be made to the all cities and counties fund in an amount
17 equal to eight percent of the net receipts attributable to the
18 gross receipts tax distributable to the general fund."

19 SECTION 3. EFFECTIVE DATE.--The effective date of the
20 provisions of this act is July 1, 2024.