

HOUSE BILL HB0008

53RD LEGISLATURE - STATE OF NEW MEXICO - FIRST SPECIAL SESSION, 2017

INTRODUCED BY

Jason C. Harper

AN ACT

RELATING TO TAXATION; AMENDING THE UNIFORM DIVISION OF INCOME
FOR TAX PURPOSES ACT TO DETERMINE THE IN-STATE SALES OF
INTANGIBLE PROPERTY AND SERVICES BASED ON MARKET SOURCING;
RENAMING GROSS RECEIPTS TAXES TO SALES TAXES AND THE
COMPENSATING TAX TO THE USE TAX; PROVIDING THAT A PERSON
WITHOUT PHYSICAL PRESENCE IN THIS STATE THAT HAS LESS THAN ONE
HUNDRED THOUSAND DOLLARS (\$100,000) IN GROSS RECEIPTS IS NOT
ENGAGING IN BUSINESS; PROVIDING ALTERNATIVE EVIDENCE OTHER THAN
A NONTAXABLE TRANSACTION CERTIFICATE TO ENTITLE PERSONS TO A
DEDUCTION FROM GROSS RECEIPTS; CONVERTING A DISTRIBUTION OF THE
GROSS RECEIPTS TAX TO MUNICIPALITIES TO A NEW MUNICIPAL SALES
TAX INCREMENT; OFFSETTING THE STATE SALES TAX RATE BY THE
AMOUNT OF THE NEW MUNICIPAL SALES TAX INCREMENT AND FURTHER
REDUCING THE STATE SALES TAX RATE DUE TO THE REPEAL OF CERTAIN
GROSS RECEIPTS TAX DEDUCTIONS AND EXEMPTIONS; REQUIRING THE

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1 TAXATION AND REVENUE DEPARTMENT TO ADJUST THE STATE SALES TAX
2 RATE AND THE MUNICIPAL SALES TAX RATE, EFFECTIVE JANUARY 1,
3 2019; CREATING A TEMPORARY DISTRIBUTION TO THE TAX
4 STABILIZATION RESERVE OF ANY EXCESS REVENUE ATTRIBUTABLE TO THE
5 STATE SALES TAX; IMPOSING A LOCAL OPTION USE TAX; INCREASING
6 THE MOTOR VEHICLE EXCISE TAX AND DISTRIBUTING SOME OF THE NEW
7 REVENUE TO THE STATE ROAD FUND AND THE LOCAL GOVERNMENTS ROAD
8 FUND; INCREASING THE HEALTH INSURANCE PREMIUM SURTAX;
9 INCREASING THE EXCISE TAX ON BOATS; PROVIDING THAT CHANGES OR
10 REPEALS OF CERTAIN LOCAL OPTION GROSS RECEIPTS TAXES SHALL NOT
11 IMPAIR OUTSTANDING REVENUE BONDS; PROVIDING THAT PREVIOUSLY
12 DEDICATED REVENUE ATTRIBUTABLE TO A LOCAL OPTION GROSS RECEIPTS
13 TAX SHALL CONTINUE TO BE DEDICATED FOR THE SAME PURPOSES;
14 AMENDING, REPEALING AND ENACTING SECTIONS OF THE NMSA 1978;
15 PROVIDING A CIVIL PENALTY; MAKING AN APPROPRIATION.

16
17 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

18 SECTION 1. Section 3-31-1 NMSA 1978 (being Laws 1973,
19 Chapter 395, Section 3, as amended) is amended to read:

20 "3-31-1. REVENUE BONDS--AUTHORITY TO ISSUE--PLEDGE OF
21 REVENUES--LIMITATION ON TIME OF ISSUANCE.--

22 A. In addition to any other law and constitutional
23 home rule powers authorizing a municipality to issue revenue
24 bonds, a municipality may issue revenue bonds pursuant to
25 Chapter 3, Article 31 NMSA 1978 for the purposes specified in

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1 this section. [~~The term "pledged revenues", as used in Chapter~~
2 ~~3, Article 31 NMSA 1978, means the revenues, net income or net~~
3 ~~revenues authorized to be pledged to the payment of particular~~
4 ~~revenue bonds as specifically provided in Subsections A through~~
5 ~~J of this section.~~

6 A.] B. Utility revenue bonds may be issued for
7 acquiring, extending, enlarging, bettering, repairing or
8 otherwise improving a municipal utility or for any combination
9 of the foregoing purposes. The municipality may pledge
10 irrevocably any or all of the net revenues from the operation
11 of the municipal utility or of any one or more of other such
12 municipal utilities for payment of the interest on and
13 principal of the revenue bonds. [~~These bonds are sometimes~~
14 ~~referred to in Chapter 3, Article 31 NMSA 1978 as "utility~~
15 ~~revenue bonds" or "utility bonds".~~

16 B.] C. Joint utility revenue bonds may be issued
17 for acquiring, extending, enlarging, bettering, repairing or
18 otherwise improving joint water facilities, sewer facilities,
19 gas facilities or electric facilities or for any combination of
20 the foregoing purposes. The municipality may pledge
21 irrevocably any or all of the net revenues from the operation
22 of these municipal utilities for the payment of the interest on
23 and principal of the bonds. [~~These bonds are sometimes~~
24 ~~referred to in Chapter 3, Article 31 NMSA 1978 as "joint~~
25 ~~utility revenue bonds" or "joint utility bonds".~~

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1 C. ~~For the purposes of this subsection, "gross~~
2 ~~receipts tax revenue bonds" means gross receipts tax revenue~~
3 ~~bonds or sales tax revenue bonds. Gross receipts]~~

4 D. Sales tax revenue bonds may be issued for any
5 one or more of the following purposes:

6 (1) constructing, purchasing, furnishing,
7 equipping, rehabilitating, making additions to or making
8 improvements to one or more public buildings or purchasing or
9 improving any ground relating thereto, including but not
10 necessarily limited to acquiring and improving parking lots, or
11 any combination of the foregoing;

12 (2) acquiring or improving municipal or public
13 parking lots, structures or facilities or any combination of
14 the foregoing;

15 (3) purchasing, acquiring or rehabilitating
16 firefighting equipment or any combination of the foregoing;

17 (4) acquiring, extending, enlarging,
18 bettering, repairing, otherwise improving or maintaining storm
19 sewers and other drainage improvements, sanitary sewers, sewage
20 treatment plants or water utilities, including but not
21 necessarily limited to the acquisition of rights of way and
22 water and water rights, or any combination of the foregoing;

23 (5) reconstructing, resurfacing, maintaining,
24 repairing or otherwise improving existing alleys, streets,
25 roads or bridges or any combination of the foregoing or laying

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1 off, opening, constructing or otherwise acquiring new alleys,
2 streets, roads or bridges or any combination of the foregoing;
3 provided that any of the foregoing improvements may include but
4 are not limited to the acquisition of rights of way;

5 (6) purchasing, acquiring, constructing,
6 making additions to, enlarging, bettering, extending or
7 equipping airport facilities or any combination of the
8 foregoing, including without limitation the acquisition of
9 land, easements or rights of way therefor;

10 (7) purchasing or otherwise acquiring or
11 clearing land or for purchasing, otherwise acquiring and
12 beautifying land for open space;

13 (8) acquiring, constructing, purchasing,
14 equipping, furnishing, making additions to, renovating,
15 rehabilitating, beautifying or otherwise improving public
16 parks, public recreational buildings or other public
17 recreational facilities or any combination of the foregoing;

18 (9) acquiring, constructing, extending,
19 enlarging, bettering, repairing, otherwise improving or
20 maintaining solid waste disposal equipment, equipment for
21 operation and maintenance of sanitary landfills, sanitary
22 landfills, solid waste facilities or any combination of the
23 foregoing; and

24 (10) acquiring, constructing, extending,
25 bettering, repairing or otherwise improving a public transit

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1 system or regional transit systems or facilities. [The] A
2 municipality may pledge irrevocably any or all of the [~~gross~~
3 ~~receipts~~] sales tax revenue received by the municipality
4 pursuant to Section [~~7-1-6.4 or~~] 7-1-6.12 NMSA 1978 to the
5 payment of the interest on and principal of the [~~gross~~
6 ~~receipts~~] sales tax revenue bonds [~~for any of the purposes~~
7 ~~authorized in this section or for specific purposes~~] or for any
8 area of municipal government services [~~including but not~~
9 ~~limited to those specified in Subsection C of Section 7-19D-9~~
10 ~~NMSA 1978, or for public purposes authorized by municipalities~~
11 ~~having constitutional home rule charters~~]. A law that imposes
12 or authorizes the imposition of a municipal [~~gross receipts~~]
13 sales tax or that affects the municipal [~~gross receipts~~] sales
14 tax, or a law supplemental thereto or otherwise appertaining
15 thereto, shall not be repealed or amended or otherwise directly
16 or indirectly modified in such a manner as to impair adversely
17 any outstanding revenue bonds that may be secured by a pledge
18 of such municipal [~~gross receipts~~] sales tax unless the
19 outstanding revenue bonds have been discharged in full or
20 provision has been fully made therefor. Revenues in excess of
21 the annual principal and interest due on [~~gross receipts~~] sales
22 tax revenue bonds secured by a pledge of [~~gross receipts~~] sales
23 tax revenue may be accumulated in a debt service reserve
24 account. The governing body of the municipality may appoint a
25 commercial bank trust department to act as trustee of the

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1 ~~[gross receipts]~~ sales tax revenue and to administer the
2 payment of principal of and interest on the bonds.

3 ~~[D. As used in this section, the term "public~~
4 ~~building" includes but is not limited to fire stations, police~~
5 ~~buildings, municipal jails, regional jails or juvenile~~
6 ~~detention facilities, libraries, museums, auditoriums,~~
7 ~~convention halls, hospitals, buildings for administrative~~
8 ~~offices, city halls and garages for housing, repairing and~~
9 ~~maintaining city vehicles and equipment. As used in Chapter 3,~~
10 ~~Article 31 NMSA 1978, the term "gross receipts tax revenue~~
11 ~~bonds" means the bonds authorized in Subsection C of this~~
12 ~~section, and the term "gross receipts tax revenue" means the~~
13 ~~amount of money distributed to the municipality as authorized~~
14 ~~by Section 7-1-6.4 NMSA 1978 or the amount of money transferred~~
15 ~~to the municipality as authorized by Section 7-1-6.12 NMSA 1978~~
16 ~~for any municipal gross receipts tax imposed pursuant to the~~
17 ~~Municipal Local Option Gross Receipts Taxes Act. As used in~~
18 ~~Chapter 3, Article 31 NMSA 1978, the term "bond" means any~~
19 ~~obligation of a municipality issued under Chapter 3, Article 31~~
20 ~~NMSA 1978, whether designated as a bond, note, loan, warrant,~~
21 ~~debenture, lease-purchase agreement or other instrument~~
22 ~~evidencing an obligation of a municipality to make payments.]~~

23 E. Gasoline tax revenue bonds may be issued for
24 laying off, opening, constructing, reconstructing, resurfacing,
25 maintaining, acquiring rights of way, repairing and otherwise

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1 improving municipal buildings, alleys, streets, public roads
2 and bridges or any combination of the foregoing purposes. The
3 municipality may pledge irrevocably any or all of the gasoline
4 tax revenue received by the municipality to the payment of the
5 interest on and principal of the gasoline tax revenue bonds.
6 ~~[As used in Chapter 3, Article 31 NMSA 1978, "gasoline tax~~
7 ~~revenue bonds" means the bonds authorized in this subsection,~~
8 ~~and "gasoline tax revenue" means all or portions of the amounts~~
9 ~~of tax revenues distributed to municipalities pursuant to~~
10 ~~Sections 7-1-6.9 and 7-1-6.27 NMSA 1978, as from time to time~~
11 ~~amended and supplemented.]~~

12 F. Project revenue bonds may be issued for
13 acquiring, extending, enlarging, bettering, repairing,
14 improving, constructing, purchasing, furnishing, equipping and
15 rehabilitating any revenue-producing project, including, where
16 applicable, purchasing, otherwise acquiring or improving the
17 ground therefor, including ~~[but not necessarily limited to]~~
18 acquiring and improving parking lots, or for any combination of
19 the foregoing purposes. The municipality may pledge
20 irrevocably any or all of the net revenues from the operation
21 of the revenue-producing project for which the particular
22 project revenue bonds are issued to the payment of the interest
23 on and principal of the project revenue bonds. The net
24 revenues of any revenue-producing project may not be pledged to
25 the project revenue bonds issued for a revenue-producing

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1 project that clearly is unrelated in nature; but nothing in
2 this subsection shall prevent the pledge to such project
3 revenue bonds of any revenues received from existing, future or
4 disconnected facilities and equipment that are related to and
5 that may constitute a part of the particular revenue-producing
6 project. A general determination by the governing body that
7 any facilities or equipment is reasonably related to and
8 constitutes a part of a specified revenue-producing project
9 shall be conclusive if set forth in the proceedings authorizing
10 the project revenue bonds. ~~[As used in Chapter 3, Article 31~~
11 ~~NMSA 1978:~~

12 ~~(1) "project revenue bonds" means the bonds~~
13 ~~authorized in this subsection; and~~

14 ~~(2) "project revenues" means the net revenues~~
15 ~~of revenue-producing projects that may be pledged to project~~
16 ~~revenue bonds pursuant to this subsection.]~~

17 G. Fire district revenue bonds may be issued for
18 acquiring, extending, enlarging, bettering, repairing,
19 improving, constructing, purchasing, furnishing, equipping and
20 rehabilitating any fire district project, including, where
21 applicable, purchasing, otherwise acquiring or improving the
22 ground therefor, or for any combination of the foregoing
23 purposes. The municipality may pledge irrevocably any or all
24 of the revenues received by the fire district from the fire
25 protection fund as provided in the Fire Protection Fund Law and

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1 any or all of the revenues provided for the operation of the
2 fire district project for which the particular bonds are issued
3 to the payment of the interest on and principal of the bonds.
4 The revenues of any fire district project shall not be pledged
5 to the bonds issued for a fire district project that clearly is
6 unrelated in its purpose; but nothing in this section prevents
7 the pledge to such bonds of any revenues received from
8 existing, future or disconnected facilities and equipment that
9 are related to and that may constitute a part of the particular
10 fire district project. A general determination by the
11 governing body of the municipality that any facilities or
12 equipment is reasonably related to and constitutes a part of a
13 specified fire district project shall be conclusive if set
14 forth in the proceedings authorizing the fire district bonds.

15 H. Law enforcement protection revenue bonds may be
16 issued for the repair and purchase of law enforcement apparatus
17 and equipment that meet nationally recognized standards. The
18 municipality may pledge irrevocably any or all of the revenues
19 received by the municipality from the law enforcement
20 protection fund distributions pursuant to the Law Enforcement
21 Protection Fund Act to the payment of the interest on and
22 principal of the law enforcement protection revenue bonds.

23 I. Economic development [~~gross receipts~~] sales tax
24 revenue bonds may be issued for the purpose of furthering
25 economic development projects as defined in the Local Economic

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1 Development Act. The municipality may pledge irrevocably any
2 or all of the revenue received from the municipal
3 infrastructure [~~gross receipts~~] sales tax to the payment of the
4 interest on and principal of the economic development [~~gross~~
5 ~~receipts~~] sales tax revenue bonds for any of the purposes
6 authorized in this subsection. A law that imposes or
7 authorizes the imposition of a municipal infrastructure [~~gross~~
8 ~~receipts~~] sales tax or that affects the [~~municipal~~
9 ~~infrastructure gross receipts~~] tax, or a law supplemental to or
10 otherwise pertaining to the tax, shall not be repealed or
11 amended or otherwise directly or indirectly modified in such a
12 manner as to impair adversely any outstanding revenue bonds
13 that may be secured by a pledge of the [~~municipal~~
14 ~~infrastructure gross receipts~~] tax unless the outstanding
15 revenue bonds have been discharged in full or provision has
16 been fully made for their discharge. [~~As used in Chapter 3,~~
17 ~~Article 31 NMSA 1978, "economic development gross receipts tax~~
18 ~~revenue bonds" means the bonds authorized in this subsection,~~
19 ~~and "municipal infrastructure gross receipts tax revenue" means~~
20 ~~any or all of the revenue from the municipal infrastructure~~
21 ~~gross receipts tax transferred to the municipality pursuant to~~
22 ~~Section 7-1-6.12 NMSA 1978.]~~

23 J. Municipal higher education facilities [~~gross~~
24 ~~receipts~~] sales tax revenue bonds may be issued for the purpose
25 of acquisition, construction, renovation or improvement of

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1 facilities of a four-year post-secondary public educational
2 institution located in the municipality and acquisition of or
3 improvements to land for those facilities. The municipality
4 may pledge irrevocably any or all of the revenue received from
5 the municipal higher education facilities [~~gross receipts~~
6 sales tax to the payment of the interest on and principal of
7 the municipal higher education facilities [~~gross receipts~~
8 sales tax revenue bonds. A law that imposes or authorizes the
9 imposition of a municipal higher education facilities [~~gross~~
10 ~~receipts~~] sales tax or that affects the [~~municipal higher~~
11 ~~education facilities gross receipts~~] tax, or a law supplemental
12 to or otherwise pertaining to the tax, shall not be repealed or
13 amended or otherwise directly or indirectly modified in such a
14 manner as to impair adversely any outstanding revenue bonds
15 that may be secured by a pledge of the [~~municipal higher~~
16 ~~education facilities gross receipts~~] tax unless the outstanding
17 revenue bonds have been discharged in full or provision has
18 been fully made for their discharge. [~~As used in Chapter 3,~~
19 ~~Article 31 NMSA 1978, "municipal higher education facilities~~
20 ~~gross receipts tax revenue bonds" means the bonds authorized in~~
21 ~~this subsection and "municipal higher education facilities~~
22 ~~gross receipts tax revenue" means any or all of the revenue~~
23 ~~from the municipal higher education facilities gross receipts~~
24 ~~tax transferred to the municipality pursuant to Section~~
25 ~~7-1-6.12 NMSA 1978.]~~

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1 K. Except for the purpose of refunding previous
2 revenue bond issues, no municipality may sell revenue bonds
3 payable from pledged revenues after the expiration of two years
4 from the date of the ordinance authorizing the issuance of the
5 bonds or, for bonds to be issued and sold to the New Mexico
6 finance authority as authorized in Subsection C of Section
7 3-31-4 NMSA 1978, after the expiration of two years from the
8 date of the resolution authorizing the issuance of the bonds.
9 However, any period of time during which a particular revenue
10 bond issue is in litigation shall not be counted in determining
11 the expiration date of that issue."

12 **SECTION 2.** A new section of Chapter 3, Article 31 NMSA
13 1978 is enacted to read:

14 "[NEW MATERIAL] DEFINITIONS.--As used in Chapter 3,
15 Article 31 NMSA 1978:

16 A. "bond" means any obligation of a municipality
17 issued under Chapter 3, Article 31 NMSA 1978, whether
18 designated as a bond, note, loan, warrant, debenture, lease-
19 purchase agreement or other instrument evidencing an obligation
20 of a municipality to make payments;

21 B. "economic development sales tax revenue bonds"
22 means the bonds authorized by Subsection I of Section 3-31-1
23 NMSA 1978;

24 C. "gasoline tax revenue" means all or portions of
25 the amounts of tax revenues distributed to municipalities

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1 pursuant to Sections 7-1-6.9 and 7-1-6.27 NMSA 1978;

2 D. "gasoline tax revenue bonds" means the bonds
3 authorized by Subsection E of Section 3-31-1 NMSA 1978;

4 E. "joint utility revenue bonds" or "joint utility
5 bonds" means the bonds authorized by Subsection C of Section
6 3-31-1 NMSA 1978;

7 F. "municipal higher education facilities sales tax
8 revenue bonds" means the bonds authorized by Subsection J of
9 Section 3-31-1 NMSA 1978;

10 G. "municipal higher education facilities sales tax
11 revenue" means any or all of the revenue from the municipal
12 higher education facilities sales tax transferred to the
13 municipality pursuant to Section 7-1-6.12 NMSA 1978;

14 H. "municipal infrastructure sales tax revenue"
15 means any or all of the revenue from the municipal
16 infrastructure sales tax transferred to the municipality
17 pursuant to Section 7-1-6.12 NMSA 1978;

18 I. "pledged revenues" means the revenues, net
19 income or net revenues authorized to be pledged to the payment
20 of revenue bonds as specifically provided in Chapter 3, Article
21 31 NMSA 1978;

22 J. "project revenue" means the net revenue of
23 revenue-producing projects that may be pledged to project
24 revenue bonds;

25 K. "project revenue bonds" means the bonds

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1 authorized by Subsection F of Section 3-31-1 NMSA 1978;

2 L. "public building" includes fire stations, police
3 buildings, municipal jails, regional jails or juvenile
4 detention facilities, libraries, museums, auditoriums,
5 convention halls, hospitals, buildings for administrative
6 offices, city halls and garages for housing, repairing and
7 maintaining city vehicles and equipment;

8 M. "sales tax revenue" means the amount of money
9 transferred to the municipality as authorized by Section
10 7-1-6.12 NMSA 1978 for any municipal sales tax imposed pursuant
11 to the Municipal Local Option Sales and Use Tax Act;

12 N. "sales tax revenue bonds" means the bonds
13 authorized by Subsection D of Section 3-31-1 NMSA 1978; and

14 O. "utility revenue bonds" or "utility bonds" means
15 the bonds authorized by Subsection B of Section 3-31-1 NMSA
16 1978."

17 **SECTION 3.** Section 3-37A-2 NMSA 1978 (being Laws 1979,
18 Chapter 284, Section 2, as amended) is amended to read:

19 "3-37A-2. DEFINITIONS.--As used in the Small Cities
20 Assistance Act:

21 A. "municipality" means an incorporated city, town
22 or village, whether incorporated under general act, special act
23 or special charter, and incorporated counties and H-class
24 counties;

25 B. "municipal share" means one and thirty-five one-
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1 hundredths percent of the taxable gross receipts as defined in
2 the [~~Gross Receipts and Compensating~~] Sales and Use Tax Act
3 reported annually for each municipality to the taxation and
4 revenue department during a twelve-month period ending June 30;

5 C. "total municipal share" means the sum of all
6 municipal shares;

7 D. "statewide per capita average" means the
8 quotient of the total municipal share divided by the total
9 population in all municipalities;

10 E. "municipal per capita average" means the
11 quotient of the municipal share divided by the municipality's
12 population;

13 F. "population" means the most recent official
14 census or estimate determined by the United States census
15 bureau [~~of the census~~], or, if neither is available,
16 "population" means an estimate as determined by the local
17 government division of the department of finance and
18 administration;

19 G. "local tax effort" means the amount produced by
20 a one-fourth [~~of one~~] percent municipal [~~gross receipts~~] sales
21 tax in the previous fiscal year;

22 H. "qualifying municipality" means a municipality
23 with a population of less than ten thousand that has enacted on
24 or before the last day of the preceding fiscal year an
25 ordinance or ordinances imposing a municipal [~~gross receipts~~]

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1 sales tax [~~pursuant to Section 7-19D-9 NMSA 1978~~] at a rate of
2 one-fourth [~~of one~~] percent or more;

3 I. "enacted" means adopted by a majority of the
4 members of the governing body of the municipality pursuant to
5 Section 7-19D-9 NMSA 1978 and:

6 (1) for which no election has been called in
7 the manner and within the time provided by Section 7-19D-9 NMSA
8 1978; or

9 (2) that has been approved by a majority of
10 the registered voters voting on the question pursuant to
11 Section 7-19D-9 NMSA 1978; and

12 J. "minimum amount" means an amount equal to ninety
13 thousand dollars (\$90,000)."

14 SECTION 4. Section 3-65-8 NMSA 1978 (being Laws 2001,
15 Chapter 231, Section 8) is amended to read:

16 "3-65-8. AUTHORIZATION OF PROJECT.--

17 A. Pursuant to the provisions of Section 6-21-6
18 NMSA 1978, the legislature authorizes the authority to make a
19 loan from the public project revolving fund to a municipality
20 to acquire land for and to design, purchase, construct,
21 remodel, renovate, rehabilitate, improve, equip or furnish a
22 minor league baseball stadium on terms and conditions
23 established by the authority.

24 B. Prior to receiving the loan, the governing body
25 shall approve the loan and related documents by an ordinance to

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1 be adopted by a majority of the members of the governing body.
2 The ordinance shall pledge the stadium surcharge receipts to
3 make the loan payments. In addition to pledging stadium
4 surcharge receipts for making loan payments, the ordinance
5 shall pledge legally available [~~gross receipts~~] sales tax
6 revenues [~~distributed~~] transferred to a municipality pursuant
7 to Section [~~7-1-6.4 or~~] 7-1-6.12 NMSA 1978 in an amount
8 satisfactory to the authority and in an amount at least
9 sufficient to make the loan payments. No action shall be
10 brought questioning the legality of the pledge of receipts and
11 revenues, the ordinance, the loan, the proceedings, the stadium
12 surcharge or any other matter concerning the loan after thirty
13 days from the date of publication of the ordinance approving
14 the loan and related documents and pledging stadium surcharge
15 receipts and [~~gross receipts~~] sales tax revenues of the
16 municipality to make the loan payments.

17 C. The legislature or a municipality shall not
18 repeal, amend or otherwise modify any law or ordinance that
19 adversely affects or impairs the stadium surcharge or any loan
20 from the authority secured by a pledge of the stadium surcharge
21 and [~~gross receipts~~] sales tax revenues, unless the loan has
22 been paid in full or provisions have been made for full
23 payment."

24 SECTION 5. Section 3-66-8 NMSA 1978 (being Laws 2005,
25 Chapter 351, Section 10) is amended to read:

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1 "3-66-8. ISSUANCE OF BONDS.--

2 A. A municipality may issue revenue bonds, in
3 accordance with the procedures set forth in Sections 3-31-3
4 through 3-31-7 NMSA 1978, to acquire land for and to design,
5 purchase, construct, remodel, renovate, rehabilitate, improve,
6 equip or furnish a municipal event center.

7 B. Revenue bonds issued by a municipality may be
8 secured by event center revenues, event center surcharge
9 receipts or [~~gross receipts~~] sales tax revenues [~~distributed~~
10 transferred to that municipality pursuant to Section [~~7-1-6.4~~
11 ~~or~~] 7-1-6.12 NMSA 1978.

12 C. An action shall not be brought questioning the
13 legality of the pledge of event center revenues, event center
14 surcharge receipts or [~~gross receipts~~] sales tax revenues,
15 bonds issued pursuant to the Municipal Event Center Funding
16 Act, issuance of those bonds, an event center surcharge
17 included in a vendor contract or any other matter concerning
18 the bonds after thirty days from the date of publication of the
19 ordinance authorizing issuance of the bonds and the pledging of
20 event center receipts, event center surcharge receipts or
21 [~~gross receipts~~] sales tax revenues of a municipality to make
22 debt service payments.

23 D. The legislature or a municipality shall not
24 repeal, amend or otherwise modify any law or ordinance that
25 adversely affects or impairs the event center surcharge or any

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1 bonds secured by a pledge of the event center revenues, event
2 center surcharge receipts or [~~gross receipts~~] sales tax
3 revenues, unless the bonds have been paid in full or provisions
4 have been made for full payment."

5 SECTION 6. Section 4-48B-12 NMSA 1978 (being Laws 1981,
6 Chapter 83, Section 12, as amended) is amended to read:

7 "4-48B-12. TAX LEVIES AUTHORIZED.--

8 A. The county commissioners are authorized to
9 impose a mill levy and collect annual assessments against the
10 net taxable value of the property in a county to pay the cost
11 of operating and maintaining county hospitals or to pay to
12 contracting hospitals in accordance with a health care
13 facilities contract and in class A counties to pay for the
14 county's transfer to the county-supported medicaid fund
15 pursuant to Section 27-10-4 NMSA 1978 as follows:

16 (1) in class A counties as defined in Section
17 4-44-1 NMSA 1978, the mill levy shall not exceed a rate of six
18 dollars fifty cents (\$6.50), or any lower maximum amount
19 required by operation of the rate limitation provisions of
20 Section 7-37-7.1 NMSA 1978 upon a mill levy imposed pursuant to
21 this paragraph, on each one thousand dollars (\$1,000) of net
22 taxable value of property allocated to the county; however, if
23 the county uses any portion, not to exceed one dollar fifty
24 cents (\$1.50), of the rate authorized by this paragraph to meet
25 the requirement of Section 27-10-4 NMSA 1978, the provisions of

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1 Section 7-37-7.1 NMSA 1978 do not apply to the portion of the
2 rate necessary to produce the revenues required; provided that
3 the portion of the rate does not exceed one dollar fifty cents
4 (\$1.50); and

5 (2) in other counties, the mill levy shall not
6 exceed four dollars twenty-five cents (\$4.25), or any lower
7 maximum amount required by operation of the rate limitation
8 provisions of Section 7-37-7.1 NMSA 1978 upon a mill levy
9 imposed pursuant to this paragraph, on each one thousand
10 dollars (\$1,000) of net taxable value of property allocated to
11 the county.

12 B. The mill levies provided in Paragraphs (1) and
13 (2) of Subsection A of this section shall be made at the
14 direction of the county commissioners, but only to the extent
15 that the county commissioners deem it necessary to operate and
16 maintain county hospitals, to pay the amounts required in the
17 performance of any health care facilities contracts made
18 pursuant to the Hospital Funding Act and to provide for a class
19 A county's transfer to the county-supported medicaid fund
20 pursuant to Section 27-10-4 NMSA 1978.

21 C. In the event that the mill levy provided for in
22 Paragraph (1) of Subsection A of this section is not authorized
23 by the electorate or the resulting mill levy proceeds are not
24 remitted to the entity operating the hospital within a
25 reasonable time period, any lease for operation of the hospital

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1 between a county and a state educational institution named in
2 Article 12, Section 11 of the constitution of New Mexico may,
3 at the option of the state educational institution, be
4 terminated immediately. Except as provided in Subsection D of
5 this section, in the event that the mill levy provided for in
6 Paragraph (1) of Subsection A of this section is authorized, an
7 amount not less than the amount that would be produced by a
8 mill levy at the rate of four dollars (\$4.00), or any lower
9 amount that would be required by operation of the rate
10 limitation provisions of Section 7-37-7.1 NMSA 1978 upon this
11 rate, on each one thousand dollars (\$1,000) of net taxable
12 value of property allocated to the county shall be provided
13 from the proceeds of the mill levy to the state educational
14 institution operating the hospital for hospital purposes unless
15 the institution determines that the amount is not necessary.

16 D. A class A county imposing the mill levy provided
17 for in Paragraph (1) of Subsection A of this section may enter
18 into a mutual agreement with a state educational institution
19 named in Article 12, Section 11 of the constitution of New
20 Mexico operating the hospital permitting the transfer to the
21 county-supported medicaid fund by the county pursuant to
22 Section 27-10-4 NMSA 1978 of not to exceed the amount that
23 would be produced by a mill levy at a rate of one dollar fifty
24 cents (\$1.50) applied to the net taxable value of property
25 allocated to the county for the prior property tax year and

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1 also not to exceed the amount that would be produced by
2 imposition of the county health care [~~gross receipts~~] sales
3 tax.

4 E. The distribution of the mill levy authorized at
5 the rates specified in Subsection A of this section shall be
6 made to county and contracting hospitals as authorized in the
7 Hospital Funding Act."

8 SECTION 7. Section 4-61-2 NMSA 1978 (being Laws 1982,
9 Chapter 44, Section 2, as amended) is amended to read:

10 "4-61-2. DEFINITIONS.--As used in the Small Counties
11 Assistance Act:

12 A. "adjustment factor" means a fraction, the
13 numerator of which is the net taxable value of the state for
14 the property tax year prior to the year in which the amount of
15 small counties assistance is being determined and the
16 denominator of which is the net taxable value for property tax
17 year 2002; the adjustment factor shall be calculated without
18 reference to assessed value determined pursuant to the Oil and
19 Gas Ad Valorem Production Tax Act, assessed value determined
20 pursuant to the Oil and Gas Production Equipment Ad Valorem Tax
21 Act or taxable value determined pursuant to the Copper
22 Production Ad Valorem Tax Act;

23 B. "ceiling valuation" means,

24 [~~(1) for the 2002 property tax year, one~~
25 ~~billion four hundred million dollars (\$1,400,000,000); and~~

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1 (2)] for each [subsequent] property tax year,
2 an amount equal to the product obtained by multiplying one
3 billion four hundred million dollars (\$1,400,000,000) by the
4 adjustment factor for the year;

5 C. "demographer" means the bureau of business and
6 economic research at the university of New Mexico;

7 D. "inflation factor" means a fraction whose
8 numerator is the annual implicit price deflator index for state
9 and local government purchases of goods and services, as
10 published in the United States department of commerce monthly
11 publication entitled "Survey of Current Business" or any
12 successor publication prepared by an agency of the United
13 States and adopted by the department of finance and
14 administration, for the calendar year one year prior to the
15 year in which the distribution is to be made and whose
16 denominator is the annual index for calendar year 2004;
17 provided that, if the inflation factor is calculated to have a
18 value less than one, it shall be deemed to have a value of one;

19 E. "population" means the official population shown
20 by the most recent federal decennial census or, if there is a
21 change in boundaries after the date of the census, "population"
22 for each affected unit shall be the most current estimated
23 population for that unit provided in writing by the
24 demographer; provided that after five years from the first day
25 of the calendar year of the most recent federal decennial

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1 census, that census shall not be used, and "population" for the
2 period from that date until the date when the next following
3 official final decennial census population data are available
4 shall be the most current estimated population provided in
5 writing by the demographer;

6 F. "qualifying county" means a county that has:

7 (1) for the property tax year in which any
8 distribution under the Small Counties Assistance Act is made to
9 the county, imposed a property tax rate for general county
10 purposes pursuant to Paragraph (1) of Subsection B of Section
11 7-37-7 NMSA 1978 as limited by Section 7-37-7.1 NMSA 1978 of at
12 least eight dollars eighty-five cents (\$8.85) per one thousand
13 dollars (\$1,000) of net taxable value;

14 (2) by July 1 of the property tax year in
15 which any distribution under the Small Counties Assistance Act
16 is made to the county, received a written certification from
17 the director of the property tax division of the taxation and
18 revenue department that the county assessor of that county has
19 implemented an acceptable program of maintaining current and
20 correct property values for property taxation purposes as
21 required by Section 7-36-16 NMSA 1978 or has submitted to the
22 director an acceptable plan for the implementation of such a
23 program;

24 (3) on July 1 of the year in which any
25 distribution under the Small Counties Assistance Act is made to

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1 the county, a population of not more than forty-eight thousand;

2 (4) imposed county [~~gross receipts~~] sales tax
3 increments authorized pursuant to Section 7-20E-9 NMSA 1978
4 totaling at least three-eighths percent and has those
5 increments in effect on July 1 of the year in which a
6 distribution is made; provided that this paragraph does not
7 apply to a county if the county's valuation for property
8 taxation purposes does not exceed the product of two hundred
9 thirty million dollars (\$230,000,000) multiplied by the
10 adjustment factor for the year; and

11 (5) a total valuation for the property tax
12 year preceding the year in which a distribution pursuant to the
13 Small Counties Assistance Act for that county is to be made
14 that is no greater than the ceiling valuation for that property
15 tax year;

16 G. "tax rate factor" means [~~a fraction, the~~
17 ~~numerator of which is the average rate imposed in Section 7-9-7~~
18 ~~NMSA 1978 for the fiscal year one year prior to the fiscal year~~
19 ~~in which the distribution is to be made and the denominator of~~
20 ~~which is five] one and twenty-five thousandths percent; and~~

21 H. "total valuation" means the sum for a
22 jurisdiction for a property tax year of the net taxable value
23 determined pursuant to the Property Tax Code, the assessed
24 value determined pursuant to the Oil and Gas Ad Valorem
25 Production Tax Act, the assessed value determined pursuant to

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1 the Oil and Gas Production Equipment Ad Valorem Tax Act and the
2 taxable value determined pursuant to the Copper Production Ad
3 Valorem Tax Act."

4 SECTION 8. Section 4-61-3 NMSA 1978 (being Laws 1982,
5 Chapter 44, Section 3, as amended) is amended to read:

6 "4-61-3. SMALL COUNTIES ASSISTANCE FUND--DISTRIBUTION.--

7 A. The "small counties assistance fund" is created
8 within the state treasury.

9 B. On or before September 1, 2003 and on or before
10 September 1 of each subsequent year, the demographer shall
11 certify in writing to the department of finance and
12 administration the population of the state and of each county
13 as of June 30 of the year.

14 C. On or before September 15, 2003 and on or before
15 September 15 of each subsequent year, the secretary of finance
16 and administration shall certify to the state treasurer with
17 respect to each qualifying county:

18 (1) its population as certified by the
19 demographer;

20 (2) its total valuation for the preceding
21 property tax year; and

22 (3) the distribution amount calculated for it.

23 D. The distribution amount for each qualifying
24 county shall be determined for 2003 and each subsequent year in
25 accordance with the following table; provided that the bracket

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1 amounts in the first two columns of the table shall be adjusted
2 annually after 2003 by the adjustment factor. The bracket
3 amounts in the last column shall be adjusted annually after
4 2005 by the inflation factor, and, in 2011 and subsequent years
5 shall be adjusted by the tax rate factor. The department of
6 finance and administration may round the results of the
7 adjustments made pursuant to this subsection to the nearest one
8 thousand dollars (\$1,000).

9 If the county's total valuation for the preceding property
10 tax year is:

11	at least:	but less	and the county	then the distribution
12		than:	population is:	amount is:
13	\$ 0	\$100,000,000	under 1,000	\$515,000
14	\$ 0	\$100,000,000	at least 1,000	\$370,000
15			but under 4,000	
16	\$ 0	\$100,000,000	at least 4,000	\$285,000
17	\$100,000,000	\$230,000,000	under 12,000	\$200,000
18	\$100,000,000	\$230,000,000	at least 12,000	\$145,000
19	\$230,000,000	\$1,400,000,000	under 48,000	\$ 85,000.

20 E. If the balance in the small counties assistance
21 fund as of the preceding August 31 exceeds the sum of the
22 distributions to be made to qualifying counties pursuant to
23 the provisions of Subsection D of this section, the department
24 of finance and administration shall increase the distribution
25 amount for each county receiving a distribution amount

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1 pursuant to the provisions of Subsection D of this section by:

2 (1) fifty thousand dollars (\$50,000) if the
3 county has imposed and has in effect on July 1 of the year in
4 which the distribution is to be made, a county correctional
5 facility [~~gross receipts~~] sales tax at a rate of at least one-
6 eighth percent;

7 (2) twenty thousand dollars (\$20,000) if the
8 county has imposed and has in effect on July 1 of the year in
9 which the distribution is to be made, a county [~~gross~~
10 ~~receipts~~] sales tax increment of one-sixteenth percent; or

11 (3) seventy thousand dollars (\$70,000) if
12 the county has met the requirements of Paragraphs (1) and (2)
13 of this subsection.

14 F. If the balance in the small counties assistance
15 fund as of the preceding August 31 is less than the sum of the
16 distributions determined pursuant to Subsection D of this
17 section plus the distribution increases authorized pursuant to
18 Subsection E of this section, the distribution increases
19 pursuant to Subsection E of this section shall be
20 proportionately reduced.

21 G. If the balance in the small counties assistance
22 fund as of the preceding August 31 is less than the sum of the
23 distributions to be made to qualifying counties, the
24 department of finance and administration shall reduce each
25 qualifying county's calculated distribution by a percentage

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1 computed by dividing the amount by which the fund is
2 insufficient by the sum of all the calculated distributions
3 and shall certify the reduced amounts as the qualifying
4 counties' distributions.

5 H. Any interest accruing from the temporary
6 investment of the small counties assistance fund shall be
7 credited to the general fund.

8 I. On or before September 30, 2003 and on or
9 before September 30 of each subsequent year, the state
10 treasurer shall distribute to each county for whom a
11 distribution has been certified for that year the amount
12 certified for that county for that year. If the balance in
13 the fund as of the preceding August 31 exceeds the sum of
14 certified amounts distributed, the difference shall revert to
15 the general fund.

16 J. If any date specified in Subsection B, C or I
17 of this section falls on a Saturday, Sunday or legal holiday,
18 any action required to be performed as provided in those
19 subsections is timely if performed on the next day that is not
20 a Saturday, Sunday or legal holiday."

21 SECTION 9. Section 4-62-1 NMSA 1978 (being Laws 1992,
22 Chapter 95, Section 1, as amended) is amended to read:

23 "4-62-1. REVENUE BONDS--AUTHORITY TO ISSUE--PLEDGE OF
24 REVENUES--LIMITATION ON TIME OF ISSUANCE.--

25 A. In addition to any other law authorizing a

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1 county to issue revenue bonds, a county may issue revenue
2 bonds pursuant to Chapter 4, Article 62 NMSA 1978 for the
3 purposes specified in this section. [~~The term "pledged~~
4 ~~revenues", as used in Chapter 4, Article 62 NMSA 1978, means~~
5 ~~the revenues, net income or net revenues authorized to be~~
6 ~~pledged to the payment of particular revenue bonds as~~
7 ~~specifically provided in Subsections B through N of this~~
8 ~~section.~~]

9 B. [~~Gross receipts~~] Sales tax revenue bonds may be
10 issued for one or more of the following purposes:

11 (1) constructing, purchasing, furnishing,
12 equipping, rehabilitating, making additions to or making
13 improvements to one or more public buildings or purchasing or
14 improving the ground of the building or buildings;

15 (2) acquiring or improving county or public
16 parking lots, structures or facilities;

17 (3) purchasing, acquiring or rehabilitating
18 firefighting equipment;

19 (4) acquiring, extending, enlarging,
20 bettering, repairing or otherwise improving or maintaining
21 storm sewers and other drainage improvements, sanitary sewers,
22 sewage treatment plants, water utilities or other water,
23 wastewater or related facilities, which may include the
24 acquisition of rights of way and water and water rights;

25 (5) reconstructing, resurfacing,

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1 maintaining, repairing or otherwise improving existing alleys,
2 streets, roads or bridges or laying off, opening, constructing
3 or otherwise acquiring new alleys, streets, roads or bridges,
4 which may include the acquisition of rights of way;

5 (6) purchasing, acquiring, constructing,
6 making additions to, enlarging, bettering, extending or
7 equipping airport facilities, which may include the
8 acquisition of land, easements or rights of way;

9 (7) purchasing, otherwise acquiring or
10 clearing land or purchasing, otherwise acquiring or
11 beautifying land for open space;

12 (8) acquiring, constructing, purchasing,
13 equipping, furnishing, making additions to, renovating,
14 rehabilitating, beautifying or otherwise improving public
15 parks, public recreational buildings or other public
16 recreational facilities;

17 (9) acquiring, constructing, extending,
18 enlarging, bettering, repairing, otherwise improving or
19 maintaining solid waste disposal equipment, equipment for
20 operation and maintenance of sanitary landfills, sanitary
21 landfills or solid waste facilities; and

22 (10) acquiring, constructing, extending,
23 bettering, repairing or otherwise improving public transit
24 systems or regional transit systems or facilities. A county
25 may pledge irrevocably any or all of the revenue from the

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1 first one-eighth increment, the third one-eighth increment and
2 the one-sixteenth increment of the county [~~gross receipts~~
3 sales tax and any increment of the county infrastructure
4 [~~gross receipts~~] sales tax and county capital outlay [~~gross~~
5 ~~receipts~~] sales tax for payment of principal and interest due
6 in connection with, and other expenses related to [~~gross~~
7 ~~receipts~~] sales tax revenue bonds [~~for any of the purposes~~
8 ~~authorized in this section or specific purposes~~] or for any
9 area of county government services. If the revenue from the
10 first one-eighth increment, the third one-eighth increment or
11 the one-sixteenth increment of the county [~~gross receipts~~]
12 sales tax or any increment of the county infrastructure [~~gross~~
13 ~~receipts~~] sales tax or county capital outlay [~~gross receipts~~]
14 sales tax is pledged for payment of principal and interest as
15 authorized by this subsection, the pledge shall require the
16 revenues received from [~~that increment of the county gross~~
17 ~~receipts tax or any increment of the county infrastructure~~
18 ~~gross receipts tax or county capital outlay gross receipts~~
19 ~~tax~~] those increments to be deposited into a special bond fund
20 for payment of the principal, interest and expenses. At the
21 end of each fiscal year, money remaining in the special bond
22 fund after the annual obligations for the bonds are fully met
23 may be transferred to any other fund of the county. Revenues
24 in excess of the annual principal and interest due on [~~gross~~
25 ~~receipts~~] sales tax revenue bonds secured by a pledge of

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1 ~~[gross receipts]~~ sales tax revenue may be accumulated in a
2 debt service reserve account. The governing body of the
3 county may appoint a commercial bank trust department to act
4 as trustee of the proceeds of the tax and to administer the
5 payment of principal of and interest on the bonds.

6 C. Fire protection revenue bonds may be issued
7 for acquiring, extending, enlarging, bettering, repairing,
8 improving, constructing, purchasing, furnishing, equipping or
9 rehabilitating an independent fire district project or
10 facility, including, as applicable, purchasing, otherwise
11 acquiring or improving the ground for the project. A county
12 may pledge irrevocably any or all of the county fire
13 protection ~~[exercise]~~ sales tax revenue for payment of principal
14 and interest due in connection with, and other expenses
15 related to, fire protection revenue bonds. ~~[These bonds may~~
16 ~~be referred to in Chapter 4, Article 62 NMSA 1978 as "fire~~
17 ~~protection revenue bonds".]~~

18 D. Environmental revenue bonds may be issued for
19 the acquisition and construction of solid waste facilities,
20 water facilities, wastewater facilities, sewer systems and
21 related facilities. A county may pledge irrevocably any or
22 all of the county environmental services ~~[gross receipts]~~
23 sales tax revenue for payment of principal and interest due in
24 connection with, and other expenses related to, environmental
25 revenue bonds. ~~[These bonds may be referred to in Chapter 4,~~

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1 ~~Article 62 NMSA 1978 as "environmental revenue bonds".]~~

2 E. Gasoline tax revenue bonds may be issued for
3 the acquisition of rights of way for and the construction,
4 reconstruction, resurfacing, maintenance, repair or other
5 improvement of county roads and bridges. A county may pledge
6 irrevocably any or all of the county gasoline tax revenue for
7 payment of principal and interest due in connection with, and
8 other expenses related to, county gasoline tax revenue bonds.
9 ~~[These bonds may be referred to in Chapter 4, Article 62 NMSA~~
10 ~~1978 as "gasoline tax revenue bonds".]~~

11 F. Utility revenue bonds or joint utility revenue
12 bonds may be issued for acquiring, extending, enlarging,
13 bettering, repairing or otherwise improving water facilities,
14 sewer facilities, gas facilities or electric facilities. A
15 county may pledge irrevocably any or all of the net revenues
16 from the operation of the utility or joint utility for which
17 the particular utility or joint utility bonds are issued to
18 the payment of principal and interest due in connection with,
19 and other expenses related to, utility or joint utility
20 revenue bonds. ~~[These bonds may be referred to in Chapter 4,~~
21 ~~Article 62 NMSA 1978 as "utility revenue bonds" or "joint~~
22 ~~utility revenue bonds".]~~

23 G. Project revenue bonds may be issued for
24 acquiring, extending, enlarging, bettering, repairing,
25 improving, constructing, purchasing, furnishing, equipping or

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1 rehabilitating any revenue-producing project, including, as
2 applicable, purchasing, otherwise acquiring or improving the
3 ground for the project and acquiring and improving parking
4 lots. The county may pledge irrevocably any or all of the net
5 revenues from the operation of the revenue-producing project
6 for which the particular project revenue bonds are issued to
7 the payment of the interest on and principal of the project
8 revenue bonds. The net revenues of any revenue-producing
9 project shall not be pledged to the project revenue bonds
10 issued for any other revenue-producing project that is clearly
11 unrelated in nature; but nothing in this subsection prevents
12 the pledge to any of the project revenue bonds of the revenues
13 received from existing, future or disconnected facilities and
14 equipment that are related to and that may constitute a part
15 of the particular revenue-producing project. A general
16 determination by the governing body that facilities or
17 equipment is reasonably related to and constitutes a part of a
18 specified revenue-producing project shall be conclusive if set
19 forth in the proceedings authorizing the project revenue
20 bonds. ~~[As used in Chapter 4, Article 62 NMSA 1978:~~

21 ~~(1) "project revenue bonds" means the bonds~~
22 ~~authorized in this subsection; and~~

23 ~~(2) "project revenues" means the net~~
24 ~~revenues of revenue-producing projects that may be pledged to~~
25 ~~project revenue bonds pursuant to this subsection.]~~

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1 H. Fire district revenue bonds may be issued for
2 acquiring, extending, enlarging, bettering, repairing,
3 improving, constructing, purchasing, furnishing, equipping and
4 rehabilitating a fire district project, including, as
5 applicable, purchasing, otherwise acquiring or improving the
6 ground for the project. The county may pledge irrevocably any
7 or all of the revenues received by the fire district from the
8 fire protection fund as provided in the Fire Protection Fund
9 Law and any or all of the revenues provided for the operation
10 of the fire district project for which the particular bonds
11 are issued to the payment of the interest on and principal of
12 the bonds. The revenues of a fire district project shall not
13 be pledged to the bonds issued for a fire district project
14 that clearly is unrelated in its purpose; but nothing in this
15 section prevents the pledge to such bonds of revenues received
16 from existing, future or disconnected facilities and equipment
17 that are related to and that may constitute a part of the
18 particular fire district project. A general determination by
19 the governing body of the county that facilities or equipment
20 is reasonably related to and constitutes a part of a specified
21 fire district project shall be conclusive if set forth in the
22 proceedings authorizing the fire district revenue bonds.

23 I. Law enforcement protection revenue bonds may be
24 issued for the repair and purchase of law enforcement
25 apparatus and equipment that meet nationally recognized

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1 standards. The county may pledge irrevocably any or all of
2 the revenues received by the county from the law enforcement
3 protection fund distributions pursuant to the Law Enforcement
4 Protection Fund Act to the payment of the interest on and
5 principal of the law enforcement protection revenue bonds.

6 J. Hospital emergency [~~gross receipts~~] sales tax
7 revenue bonds may be issued for acquiring, equipping,
8 remodeling or improving a county hospital or county health
9 facility. A county may pledge irrevocably to the payment of
10 the interest on and principal of the county hospital emergency
11 [~~gross receipts~~] sales tax revenue bonds any or all of the
12 revenues received by the county from [~~a county hospital~~
13 ~~emergency gross receipts~~] that tax [~~imposed pursuant to~~
14 ~~Section 7-20E-12.1 NMSA 1978~~] and dedicated to payment of
15 bonds or a loan for acquiring, equipping, remodeling or
16 improving a county hospital or county health facility.

17 K. Economic development [~~gross receipts~~] sales tax
18 revenue bonds may be issued for the purpose of furthering
19 economic development projects as defined in the Local Economic
20 Development Act. A county may pledge irrevocably any or all
21 of the county infrastructure [~~gross receipts~~] sales tax to the
22 payment of the interest on and principal of the economic
23 development [~~gross receipts~~] sales tax revenue bonds for the
24 purpose authorized in this subsection.

25 L. County education [~~gross receipts~~] sales tax

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~~[bracketed material] = delete~~

1 revenue bonds may be issued for public school or off-campus
2 instruction program capital projects as authorized in Section
3 7-20E-20 NMSA 1978. A county may pledge irrevocably any or
4 all of the county education [~~gross receipts~~] sales tax revenue
5 to the payment of interest on and principal of the county
6 education [~~gross receipts~~] sales tax revenue bonds for the
7 purpose authorized in this section.

8 M. County area emergency communications and
9 emergency medical and behavioral health services tax revenue
10 bonds and countywide emergency communications and emergency
11 medical and behavioral health services tax revenue bonds may
12 be issued for the purpose of purchasing emergency
13 communications equipment for an emergency communications
14 center that has been determined by the local government
15 division of the department of finance and administration to be
16 a consolidated public safety answering point if the useful
17 life of the equipment exceeds the term in which the bonds
18 mature. A county may pledge irrevocably any or all of the
19 county area emergency communications and emergency medical and
20 behavioral health services tax revenue and the countywide
21 emergency communications and emergency medical and behavioral
22 health services tax revenue to the payment of interest on and
23 principal of county area emergency communications and
24 emergency medical and behavioral health services tax revenue
25 bonds and countywide emergency communications and emergency

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1 medical and behavioral health services tax revenue bonds for
2 the purpose authorized in this section.

3 N. PILT revenue bonds may be issued by a county to
4 repay all or part of the principal and interest of an
5 outstanding loan owed by the county to the New Mexico finance
6 authority. A county may pledge irrevocably all or part of
7 PILT revenue to the payment of principal of and interest on
8 new loans or preexisting loans provided by the New Mexico
9 finance authority to finance a public project as "public
10 project" is defined in Subsection E of Section 6-21-3 NMSA
11 1978.

12 O. Except for the purpose of refunding previous
13 revenue bond issues, no county may sell revenue bonds payable
14 from pledged revenue after the expiration of two years from
15 the date of the ordinance authorizing the issuance of the
16 bonds or, for bonds to be issued and sold to the New Mexico
17 finance authority as authorized in Subsection C of Section
18 4-62-4 NMSA 1978, after the expiration of two years from the
19 date of the resolution authorizing the issuance of the bonds.
20 However, any period of time during which a particular revenue
21 bond issue is in litigation shall not be counted in
22 determining the expiration date of that issue.

23 P. No bonds may be issued by a county, other than
24 an H class county, a class B county as defined in Section
25 4-36-8 NMSA 1978 or a class A county as described in Section

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1 4-36-10 NMSA 1978, to acquire, equip, extend, enlarge, better,
2 repair or construct a utility unless the utility is regulated
3 by the public regulation commission pursuant to the Public
4 Utility Act and the issuance of the bonds is approved by the
5 commission. For purposes of Chapter 4, Article 62 NMSA 1978,
6 a "utility" includes a water, wastewater, sewer, gas or
7 electric utility or joint utility serving the public. H class
8 counties shall obtain public regulation commission approvals
9 required by Section 3-23-3 NMSA 1978.

10 Q. Any law that imposes or authorizes the
11 imposition of a county [~~gross receipts~~] sales tax, a county
12 environmental services [~~gross receipts~~] sales tax, a county
13 fire protection [~~excise~~] sales tax, a county infrastructure
14 [~~gross receipts~~] sales tax, the county education [~~gross~~
15 ~~receipts~~] sales tax, a county capital outlay [~~gross receipts~~]
16 sales tax, the gasoline tax, the county hospital emergency
17 [~~gross receipts~~] sales tax, the countywide emergency
18 communications and emergency medical and behavioral health
19 services tax or the county area emergency communications and
20 emergency medical and behavioral health services tax, or that
21 affects any of those taxes shall not be repealed or amended in
22 such a manner as to impair outstanding revenue bonds that are
23 issued pursuant to Chapter 4, Article 62 NMSA 1978 and that
24 may be secured by a pledge of those taxes unless the
25 outstanding revenue bonds have been discharged in full or for

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1 which provision has been fully made.

2 [R.—As used in this section:

3 (1)—"county area emergency communications
4 and emergency medical and behavioral health services tax
5 revenue" means the revenue from the county area emergency
6 communications and emergency medical and behavioral health
7 services tax transferred pursuant to Section 7-1-6.13 NMSA
8 1978;

9 (2)—"county capital outlay gross receipts
10 tax revenue" means the revenue from the county capital outlay
11 gross receipts tax transferred to the county pursuant to
12 Section 7-1-6.13 NMSA 1978;

13 (3)—"county education gross receipts tax
14 revenue" means the revenue from the county education gross
15 receipts tax transferred to the county pursuant to Section
16 7-1-6.13 NMSA 1978;

17 (4)—"county environmental services gross
18 receipts tax revenue" means the revenue from the county
19 environmental services gross receipts tax transferred to the
20 county pursuant to Section 7-1-6.13 NMSA 1978;

21 (5)—"county fire protection excise tax
22 revenue" means the revenue from the county fire protection
23 excise tax transferred to the county pursuant to Section
24 7-1-6.13 NMSA 1978;

25 (6)—"county gross receipts tax revenue"

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1 ~~means the revenue attributable to the first one-eighth~~
2 ~~increment, the third one-eighth increment and the one-~~
3 ~~sixteenth increment of the county gross receipts tax~~
4 ~~transferred to the county pursuant to Section 7-1-6.13 NMSA~~
5 ~~1978 and any distribution related to the first one-eighth~~
6 ~~increment made pursuant to Section 7-1-6.16 NMSA 1978;~~

7 ~~(7) "county infrastructure gross receipts~~
8 ~~tax revenue" means the revenue from the county infrastructure~~
9 ~~gross receipts tax transferred to the county pursuant to~~
10 ~~Section 7-1-6.13 NMSA 1978;~~

11 ~~(8) "countywide emergency communications and~~
12 ~~emergency medical and behavioral health services tax revenue"~~
13 ~~means the revenue from the countywide emergency communications~~
14 ~~and emergency medical and behavioral health services tax~~
15 ~~transferred to the county pursuant to Section 7-1-6.13 NMSA~~
16 ~~1978;~~

17 ~~(9) "gasoline tax revenue" means the revenue~~
18 ~~from that portion of the gasoline tax distributed to the~~
19 ~~county pursuant to Sections 7-1-6.9 and 7-1-6.26 NMSA 1978;~~

20 ~~(10) "PILT revenue" means revenue received~~
21 ~~by the county from the federal government as payments in lieu~~
22 ~~of taxes; and~~

23 ~~(11) "public building" includes fire~~
24 ~~stations, police buildings, county or regional jails, county~~
25 ~~or regional juvenile detention facilities, libraries, museums,~~

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1 ~~auditoriums, convention halls, hospitals, buildings for~~
2 ~~administrative offices, courthouses and garages for housing,~~
3 ~~repairing and maintaining county vehicles and equipment.~~

4 ~~S. As used in Chapter 4, Article 62 NMSA 1978,~~
5 ~~"bond" means any obligation of a county issued under Chapter~~
6 ~~4, Article 62 NMSA 1978, whether designated as a bond, note,~~
7 ~~loan, warrant, debenture, lease-purchase agreement or other~~
8 ~~instrument, evidencing an obligation of a county to make~~
9 ~~payments.]"~~

10 SECTION 10. A new section of Chapter 4, Article 62 NMSA
11 1978 is enacted to read:

12 "[NEW MATERIAL] DEFINITIONS.--As used in Chapter 4,
13 Article 62 NMSA 1978:

14 A. "bond" means any obligation of a county issued
15 under Chapter 4, Article 62 NMSA 1978, whether designated as a
16 bond, note, loan, warrant, debenture, lease-purchase agreement
17 or other instrument evidencing an obligation of a county to
18 make payments;

19 B. "county area emergency communications and
20 emergency medical and behavioral health services tax revenue"
21 means the revenue from the county area emergency
22 communications and emergency medical and behavioral health
23 services tax transferred pursuant to Section 7-1-6.13 NMSA
24 1978;

25 C. "county capital outlay sales tax revenue" means

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1 the revenue from the county capital outlay sales tax
2 transferred to the county pursuant to Section 7-1-6.13 NMSA
3 1978;

4 D. "county education sales tax revenue" means the
5 revenue from the county education sales tax transferred to the
6 county pursuant to Section 7-1-6.13 NMSA 1978;

7 E. "county environmental services sales tax
8 revenue" means the revenue from the county environmental
9 services sales tax transferred to the county pursuant to
10 Section 7-1-6.13 NMSA 1978;

11 F. "county fire protection sales tax revenue"
12 means the revenue from the county fire protection sales tax
13 transferred to the county pursuant to Section 7-1-6.13 NMSA
14 1978;

15 G. "county infrastructure sales tax revenue" means
16 the revenue from the county infrastructure sales tax
17 transferred to the county pursuant to Section 7-1-6.13 NMSA
18 1978;

19 H. "countywide emergency communications and
20 emergency medical and behavioral health services tax revenue"
21 means the revenue from the countywide emergency communications
22 and emergency medical and behavioral health services tax
23 transferred to the county pursuant to Section 7-1-6.13 NMSA
24 1978;

25 I. "environmental revenue bonds" means the bonds

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1 authorized by Subsection D of Section 4-62-1 NMSA 1978;

2 J. "fire protection revenue bonds" means the bonds
3 authorized by Subsection C of Section 4-62-1 NMSA 1978;

4 K. "gasoline tax revenue" means the revenue from
5 that portion of the gasoline tax distributed to the county
6 pursuant to Sections 7-1-6.9 and 7-1-6.26 NMSA 1978;

7 L. "gasoline tax revenue bonds" means the bonds
8 authorized by Subsection E of Section 4-62-1 NMSA 1978;

9 M. "PILT revenue" means revenue received by the
10 county from the federal government as payments in lieu of
11 taxes;

12 N. "pledged revenue" means the revenue, net income
13 or net revenue authorized to be pledged to the payment of
14 particular revenue bond as specifically provided in Section
15 4-62-1 NMSA 1978;

16 O. "project revenue" means the net revenue of
17 revenue-producing projects that may be pledged to project
18 revenue bonds;

19 P. "project revenue bonds" means the bonds
20 authorized pursuant to Subsection G of Section 4-62-1 NMSA
21 1978;

22 Q. "public building" includes fire stations,
23 police buildings, county or regional jails, county or regional
24 juvenile detention facilities, libraries, museums,
25 auditoriums, convention halls, hospitals, buildings for

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1 administrative offices, courthouses and garages for housing,
2 repairing and maintaining county vehicles and equipment;

3 R. "sales tax revenue" means the revenue
4 attributable to the county sales tax transferred to the county
5 pursuant to Section 7-1-6.13 NMSA 1978 and any distribution
6 made pursuant to Section 7-1-6.16 NMSA 1978;

7 S. "sales tax revenue bonds" means the bonds
8 authorized by Subsection B of Section 4-62-1 NMSA 1978; and

9 T. "utility revenue bonds" or "joint utility
10 revenue bonds" means the bonds authorized by Subsection F of
11 Section 4-62-1 NMSA 1978."

12 SECTION 11. Section 5-10-3 NMSA 1978 (being Laws 1993,
13 Chapter 297, Section 3, as amended) is amended to read:

14 "5-10-3. DEFINITIONS.--As used in the Local Economic
15 Development Act:

16 A. "arts and cultural district" means a developed
17 district of public and private uses that is created pursuant
18 to the Arts and Cultural District Act;

19 B. "broadband telecommunications network
20 facilities" means the electronics, equipment, transmission
21 facilities, fiber-optic cables and any other item directly
22 related to a system capable of transmission of internet
23 protocol or other formatted data at current federal
24 communications commission minimum speed standard, all of which
25 will be owned and used by a provider of internet access

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1 services;

2 C. "cultural facility" means a facility that is
3 owned by the state, a county, a municipality or a qualifying
4 entity that serves the public through preserving, educating
5 and promoting the arts and culture of a particular locale,
6 including theaters, museums, libraries, galleries, cultural
7 compounds, educational organizations, performing arts venues
8 and organizations, fine arts organizations, studios and media
9 laboratories and live-work housing facilities;

10 D. "department" means the economic development
11 department;

12 E. "economic development project" or "project"
13 means the provision of direct or indirect assistance to a
14 qualifying entity by a local or regional government and
15 includes the purchase, lease, grant, construction,
16 reconstruction, improvement or other acquisition or conveyance
17 of land, buildings or other infrastructure; rights-of-way
18 infrastructure, including trenching and conduit, for the
19 placement of new broadband telecommunications network
20 facilities; public works improvements essential to the
21 location or expansion of a qualifying entity; payments for
22 professional services contracts necessary for local or
23 regional governments to implement a plan or project; the
24 provision of direct loans or grants for land, buildings or
25 infrastructure; technical assistance to cultural facilities;

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1 loan guarantees securing the cost of land, buildings or
2 infrastructure in an amount not to exceed the revenue that may
3 be derived from the municipal infrastructure [~~gross receipts~~]
4 sales tax or the county infrastructure [~~gross receipts~~] sales
5 tax; grants for public works infrastructure improvements
6 essential to the location or expansion of a qualifying entity;
7 grants or subsidies to cultural facilities; purchase of land
8 for a publicly held industrial park or a publicly owned
9 cultural facility; and the construction of a building for use
10 by a qualifying entity;

11 F. "governing body" means the city council, city
12 commission or board of trustees of a municipality or the board
13 of county commissioners of a county;

14 G. "local government" means a municipality or
15 county;

16 H. "municipality" means an incorporated city, town
17 or village;

18 I. "person" means an individual, corporation,
19 association, partnership or other legal entity;

20 J. "qualifying entity" means a corporation,
21 limited liability company, partnership, joint venture,
22 syndicate, association or other person that is one or a
23 combination of two or more of the following:

24 (1) an industry for the manufacturing,
25 processing or assembling of agricultural or manufactured

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1 products;

2 (2) a commercial enterprise for storing,
3 warehousing, distributing or selling products of agriculture,
4 mining or industry, but, other than as provided in Paragraph
5 (5), (6) or (9) of this subsection, not including any
6 enterprise for sale of goods or commodities at retail or for
7 distribution to the public of electricity, gas, water or
8 telephone or other services commonly classified as public
9 utilities;

10 (3) a business, including a restaurant or
11 lodging establishment, in which all or part of the activities
12 of the business involves the supplying of services to the
13 general public or to governmental agencies or to a specific
14 industry or customer, but, other than as provided in Paragraph
15 (5) or (9) of this subsection, not including businesses
16 primarily engaged in the sale of goods or commodities at
17 retail;

18 (4) an Indian nation, tribe or pueblo or a
19 federally chartered tribal corporation;

20 (5) a telecommunications sales enterprise
21 that makes the majority of its sales to persons outside
22 New Mexico;

23 (6) a facility for the direct sales by
24 growers of agricultural products, commonly known as farmers'
25 markets;

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1 (7) a business that is the developer of a
2 metropolitan redevelopment project;

3 (8) a cultural facility; and

4 (9) a retail business;

5 K. "regional government" means any combination of
6 municipalities and counties that enter into a joint powers
7 agreement to provide for economic development projects
8 pursuant to a plan adopted by all parties to the joint powers
9 agreement; and

10 L. "retail business" means a business that is
11 primarily engaged in the sale of goods or commodities at
12 retail and that is located in a municipality with a
13 population, according to the most recent federal decennial
14 census, of:

15 (1) ten thousand or less; or

16 (2) more than ten thousand but less than
17 thirty-five thousand if:

18 (a) the economic development project is
19 not funded or financed with state government revenues; and

20 (b) the business created through the
21 project will not directly compete with an existing business
22 that is: 1) in the municipality; and 2) engaged in the sale
23 of the same or similar goods or commodities at retail."

24 SECTION 12. Section 5-10-4 NMSA 1978 (being Laws 1993,
25 Chapter 297, Section 4, as amended) is amended to read:

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1 "5-10-4. ECONOMIC DEVELOPMENT PROJECTS--RESTRICTIONS ON
2 PUBLIC EXPENDITURES OR PLEDGES OF CREDIT.--

3 A. No local or regional government shall provide
4 public support for economic development projects as permitted
5 pursuant to Article 9, Section 14 of the constitution of New
6 Mexico except as provided in the Local Economic Development
7 Act or as otherwise permitted by law.

8 B. The total amount of public money expended and
9 the value of credit pledged in the fiscal year in which that
10 money is expended by a local government for economic
11 development projects pursuant to Article 9, Section 14 of the
12 constitution of New Mexico and the Local Economic Development
13 Act shall not exceed ten percent of the annual general fund
14 expenditures of the local government in that fiscal year. The
15 limits of this subsection shall not apply to:

16 (1) the value of any land or building
17 contributed to any project pursuant to a project participation
18 agreement;

19 (2) revenue generated through the imposition
20 of the municipal infrastructure [~~gross receipts~~] sales tax
21 pursuant to the Municipal Local Option [~~Gross Receipts Taxes~~]
22 Sales and Use Tax Act for furthering or implementing economic
23 development plans and projects as defined in the Local
24 Economic Development Act or projects as defined in the
25 Statewide Economic Development Finance Act; provided that no

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1 more than the greater of fifty thousand dollars (\$50,000) or
2 ten percent of the revenue collected shall be used for
3 promotion and administration of or professional services
4 contracts related to the implementation of any such economic
5 development plan adopted by the governing body;

6 (3) revenue generated through the imposition
7 of a county infrastructure [~~gross receipts~~] sales tax pursuant
8 to the County Local Option [~~Gross Receipts Taxes~~] Sales and
9 Use Tax Act for furthering or implementing economic
10 development plans and projects as defined in the Local
11 Economic Development Act or projects as defined in the
12 Statewide Economic Development Finance Act; provided that no
13 more than the greater of fifty thousand dollars (\$50,000) or
14 ten percent of the revenue collected shall be used for
15 promotion and administration of or professional services
16 contracts related to the implementation of any such economic
17 development plan adopted by the governing body;

18 (4) the proceeds of a revenue bond issue to
19 which municipal infrastructure [~~gross receipts~~] sales tax
20 revenue is pledged;

21 (5) the proceeds of a revenue bond issue to
22 which county infrastructure [~~gross receipts~~] sales tax revenue
23 is pledged; or

24 (6) funds donated by private entities to be
25 used for defraying the cost of a project.

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1 C. A regional or local government that generates
2 revenue for economic development projects to which the limits
3 of Subsection B of this section do not apply shall create an
4 economic development fund into which such revenues shall be
5 deposited. The economic development fund and income from the
6 economic development fund shall be deposited as provided by
7 law. Money in the economic development fund may be expended
8 only as provided in the Local Economic Development Act or the
9 Statewide Economic Development Finance Act.

10 D. In order to expend money from an economic
11 development fund for arts and cultural district purposes,
12 cultural facilities or retail businesses, the governing body
13 of a municipality or county [~~that has~~] shall have imposed a
14 municipal or county local option infrastructure gross receipts
15 tax for furthering or implementing economic development plans
16 and projects, as defined in the Local Economic Development
17 Act, or projects, as defined in the Statewide Economic
18 Development Finance Act, by referendum of the majority of the
19 voters voting on the question approving the ordinance imposing
20 the municipal or county infrastructure gross receipts tax
21 before July 1, 2013 [~~shall be required to adopt a resolution.~~
22 ~~The resolution shall call for an election to approve arts and~~
23 ~~cultural districts as a qualifying purpose and cultural~~
24 ~~facilities or retail businesses as a qualifying entity before~~
25 ~~any revenue generated by the municipal or county local option~~

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1 ~~gross receipts tax for furthering or implementing economic~~
2 ~~development plans and projects, as defined in the Local~~
3 ~~Economic Development Act, or projects, as defined in the~~
4 ~~Statewide Economic Development Finance Act, can be expended~~
5 ~~from the economic development fund for arts and cultural~~
6 ~~district purposes, cultural facilities or retail businesses.~~

7 ~~E. The governing body shall adopt a resolution~~
8 ~~calling for an election within seventy-five days of the date~~
9 ~~the ordinance is adopted on the question of approving arts and~~
10 ~~cultural districts as a qualifying purpose and cultural~~
11 ~~facilities or retail businesses as a qualifying entity~~
12 ~~eligible to utilize revenue generated by the Municipal Local~~
13 ~~Option Gross Receipts Taxes Act or the County Local Option~~
14 ~~Gross Receipts Taxes Act for furthering or implementing~~
15 ~~economic development plans and projects as defined in the~~
16 ~~Local Economic Development Act or projects as defined in the~~
17 ~~Statewide Economic Development Finance Act.~~

18 ~~F. The question shall be submitted to the voters~~
19 ~~of the municipality or county as a separate question at a~~
20 ~~regular municipal or county election or at a special election~~
21 ~~called for that purpose by the governing body. A special~~
22 ~~municipal election shall be called, conducted and canvassed as~~
23 ~~provided in the Municipal Election Code. A special county~~
24 ~~election shall be called, conducted and canvassed in~~
25 ~~substantially the same manner as provided by law for general~~

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1 elections.

2 G. ~~If a majority of the voters voting on the~~
3 ~~question approves the ordinance adding arts and cultural~~
4 ~~districts and cultural facilities or retail businesses as an~~
5 ~~approved use of the local option municipal or county economic~~
6 ~~development infrastructure gross receipts tax fund, the~~
7 ~~ordinance shall become effective on July 1 or January 1,~~
8 ~~whichever date occurs first after the expiration of three~~
9 ~~months from the date of the adopted ordinance. The ordinance~~
10 ~~shall include the effective date]."~~

11 SECTION 13. Section 5-15-3 NMSA 1978 (being Laws 2006,
12 Chapter 75, Section 3) is amended to read:

13 "5-15-3. DEFINITIONS.--As used in the Tax Increment for
14 Development Act:

15 A. "base [~~gross receipts~~] sales taxes" means:

16 (1) the total amount of gross receipts or
17 sales taxes collected within a [~~tax increment development~~]
18 district, as estimated by the governing body that adopted a
19 resolution to form that district, in consultation with the
20 taxation and revenue department, in the calendar year
21 preceding the formation of the [~~tax increment development~~]
22 district or, when an area is added to an existing district,
23 the amount of gross receipts or sales taxes collected in the
24 calendar year preceding the effective date of the modification
25 of the tax increment development plan and designated by the

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1 governing body to be available as part of the gross receipts
2 or sales tax increment; and

3 (2) any amount of gross receipts or sales
4 taxes that would have been collected in such year if any
5 applicable additional gross receipts or sales taxes imposed
6 after that year had been imposed in that year;

7 B. "base property taxes" means:

8 (1) the portion of property taxes produced
9 by the total of all property tax levied at the rate fixed each
10 year by each governing body levying a property tax on the
11 assessed value of taxable property within the tax increment
12 development area last certified for the year ending
13 immediately prior to the year in which a tax increment
14 development plan is approved for the tax increment development
15 area, or, when an area is added to an existing tax increment
16 development area, "base property taxes" means that portion of
17 property taxes produced by the total of all property tax
18 levied at the rate fixed each year by each governing body
19 levying a property tax upon the assessed value of taxable
20 property within the tax increment development area on the date
21 of the modification of the tax increment development plan and
22 designated by the governing body to be available as part of
23 the property tax increment; and

24 (2) any amount of property taxes that would
25 have been collected in such year if any applicable additional

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1 property taxes imposed after that year had been imposed in
2 that year;

3 C. "county [~~option gross receipts~~] sales taxes"
4 means gross receipts or sales taxes imposed by counties
5 [~~pursuant to the County Local Option Gross Receipts Taxes Act~~]
6 and designated by the governing body of the county to be
7 available as part of the [~~gross receipts~~] sales tax increment;

8 D. "district" means a tax increment development
9 district;

10 E. "district board" means a board formed in
11 accordance with the provisions of the Tax Increment for
12 Development Act to govern a [~~tax increment development~~]
13 district;

14 F. "enhanced services" means public services
15 provided by a municipality or county within the district at a
16 higher level or to a greater degree than otherwise available
17 to the land located in the district from the municipality or
18 county, including such services as public safety, fire
19 protection, street or sidewalk cleaning or landscape
20 maintenance in public areas; provided that "enhanced services"
21 does not include the basic operation and maintenance related
22 to infrastructure improvements financed by the district
23 pursuant to the Tax Increment for Development Act;

24 G. "governing body" means the city council or city
25 commission of a city, the board of trustees or council of a

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1 town or village or the board of county commissioners of a
2 county;

3 ~~[H.] "gross receipts tax increment" means the gross~~
4 ~~receipts taxes collected within a tax increment development~~
5 ~~district in excess of the base gross receipts taxes collected~~
6 ~~for the duration of the existence of a tax increment~~
7 ~~development district and distributed to the district in the~~
8 ~~same manner as distributions are made under the provisions of~~
9 ~~the Tax Administration Act;~~

10 ~~I.] "gross receipts tax increment bonds" means~~
11 ~~bonds issued by a district in accordance with the Tax~~
12 ~~Increment for Development Act, the pledged revenue for which~~
13 ~~is a gross receipts tax increment;~~

14 ~~J.] H.] "local government" means a municipality or~~
15 ~~county;~~

16 ~~[K.] I.] "municipal [~~option gross receipts~~] sales~~
17 ~~taxes" means [~~those~~] gross receipts or sales taxes imposed by~~
18 ~~municipalities [~~pursuant to the Municipal Local Option Gross~~~~
19 ~~Receipts Taxes Act] and designated by the governing body of~~
20 ~~the municipality to be available as part of the [~~gross~~~~
21 ~~receipts] sales tax increment;~~

22 ~~[L.] J.] "municipality" means an incorporated city,~~
23 ~~town or village;~~

24 ~~[M.] K.] "owner" means a person owning real~~
25 ~~property within the boundaries of a district;~~

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[bracketed material] = delete

1 ~~[N-]~~ L. "person" means an individual, corporation,
2 association, partnership, limited liability company or other
3 legal entity;

4 ~~[O-]~~ M. "project" means a tax increment
5 development project;

6 ~~[P-]~~ N. "property tax increment" means all
7 property tax collected on real property within the designated
8 tax increment development area that is in excess of the base
9 property tax until termination of the district and distributed
10 to the district in the same manner as distributions are made
11 under the provisions of the Tax Administration Act;

12 ~~[Q-]~~ O. "property tax increment ~~[bonds]~~ bond"
13 means ~~[bonds]~~ a bond issued by a district in accordance with
14 the Tax Increment for Development Act, the pledged revenue for
15 which is a property tax increment;

16 ~~[R-]~~ P. "public improvements" means on-site
17 improvements and off-site improvements that directly or
18 indirectly benefit a ~~[tax increment development]~~ district or
19 facilitate development within a tax increment development area
20 and that are dedicated to the governing body in which the
21 district lies. "Public improvements" ~~[include]~~ includes:

22 (1) sanitary sewage systems, including
23 collection, transport, treatment, dispersal, effluent use and
24 discharge;

25 (2) drainage and flood control systems,

1 including collection, transport, storage, treatment,
2 dispersal, effluent use and discharge;

3 (3) water systems for domestic, commercial,
4 office, hotel or motel, industrial, irrigation, municipal or
5 fire protection purposes, including production, collection,
6 storage, treatment, transport, delivery, connection and
7 dispersal;

8 (4) highways, streets, roadways, bridges,
9 crossing structures and parking facilities, including all
10 areas for vehicular use for travel, ingress, egress and
11 parking;

12 (5) trails and areas for pedestrian,
13 equestrian, bicycle or other non-motor vehicle use for travel,
14 ingress, egress and parking;

15 (6) pedestrian and transit facilities,
16 parks, recreational facilities and open space areas for the
17 use of members of the public for entertainment, assembly and
18 recreation;

19 (7) landscaping, including earthworks,
20 structures, plants, trees and related water delivery systems;

21 (8) public buildings, public safety
22 facilities and fire protection and police facilities;

23 (9) electrical generation, transmission and
24 distribution facilities;

25 (10) natural gas distribution facilities;

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[bracketed material] = delete

1 (11) lighting systems;
2 (12) cable or other telecommunications lines
3 and related equipment;

4 (13) traffic control systems and devices,
5 including signals, controls, markings and signage;

6 (14) school sites and facilities with the
7 consent of the governing board of the public school district
8 for which the facility is to be acquired, constructed or
9 renovated;

10 (15) library and other public educational or
11 cultural facilities;

12 (16) equipment, vehicles, furnishings and
13 other personal property related to the items listed in this
14 subsection;

15 (17) inspection, construction management,
16 planning and program management and other professional
17 services costs incidental to the project;

18 (18) workforce housing; and

19 (19) any other improvement that the
20 governing body determines to be for the use or benefit of the
21 public;

22 ~~[S-]~~ Q. "resident qualified elector" means a
23 person who resides within the boundaries of a ~~[tax increment~~
24 ~~development]~~ district or proposed ~~[tax increment development]~~
25 district and who is qualified to vote in the general elections

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1 held in the state pursuant to Section 1-1-4 NMSA 1978;

2 R. "sales tax increment" means the sales taxes
3 collected within a district in excess of the base sales taxes
4 collected for the duration of the existence of a district and
5 distributed to the district in the same manner as
6 distributions are made under the provisions of the Tax
7 Administration Act;

8 S. "sales tax increment bonds" means bonds issued
9 by a district in accordance with the Tax Increment for
10 Development Act, the pledged revenue for which is a sales tax
11 increment;

12 T. "state [~~gross receipts~~] sales tax" means [~~the~~]
13 gross receipts or state sales tax imposed pursuant to the
14 [~~Gross Receipts and Compensating~~] Sales and Use Tax Act but
15 does not include that portion distributed to municipalities
16 pursuant to [~~Sections 7-1-6.4 and~~] Section 7-1-6.46 NMSA 1978
17 or to counties pursuant to Section 7-1-6.47 NMSA 1978;

18 U. "sustainable development" means land
19 development that achieves sustainable economic and social
20 goals in ways that can be supported for the long term by
21 conserving resources, protecting the environment and ensuring
22 human health and welfare using mixed-use, pedestrian-oriented,
23 multimodal land use planning;

24 V. "tax increment development area" means the land
25 included within the boundaries of a [~~tax increment~~

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1 ~~development~~] district;

2 W. "tax increment development district" means a
3 district formed for the purposes of carrying out [~~tax~~
4 ~~increment development~~] projects;

5 X. "tax increment development plan" means a plan
6 for the undertaking of a [~~tax increment development~~] project;

7 Y. "tax increment development project" means
8 activities undertaken within a tax increment development area
9 to enhance the sustainability of the local, regional or
10 statewide economy; to support the creation of jobs, schools
11 and workforce housing; and to generate tax revenue for the
12 provision of public improvements and may include:

13 (1) acquisition of land within a designated
14 tax increment development area or a portion of that tax
15 increment development area;

16 (2) demolition and removal of buildings and
17 improvements and installation, construction or reconstruction
18 of streets, utilities, parks, playgrounds and improvements
19 necessary to carry out the objectives of the Tax Increment for
20 Development Act;

21 (3) installation, construction or
22 reconstruction of streets, water utilities, sewer utilities,
23 parks, playgrounds and other public improvements necessary to
24 carry out the objectives of the Tax Increment for Development
25 Act;

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1 (4) disposition of property acquired or held
2 by a [~~tax increment development~~] district as part of the
3 undertaking of a [~~tax increment development~~] project at the
4 fair market value of such property for uses in accordance with
5 the Tax Increment for Development Act;

6 (5) payments for professional services
7 contracts necessary to implement a tax increment development
8 plan or project;

9 (6) borrowing to purchase land, buildings or
10 infrastructure in an amount not to exceed the revenue stream
11 that may be derived from the [~~gross receipts~~] sales tax
12 increment or the property tax increment estimated to be
13 received by a [~~tax increment development~~] district; and

14 (7) grants for public improvements essential
15 to the location or expansion of a business;

16 Z. "taxing entity" means the governing body of a
17 political subdivision of the state, the [~~gross receipts~~] sales
18 tax increment or property tax increment of which may be used
19 for a [~~tax increment development~~] project; and

20 AA. "workforce housing" means decent, safe and
21 sanitary dwellings, apartments, single-family dwellings or
22 other living accommodations that are affordable for persons or
23 families earning less than eighty percent of the median income
24 within the county in which the [~~tax increment development~~]
25 project is located; provided that an owner-occupied housing

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1 unit is affordable to a household if the expected sales price
2 is reasonably anticipated to result in monthly housing costs
3 that do not exceed thirty-three percent of the household's
4 gross monthly income; provided that:

5 (1) determination of mortgage amounts and
6 payments are to be based on down payment rates and interest
7 rates generally available to lower- and moderate-income
8 households; and

9 (2) a renter-occupied housing unit is
10 affordable to a household if the unit's monthly housing costs,
11 including rent and basic utility and energy costs, do not
12 exceed thirty-three percent of the household's gross monthly
13 income."

14 SECTION 14. Section 5-15-15 NMSA 1978 (being Laws 2006,
15 Chapter 75, Section 15, as amended) is amended to read:

16 "5-15-15. TAX INCREMENT FINANCING--~~[GROSS RECEIPTS]~~
17 SALES TAX INCREMENT.--

18 A. Notwithstanding any law to the contrary, but in
19 accordance with the provisions of the Tax Increment for
20 Development Act, a tax increment development plan, as
21 originally approved or as later modified, may contain a
22 provision that a portion of certain ~~[gross receipts]~~ sales tax
23 increments collected within the tax increment development area
24 after the effective date of approval of the tax increment
25 development plan may be dedicated for the purpose of securing

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1 ~~[gross receipts]~~ sales tax increment bonds pursuant to the Tax
2 Increment for Development Act.

3 B. As to a district formed by a municipality, a
4 portion of any of the following ~~[gross receipts]~~ sales tax
5 increments may be ~~[paid by the state]~~ distributed, pursuant to
6 Section 7-1-6.54 NMSA 1978, directly into a special fund of
7 the district to pay the principal of, the interest on and any
8 premium due in connection with the bonds of, loans or advances
9 to, or any indebtedness incurred by, whether funded, refunded,
10 assumed or otherwise, the authority for financing or
11 refinancing, in whole or in part, a ~~[tax increment~~
12 ~~development]~~ project within the tax increment development
13 area:

14 (1) municipal ~~[gross receipts]~~ sales tax
15 ~~[authorized pursuant to the Municipal Local Option Gross~~
16 ~~Receipts Taxes Act];~~

17 (2) municipal environmental services ~~[gross~~
18 ~~receipts]~~ sales tax ~~[authorized pursuant to the Municipal~~
19 ~~Local Option Gross Receipts Taxes Act];~~

20 (3) municipal infrastructure ~~[gross~~
21 ~~receipts]~~ sales tax ~~[authorized pursuant to the Municipal~~
22 ~~Local Option Gross Receipts Taxes Act];~~

23 (4) municipal capital outlay ~~[gross~~
24 ~~receipts]~~ sales tax ~~[authorized pursuant to the Municipal~~
25 ~~Local Option Gross Receipts Taxes Act];~~

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1 (5) municipal regional transit [~~gross~~
2 receipts] sales tax [~~authorized pursuant to the Municipal~~
3 ~~Local Option Gross Receipts Taxes Act~~];

4 (6) an amount distributed to municipalities
5 pursuant to [~~Sections 7-1-6.4 and~~] Section 7-1-6.46 NMSA 1978;
6 and

7 (7) the state [~~gross receipts~~] sales tax.

8 C. As to a district formed by a county, all or a
9 portion of any of the following [~~gross receipts~~] sales tax
10 increments may be [~~paid by the state~~] distributed, pursuant to
11 Section 7-1-6.54 NMSA 1978, directly into a special fund of
12 the district to pay the principal of, the interest on and any
13 premium due in connection with the bonds of, loans or advances
14 to or any indebtedness incurred by, whether funded, refunded,
15 assumed or otherwise, the district for financing or
16 refinancing, in whole or in part, a [~~tax increment~~
17 ~~development~~] project within the tax increment development
18 area:

19 (1) county [~~gross receipts~~] sales tax
20 [~~authorized pursuant to the County Local Option Gross Receipts~~
21 ~~Taxes Act~~];

22 (2) county environmental services [~~gross~~
23 receipts] sales tax [~~authorized pursuant to the County Local~~
24 ~~Option Gross Receipts Taxes Act~~];

25 (3) county infrastructure [~~gross receipts~~]

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1 sales tax [~~authorized pursuant to the County Local Option~~
2 ~~Gross Receipts Taxes Act~~];

3 (4) county capital outlay [~~gross receipts~~]
4 sales tax [~~authorized pursuant to the County Local Option~~
5 ~~Gross Receipts Taxes Act~~];

6 (5) county regional transit [~~gross receipts~~]
7 sales tax [~~authorized pursuant to the County Local Option~~
8 ~~Gross Receipts Taxes Act~~];

9 (6) the amount distributed to counties
10 pursuant to Section 7-1-6.47 NMSA 1978; and

11 (7) the state [~~gross receipts~~] sales tax.

12 D. The [~~gross receipts~~] sales tax increment
13 generated by the imposition of municipal or county local
14 option [~~gross receipts~~] sales taxes specified by statute for
15 particular purposes may [~~nonetheless~~] be dedicated for the
16 purposes of the Tax Increment for Development Act if the
17 intent to do so is set forth in the tax increment development
18 plan approved by the governing body, if the purpose for which
19 the increment is intended to be used is consistent with the
20 purposes set forth in the statute authorizing the municipal or
21 county local option [~~gross receipts~~] sales tax.

22 E. An imposition of a [~~gross receipts~~] sales tax
23 increment attributable to the imposition of a [~~gross receipts~~]
24 sales tax by a taxing entity may be dedicated for the purpose
25 of securing [~~gross receipts~~] sales tax increment bonds with

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1 the agreement of the taxing entity, evidenced by a resolution
2 adopted by a majority vote of that taxing entity. A taxing
3 entity shall not agree to dedicate for the purposes of
4 securing [~~gross receipts~~] sales tax increment bonds more than
5 seventy-five percent of its [~~gross receipts~~] sales tax
6 increment attributable to the imposition of [~~gross receipts~~]
7 sales taxes by the taxing entity. A resolution of the taxing
8 entity to dedicate a [~~gross receipts~~] sales tax increment or
9 to increase the dedication of a [~~gross receipts~~] sales tax
10 increment shall become effective only on January 1 or July 1
11 of the calendar year.

12 F. An imposition of a [~~gross receipts~~] sales tax
13 increment attributable to the imposition of the state [~~gross~~
14 ~~receipts~~] sales tax within a district [~~less the distributions~~
15 ~~made pursuant to Section 7-1-6.4 NMSA 1978~~] may be dedicated
16 for the purpose of securing [~~gross receipts~~] sales tax
17 increment bonds with the agreement of the state board of
18 finance, evidenced by a resolution adopted by a majority vote
19 of the state board of finance. The state board of finance
20 shall not agree to dedicate more than seventy-five percent of
21 the [~~gross receipts~~] sales tax increment attributable to the
22 imposition of the state [~~gross receipts~~] sales tax within the
23 district. The resolution of the state board of finance shall
24 become effective only on January 1 or July 1 of the calendar
25 year and shall find that:

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1 (1) the state board of finance has reviewed
2 the request for the use of the state [~~gross receipts~~] sales
3 tax;

4 (2) based upon review by the state board of
5 finance of the applicable tax increment development plan, the
6 dedication by the state board of finance of a portion of the
7 [~~gross receipts~~] sales tax increment attributable to the
8 imposition of the state [~~gross receipts~~] sales tax within the
9 district for use in meeting the required goals of the tax
10 increment plan is reasonable and in the best interest of the
11 state; and

12 (3) the use of the state [~~gross receipts~~]
13 sales tax is likely to stimulate the creation of jobs,
14 economic opportunities and general revenue for the state
15 through the addition of new businesses to the state and the
16 expansion of existing businesses within the state.

17 G. The governing body of the jurisdiction in which
18 a [~~tax increment development~~] district has been established
19 shall timely notify the assessor of the county in which the
20 district has been established, the taxation and revenue
21 department and the local government division of the department
22 of finance and administration when:

23 (1) a tax increment development plan has
24 been approved that contains a provision for the allocation of
25 a [~~gross receipts~~] sales tax increment;

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1 (2) any outstanding bonds of the district
2 have been paid off; and

3 (3) the purposes of the district have
4 otherwise been achieved."

5 **SECTION 15.** Section 5-16-3 NMSA 1978 (being Laws 2006,
6 Chapter 15, Section 3) is amended to read:

7 "5-16-3. DEFINITIONS.--As used in the Regional
8 Spaceport District Act:

9 A. "authority" means the spaceport authority
10 created pursuant to the Spaceport Development Act;

11 B. "board" means the board of directors of a
12 district;

13 C. "bond" means a revenue bond issued by the
14 authority on behalf of a district;

15 D. "combination" means two or more governmental
16 units that exercise joint authority;

17 E. "district" means a regional spaceport district
18 that is a political subdivision of the state created pursuant
19 to the Regional Spaceport District Act;

20 F. "governmental unit" means the state, a county
21 or a municipality of the state or an Indian nation, tribe or
22 pueblo located within the boundaries of the state;

23 G. "project" means any land, building or other
24 improvements acquired as part of a spaceport or associated
25 with a spaceport or to aid commerce in connection with a

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1 spaceport and all real and personal property deemed necessary
2 in connection with the spaceport;

3 H. "revenues" means municipal regional spaceport
4 [~~gross receipts~~] sales tax revenues and county regional
5 spaceport [~~gross receipts~~] sales tax revenues dedicated to a
6 district for the financing, planning, designing, engineering
7 and construction of a regional spaceport pursuant to the
8 Regional Spaceport District Act; and

9 I. "spaceport" means any facility in New Mexico at
10 which space vehicles may be launched or landed, including all
11 facilities and support infrastructure related to launch,
12 landing or payload processing."

13 SECTION 16. Section 5-16-13 NMSA 1978 (being Laws 2006,
14 Chapter 15, Section 13) is amended to read:

15 "5-16-13. USE OF REVENUE BY GOVERNMENTAL UNITS.--Each
16 governmental unit that is a county or municipality and is a
17 member of a combination shall have enacted a municipal
18 regional spaceport gross receipts tax or a county regional
19 spaceport gross receipts tax prior to December 31, 2008. At
20 least seventy-five percent of the municipal [~~regional~~
21 ~~spaceport gross receipts tax~~] or county regional spaceport
22 [~~gross receipts~~] sales tax revenues received by each
23 governmental unit [~~must~~] shall be used by the district for the
24 financing, planning, designing, engineering and construction
25 of a regional spaceport. No more than twenty-five percent of

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1 the municipal [~~regional spaceport gross receipts tax~~] or
2 county regional spaceport [~~gross receipts~~] sales tax revenues
3 may be used by the governmental unit enacting the tax for
4 spaceport-related projects as approved by resolution of the
5 governmental unit."

6 SECTION 17. Section 6-6A-3 NMSA 1978 (being Laws 1985,
7 Chapter 214, Section 3) is amended to read:

8 "6-6A-3. LEASEHOLD COMMUNITY ASSISTANCE FUND--
9 CREATION--~~[DISPOSITON]~~ DISPOSITION.--

10 A. There is created in the state treasury the
11 "leasehold community assistance fund". The purpose of the
12 fund is to provide leasehold communities with assistance in
13 meeting their operating budgets.

14 B. The leasehold community assistance fund shall
15 be administered by the local government division of the
16 department of finance and administration. The division shall
17 determine the funds the leasehold community is eligible to
18 receive from the fund by calculating the amount of money a
19 municipality of similar size receives under all appropriate
20 state laws. Such sources shall include [~~but not be limited~~
21 ~~to~~]:

- 22 (1) property tax levies;
- 23 (2) the law enforcement protection fund;
- 24 (3) the small cities assistance fund;
- 25 (4) the fire protection fund;

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- 1 (5) [~~gross receipts~~] sales tax distribution;
- 2 (6) gasoline tax distributions;
- 3 (7) cigarette tax distributions; and
- 4 (8) motor vehicle fees distributions.

5 C. Prior to receiving any assistance from the
6 leasehold community assistance fund, the governing body of the
7 community shall agree to be bound by such rules and
8 regulations promulgated by the local government division of
9 the department of finance and administration. That division
10 has the power and duty in relation to leasehold communities
11 to:

- 12 (1) require each leasehold community to
13 furnish and file with the division, on or before June 1 of
14 each year, a proposed budget for the next fiscal year;
- 15 (2) examine each proposed budget and, on or
16 before July 1 of each year, approve and certify to each
17 leasehold community an operating budget for use pending
18 approval of a final budget;
- 19 (3) hold public hearings on proposed
20 budgets;
- 21 (4) make corrections, revisions and
22 amendments to the proposed budgets as may be necessary to meet
23 the requirements of law;
- 24 (5) certify a final budget for each
25 leasehold community to the appropriate governing body prior to

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1 the first Monday in September of each year. The budgets, when
2 approved, are binding upon all tax officials of the state;

3 (6) require periodic financial reports of
4 leasehold communities. The reports shall contain the
5 pertinent details regarding applications for federal money or
6 federal grants-in-aid or regarding federal money or federal
7 grants-in-aid received, including [~~but not limited to~~] details
8 of programs, matching funds, personnel requirements, salary
9 provisions and program numbers, as indicated in the catalog of
10 federal domestic assistance, of the federal funds applied for
11 and of those received;

12 (7) with written approval of the secretary
13 of finance and administration and the attorney general,
14 increase the total budget of any leasehold community in the
15 event the leasehold community undertakes an activity, service,
16 project or construction program [~~which~~] that was not
17 contemplated at the time the final budget was adopted and
18 approved and which activity, service, project or construction
19 program will produce sufficient revenue to cover the increase
20 in the budget or the leasehold community has surplus funds on
21 hand not necessary to meet the expenditures provided for in
22 the budget with which to cover the increase in the budget;

23 (8) supervise the disbursement of funds to
24 the end that expenditures will not be made in excess of
25 budgeted items or for items not budgeted and that there will

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1 not be illegal expenditures;

2 (9) prescribe the form for all budgets,
3 books, records and accounts for leasehold communities; and

4 (10) with the approval of the secretary of
5 finance and administration, make rules and regulations
6 relating to budgets, records, reports, handling and
7 disbursement of public funds or in any manner relating to the
8 financial affairs of the leasehold communities."

9 SECTION 18. Section 6-14-2 NMSA 1978 (being Laws 1970,
10 Chapter 10, Section 2, as amended) is amended to read:

11 "6-14-2. DEFINITIONS.--As used in the Public Securities
12 Act:

13 A. "net effective interest rate" means the
14 interest rate of public securities, compounded semiannually,
15 necessary to discount the scheduled debt service payments of
16 principal and interest to the date of the public securities
17 and to the price paid to the public body for the public
18 securities, excluding any interest accrued to the date of
19 delivery and based upon a year with the same number of days as
20 the number of days for which interest is computed on the
21 public securities;

22 B. "public body" means this state or any
23 department, board, agency or instrumentality of the state, any
24 county, city, town, village, school district, other district,
25 educational institution or any other governmental agency or

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1 political subdivision of the state; and

2 C. "public securities" means any bonds, notes,
3 warrants or other obligations now or hereafter authorized to
4 be issued by any public body pursuant to the provisions of any
5 general or special law enacted by the legislature, but does
6 not include bonds, notes, warrants or other obligations issued
7 pursuant to:

- 8 (1) the Industrial Revenue Bond Act;
- 9 (2) the County Improvement District Act;
- 10 (3) Sections 3-33-1 through 3-33-43 NMSA
11 1978;
- 12 (4) the Pollution Control Revenue Bond Act;
- 13 (5) the County Pollution Control Revenue
14 Bond Act;
- 15 (6) the County Industrial Revenue Bond Act;
- 16 (7) the Metropolitan Redevelopment Code;
- 17 (8) the Supplemental Municipal [~~Gross~~
18 ~~Receipts~~] Sales Tax Act;
- 19 (9) the Hospital Equipment Loan Act; or
- 20 (10) the New Mexico Finance Authority Act."

21 SECTION 19. Section 6-22-2 NMSA 1978 (being Laws 1992,
22 Chapter 105, Section 2, as amended) is amended to read:

23 "6-22-2. DEFINITIONS.--As used in the State Aid
24 Intercept Act:

25 A. "default" means the actual nonpayment of

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1 principal or interest on a local revenue bond when payment is
2 scheduled by the indenture relating to the local revenue bond;

3 B. "local government" means a municipality or
4 county;

5 C. "local revenue bond" means a bond issued after
6 July 1, 1992 pursuant to Sections 3-33-1 through 3-33-43 NMSA
7 1978 or Chapter 4, Article 62 NMSA 1978;

8 D. "qualified local revenue bond" means a local
9 revenue bond for which a state distributions intercept
10 authorization has been granted pursuant to this section;

11 E. "secretary" means the secretary of finance and
12 administration; and

13 F. "state distributions" means any or all of the
14 funds distributed to local governments pursuant to [~~Sections~~
15 ~~7-1-6.4 and~~] Section 7-1-6.9 NMSA 1978."

16 SECTION 20. Section 6-25-7 NMSA 1978 (being Laws 2003,
17 Chapter 349, Section 7, as amended) is amended to read:

18 "6-25-7. PROJECT REVENUE BONDS.--

19 A. The authority may issue project revenue bonds
20 on behalf of an eligible entity to provide funds for a
21 project. Project revenue bonds issued pursuant to the
22 Statewide Economic Development Finance Act shall not be a
23 general obligation of the authority or the state within the
24 meaning of any provision of the constitution of New Mexico and
25 shall never give rise to a pecuniary liability of the

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1 authority or the state or a charge against the general credit
2 or taxing powers of the state. Project revenue bonds shall be
3 payable from the revenue derived from a project being financed
4 by the bonds and from other revenues pledged by an eligible
5 entity and may be secured in such manner as provided in the
6 Statewide Economic Development Finance Act and as determined
7 by the authority. Project revenue bonds may be executed and
8 delivered at any time, may be in such form and denominations,
9 may be payable in installments and at times not exceeding
10 thirty years from their date of delivery, may bear or accrete
11 interest at a rate or rates and may contain such provisions
12 not inconsistent with the Statewide Economic Development
13 Finance Act, all as provided in the resolution and proceedings
14 of the authority authorizing issuance of the bonds. Project
15 revenue bonds issued by the authority pursuant to the
16 Statewide Economic Development Finance Act may be sold at
17 public or private sale in such manner and from time to time as
18 may be determined by the authority, and the authority may pay
19 all expenses that the authority may determine necessary in
20 connection with the authorization, sale and issuance of the
21 bonds. All project revenue bonds issued pursuant to the
22 Statewide Economic Development Finance Act shall be
23 negotiable.

24 B. The principal of and interest on project
25 revenue bonds issued pursuant to the Statewide Economic

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1 Development Finance Act shall be secured by a pledge of the
2 revenues of the project being financed with the proceeds of
3 the bonds, may be secured by a mortgage of all or a part of
4 the project being financed or other collateral pledged by an
5 eligible entity and may be secured by the lease of such
6 project, which collateral and lease may be assigned, in whole
7 or in part, by the department to the authority or to third
8 parties to carry out the purposes of the Statewide Economic
9 Development Finance Act. The resolution of the authority
10 pursuant to which the project revenue bonds are authorized to
11 be issued or any such mortgage may contain any agreement and
12 provisions customarily contained in instruments securing
13 bonds, including provisions respecting the fixing and
14 collection of all revenues from any project to which the
15 resolution or mortgage pertains, the terms to be incorporated
16 in the lease of the project, the maintenance and insurance of
17 the project, the creation and maintenance of special funds
18 from the revenues of the project and the rights and remedies
19 available in event of default to the bondholders or to the
20 trustee under a mortgage, all as determined by the authority
21 or the department and as shall not be in conflict with the
22 Statewide Economic Development Finance Act; provided, however,
23 that, in making any such agreements or provisions, the
24 authority and the department may not obligate themselves
25 except with respect to the project and application of the

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1 revenues from the project, and except as expressly permitted
2 by the Statewide Economic Development Finance Act, and shall
3 not have the power to incur a pecuniary liability or a charge
4 or to pledge the general credit or taxing power of the state.
5 The resolution authorizing the issuance of project revenue
6 bonds may provide procedures and remedies in the event of
7 default in payment of the principal of or interest on the
8 bonds or in the performance of any agreement. No breach of
9 any such agreement shall impose any pecuniary liability upon
10 the authority, the department or the state or any charge
11 against the general credit or taxing powers of the state.

12 C. The authority may arrange for such other
13 guarantees, insurance or other credit enhancements or
14 additional security provided by an eligible entity as
15 determined by the authority for the project revenue bonds and
16 may provide for the payment of the costs from the proceeds of
17 the bonds or may require payment of the costs by the eligible
18 entity on whose behalf the bonds are issued.

19 D. Project revenue bonds issued to finance a
20 project may also be secured by pledging a portion of the
21 qualifying municipal or county infrastructure [~~gross receipts~~]
22 sales tax revenues by the municipality or county in which the
23 project is located, as permitted by the Local Economic
24 Development Act.

25 E. The project revenue bonds and the income from

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1 the bonds, all mortgages or other instruments executed as
2 security for the bonds, all lease agreements made pursuant to
3 the provisions of the Statewide Economic Development Finance
4 Act and revenue derived from any sale or lease of a project
5 shall be exempt from all taxation by the state or any
6 political subdivision of the state. The authority may issue
7 project revenue bonds the interest on which is exempt from
8 taxation under federal law.

9 F. In any calendar year, no more than fifteen
10 percent of the state ceiling allocated pursuant to the Private
11 Activity Bond Act may be used for projects financed pursuant
12 to the Statewide Economic Development Finance Act."

13 SECTION 21. Section 7-1-2 NMSA 1978 (being Laws 1965,
14 Chapter 248, Section 2, as amended) is amended to read:

15 "7-1-2. APPLICABILITY.--The Tax Administration Act
16 applies to and governs:

17 A. the administration and enforcement of the
18 following taxes or tax acts as they now exist or may hereafter
19 be amended:

- 20 (1) Income Tax Act;
21 (2) Withholding Tax Act;
22 (3) Venture Capital Investment Act;
23 (4) [~~Gross Receipts and Compensating~~] Sales
24 and Use Tax Act, [~~and any state gross receipts tax~~] Interstate
25 Telecommunications Sales Tax Act and Leased Vehicle Sales Tax

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1 Act;

2 (5) Liquor Excise Tax Act;

3 (6) Local Liquor Excise Tax Act;

4 (7) any municipal local option [~~gross~~
5 ~~receipts~~] sales or use tax;

6 (8) any county local option [~~gross receipts~~]
7 sales or use tax;

8 (9) Special Fuels Supplier Tax Act;

9 (10) Gasoline Tax Act;

10 (11) petroleum products loading fee, which
11 fee shall be considered a tax for the purpose of the Tax
12 Administration Act;

13 (12) Alternative Fuel Tax Act;

14 (13) Cigarette Tax Act;

15 (14) Estate Tax Act;

16 (15) Railroad Car Company Tax Act;

17 (16) [~~Investment Credit Act~~] rural job tax
18 credit, Laboratory Partnership with Small Business Tax Credit
19 Act, Technology Jobs and Research and Development Tax Credit
20 Act and Film Production Tax Credit Act [~~Affordable Housing Tax~~
21 ~~Credit Act and high-wage jobs tax credit~~];

22 (17) Corporate Income and Franchise Tax Act;

23 (18) Uniform Division of Income for Tax
24 Purposes Act;

25 (19) Multistate Tax Compact;

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1 (20) Tobacco Products Tax Act; and

2 (21) the telecommunications relay service
3 surcharge imposed by Section 63-9F-11 NMSA 1978, which
4 surcharge shall be considered a tax for the purposes of the
5 Tax Administration Act;

6 B. the administration and enforcement of the
7 following taxes, surtaxes, advanced payments or tax acts as
8 they now exist or may hereafter be amended:

9 (1) Resources Excise Tax Act;

10 (2) Severance Tax Act;

11 (3) any severance surtax;

12 (4) Oil and Gas Severance Tax Act;

13 (5) Oil and Gas Conservation Tax Act;

14 (6) Oil and Gas Emergency School Tax Act;

15 (7) Oil and Gas Ad Valorem Production Tax

16 Act;

17 (8) Natural Gas Processors Tax Act;

18 (9) Oil and Gas Production Equipment Ad

19 Valorem Tax Act;

20 (10) Copper Production Ad Valorem Tax Act;

21 (11) any advance payment required to be made

22 by any act specified in this subsection, which advance payment

23 shall be considered a tax for the purposes of the Tax

24 Administration Act;

25 (12) Enhanced Oil Recovery Act;

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~~[bracketed material] = delete~~

1 (13) Natural Gas and Crude Oil Production
2 Incentive Act; and

3 (14) intergovernmental production tax credit
4 and intergovernmental production equipment tax credit;

5 C. the administration and enforcement of the
6 following taxes, surcharges, fees or acts as they now exist or
7 may hereafter be amended:

8 (1) Weight Distance Tax Act;

9 (2) the workers' compensation fee authorized
10 by Section 52-5-19 NMSA 1978, which fee shall be considered a
11 tax for purposes of the Tax Administration Act;

12 (3) Uniform Unclaimed Property Act (1995);

13 (4) 911 emergency surcharge and the network
14 and database surcharge, which surcharges shall be considered
15 taxes for purposes of the Tax Administration Act;

16 (5) the solid waste assessment fee
17 authorized by the Solid Waste Act, which fee shall be
18 considered a tax for purposes of the Tax Administration Act;

19 (6) the water conservation fee imposed by
20 Section 74-1-13 NMSA 1978, which fee shall be considered a tax
21 for the purposes of the Tax Administration Act; and

22 (7) the gaming tax imposed pursuant to the
23 Gaming Control Act; and

24 D. the administration and enforcement of all other
25 laws, with respect to which the department is charged with

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1 responsibilities pursuant to the Tax Administration Act, but
2 only to the extent that the other laws do not conflict with
3 the Tax Administration Act."

4 SECTION 22. Section 7-1-3 NMSA 1978 (being Laws 1965,
5 Chapter 248, Section 3, as amended) is amended to read:

6 "7-1-3. DEFINITIONS.--Unless the context clearly
7 indicates a different meaning, the definitions of words and
8 phrases as they are stated in this section are to be used, and
9 whenever in the Tax Administration Act these words and phrases
10 appear, the singular includes the plural and the plural
11 includes the singular:

12 A. "automated clearinghouse transaction" means an
13 electronic credit or debit transmitted through an automated
14 clearinghouse payable to the state treasurer and deposited
15 with the fiscal agent of New Mexico;

16 B. "department" means the taxation and revenue
17 department, the secretary or any employee of the department
18 exercising authority lawfully delegated to that employee by
19 the secretary;

20 C. "electronic payment" means a payment made by
21 automated clearinghouse deposit, any funds wire transfer
22 system or a credit card, debit card or electronic cash
23 transaction through the internet;

24 D. "employee of the department" means any employee
25 of the department, including the secretary, or any person

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1 acting as agent or authorized to represent or perform services
2 for the department in any capacity with respect to any law
3 made subject to administration and enforcement under the
4 provisions of the Tax Administration Act;

5 E. "financial institution" means any state or
6 federally chartered, federally insured depository institution;

7 F. "hearing officer" means a person who has been
8 designated by the chief hearing officer to serve as a hearing
9 officer and who is:

10 (1) the chief hearing officer;

11 (2) an employee of the administrative
12 hearings office; or

13 (3) a contractor of the administrative
14 hearings office;

15 G. "Internal Revenue Code" means the Internal
16 Revenue Code of 1986, as that code may be amended or its
17 sections renumbered;

18 H. "levy" means the lawful power, hereby invested
19 in the secretary, to take into possession or to require the
20 present or future surrender to the secretary or the
21 secretary's delegate of any property or rights to property
22 belonging to a delinquent taxpayer;

23 I. "local option [~~gross receipts~~] sales tax" means
24 a tax authorized to be imposed by a county or municipality
25 upon the taxpayer's gross receipts, as that term is defined in

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1 the [~~Gross Receipts and Compensating~~] Sales and Use Tax Act,
2 and required to be collected by the department at the same
3 time and in the same manner as the [~~gross receipts~~] state
4 sales tax; "local option [~~gross receipts~~] sales tax" includes
5 the taxes imposed pursuant to the Municipal Local Option
6 [~~Gross Receipts Taxes~~] Sales and Use Tax Act, Supplemental
7 Municipal [~~Gross Receipts~~] Sales Tax Act, County Local Option
8 [~~Gross Receipts Taxes~~] Sales and Use Tax Act, Local Hospital
9 [~~Gross Receipts~~] Sales Tax Act and County Correctional
10 Facility [~~Gross Receipts~~] Sales Tax Act and such other acts as
11 may be enacted authorizing counties or municipalities to
12 impose taxes on gross receipts, which taxes are to be
13 collected by the department in the same time and in the same
14 manner as it collects the [~~gross receipts~~] sales tax;

15 J. "local option use tax" means a municipal use
16 tax imposed pursuant to the Municipal Local Option Sales and
17 Use Tax Act or a county use tax imposed pursuant to the County
18 Local Option Sales and Use Tax Act;

19 [~~J.~~] K. "managed audit" means a review and
20 analysis conducted by a taxpayer under an agreement with the
21 department to determine the taxpayer's compliance with a tax
22 administered pursuant to the Tax Administration Act and the
23 presentation of the results to the department for assessment
24 of tax found to be due;

25 [~~K.~~] L. "net receipts" means the total amount of

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1 money paid by taxpayers to the department in a month pursuant
2 to a tax or tax act less any refunds disbursed in that month
3 with respect to that tax or tax act;

4 ~~[H.]~~ M. "overpayment" means an amount paid,
5 pursuant to any law subject to administration and enforcement
6 under the provisions of the Tax Administration Act, by a
7 person to the department or withheld from the person in excess
8 of tax due from the person to the state at the time of the
9 payment or at the time the amount withheld is credited against
10 tax due;

11 ~~[M.]~~ N. "paid" includes the term "paid over";

12 ~~[N.]~~ O. "pay" includes the term "pay over";

13 ~~[O.]~~ P. "payment" includes the term "payment
14 over";

15 ~~[P.]~~ Q. "person" means any individual, estate,
16 trust, receiver, cooperative association, club, corporation,
17 company, firm, partnership, limited liability company, limited
18 liability partnership, joint venture, syndicate, other
19 association or gas, water or electric utility owned or
20 operated by a county or municipality; "person" also means, to
21 the extent permitted by law, a federal, state or other
22 governmental unit or subdivision, or an agency, department or
23 instrumentality thereof; and "person", as used in Sections
24 7-1-72 through 7-1-74 NMSA 1978, also includes an officer or
25 employee of a corporation, a member or employee of a

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1 partnership or any individual who, as such, is under a duty to
2 perform any act in respect of which a violation occurs;

3 ~~[Q.]~~ R. "property" means property or rights to
4 property;

5 ~~[R.]~~ S. "property or rights to property" means any
6 tangible property, real or personal, or any intangible
7 property of a taxpayer;

8 ~~[S.]~~ T. "return" means any tax or information
9 return, application or form, declaration of estimated tax or
10 claim for refund, including any amendments or supplements to
11 the return, required or permitted pursuant to a law subject to
12 administration and enforcement pursuant to the Tax
13 Administration Act and filed with the secretary or the
14 secretary's delegate by or on behalf of any person;

15 ~~[T.]~~ U. "return information" means a taxpayer's
16 name, address, government-issued identification number and
17 other identifying information; any information contained in or
18 derived from a taxpayer's return; any information with respect
19 to any actual or possible administrative or legal action by an
20 employee of the department concerning a taxpayer's return,
21 such as audits, managed audits, denial of credits or refunds,
22 assessments of tax, penalty or interest, protests of
23 assessments or denial of refunds or credits, levies or liens;
24 or any other information with respect to a taxpayer's return
25 or tax liability that was not obtained from public sources or

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1 that was created by an employee of the department; but "return
2 information" does not include statistical data or other
3 information that cannot be associated with or directly or
4 indirectly identify a particular taxpayer;

5 ~~[U.]~~ V. "secretary" means the secretary of
6 taxation and revenue and, except for purposes of Subsection B
7 of Section 7-1-4 NMSA 1978, also includes the deputy secretary
8 or a division director or deputy division director delegated
9 by the secretary;

10 ~~[V.]~~ W. "secretary or the secretary's delegate"
11 means the secretary or any employee of the department
12 exercising authority lawfully delegated to that employee by
13 the secretary;

14 ~~[W.]~~ X. "security" means money, property or rights
15 to property or a surety bond;

16 ~~[X.]~~ Y. "state" means any state of the United
17 States, the District of Columbia, the commonwealth of Puerto
18 Rico and any territory or possession of the United States;

19 ~~[Y.]~~ Z. "tax" means the total amount of each tax
20 imposed and required to be paid, withheld and paid or
21 collected and paid under provision of any law made subject to
22 administration and enforcement according to the provisions of
23 the Tax Administration Act, including the amount of any
24 interest or civil penalty relating thereto; "tax" also means
25 any amount of any abatement of tax made or any credit, rebate

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1 or refund paid or credited by the department under any law
2 subject to administration and enforcement under the provisions
3 of the Tax Administration Act to any person contrary to law,
4 including the amount of any interest or civil penalty relating
5 thereto;

6 [~~Z.~~] AA. "tax return preparer" means a person who
7 prepares for others for compensation or who employs one or
8 more persons to prepare for others for compensation any return
9 of income tax, a substantial portion of any return of income
10 tax, any claim for refund with respect to income tax or a
11 substantial portion of any claim for refund with respect to
12 income tax; provided that a person shall not be a "tax return
13 preparer" merely because such person:

14 (1) furnishes typing, reproducing or other
15 mechanical assistance;

16 (2) is an employee who prepares an income
17 tax return or claim for refund with respect to an income tax
18 return of the employer, or of an officer or employee of the
19 employer, by whom the person is regularly and continuously
20 employed; or

21 (3) prepares as a trustee or other fiduciary
22 an income tax return or claim for refund with respect to
23 income tax for any person; and

24 [~~AA.~~] BB. "taxpayer" means a person liable for
25 payment of any tax; a person responsible for withholding and

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1 payment or for collection and payment of any tax; a person to
2 whom an assessment has been made, if the assessment remains
3 unabated or the amount thereof has not been paid; or a person
4 who entered into a special agreement pursuant to Section
5 7-1-21.1 NMSA 1978 to assume the liability of gross receipts
6 tax, [Ø] governmental gross receipts tax, state sales tax or
7 governmental sales tax of another person and the special
8 agreement was approved by the secretary pursuant to the Tax
9 Administration Act."

10 SECTION 23. Section 7-1-6.2 NMSA 1978 (being Laws 1983,
11 Chapter 211, Section 7, as amended) is amended to read:

12 "7-1-6.2. DISTRIBUTION--SMALL CITIES ASSISTANCE FUND.--
13 A distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be
14 made to the small cities assistance fund in an amount equal to
15 fifteen percent of the net receipts attributable to the
16 [~~compensating~~] use tax pursuant to Section 7-9-7 NMSA 1978."

17 SECTION 24. Section 7-1-6.5 NMSA 1978 (being Laws 1983,
18 Chapter 211, Section 10 and Laws 1983, Chapter 214, Section 6,
19 as amended) is amended to read:

20 "7-1-6.5. DISTRIBUTION--SMALL COUNTIES ASSISTANCE
21 FUND.--A distribution pursuant to Section 7-1-6.1 NMSA 1978
22 shall be made to the small counties assistance fund in an
23 amount equal to ten percent of the net receipts attributable
24 to the [~~compensating~~] use tax pursuant to Section 7-9-7 NMSA
25 1978."

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1 SECTION 25. Section 7-1-6.7 NMSA 1978 (being Laws 1994,
2 Chapter 5, Section 2, as amended) is amended to read:

3 "7-1-6.7. DISTRIBUTIONS--STATE AVIATION FUND.--

4 A. A distribution pursuant to Section 7-1-6.1 NMSA
5 1978 shall be made to the state aviation fund in an amount
6 equal to four and seventy-nine hundredths percent of the
7 taxable gross receipts attributable to the sale of fuel
8 specially prepared and sold for use in turboprop or jet-type
9 engines as determined by the department.

10 B. A distribution pursuant to Section 7-1-6.1 NMSA
11 1978 shall be made to the state aviation fund in an amount
12 equal to twenty-six hundredths percent of gasoline taxes,
13 exclusive of penalties and interest, collected pursuant to the
14 Gasoline Tax Act.

15 C. From July 1, 2013 through June 30, 2021, a
16 distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be
17 made to the state aviation fund in an amount equal to forty-
18 six thousandths percent of the net receipts attributable to
19 the [~~gross receipts~~] state sales tax distributable to the
20 general fund.

21 D. A distribution pursuant to Section 7-1-6.1 NMSA
22 1978 shall be made to the state aviation fund from the net
23 receipts attributable to the [~~gross receipts~~] state sales tax
24 distributable to the general fund in an amount equal to

25 ~~[(1) eighty thousand dollars (\$80,000)]~~

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1 ~~monthly from July 1, 2007 through June 30, 2008;~~
2 ~~(2) one hundred sixty-seven thousand dollars~~
3 ~~(\$167,000) monthly from July 1, 2008 through June 30, 2009;~~
4 and
5 ~~(3)] two hundred fifty thousand dollars~~
6 (\$250,000) [monthly after July 1, 2009]."

7 SECTION 26. Section 7-1-6.12 NMSA 1978 (being Laws
8 1983, Chapter 211, Section 17, as amended) is amended to read:

9 "7-1-6.12. TRANSFER--REVENUES FROM MUNICIPAL LOCAL
10 OPTION [~~GROSS RECEIPTS~~] SALES AND USE TAXES.--

11 A. A transfer pursuant to Section 7-1-6.1 NMSA
12 1978 shall be made to each municipality for which the
13 department is collecting a local option [~~gross receipts~~] sales
14 or use tax imposed by that municipality in an amount, subject
15 to any increase or decrease made pursuant to Section 7-1-6.15
16 NMSA 1978, equal to the net receipts attributable to the local
17 option [~~gross receipts~~] sales or use tax imposed by that
18 municipality, less any deduction for administrative cost
19 determined and made by the department pursuant to the
20 provisions of the act authorizing imposition by that
21 municipality of the local option [~~gross receipts~~] sales or use
22 tax and any additional administrative fee withheld pursuant to
23 Subsection C of Section 7-1-6.41 NMSA 1978.

24 B. A transfer pursuant to this section may be
25 adjusted for a distribution made to a tax increment

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1 development district with respect to a portion of a [~~gross~~
2 ~~receipts~~] sales tax increment dedicated by a municipality
3 pursuant to the Tax Increment for Development Act."

4 SECTION 27. Section 7-1-6.13 NMSA 1978 (being Laws
5 1983, Chapter 211, Section 18, as amended) is amended to read:

6 "7-1-6.13. TRANSFER--REVENUES FROM COUNTY LOCAL OPTION
7 [~~GROSS RECEIPTS~~] SALES AND USE TAXES.--

8 A. Except as provided in Subsection B of this
9 section, a transfer pursuant to Section 7-1-6.1 NMSA 1978
10 shall be made to each county for which the department is
11 collecting a local option [~~gross receipts~~] sales or use tax
12 imposed by that county in an amount, subject to any increase
13 or decrease made pursuant to Section 7-1-6.15 NMSA 1978, equal
14 to the net receipts attributable to the local option [~~gross~~
15 ~~receipts~~] sales or use tax imposed by that county, less any
16 deduction for administrative cost determined and made by the
17 department pursuant to the provisions of the act authorizing
18 imposition by that county of the local option [~~gross receipts~~]
19 sales or use tax and any additional administrative fee
20 withheld pursuant to Subsection C of Section 7-1-6.41 NMSA
21 1978.

22 B. A transfer pursuant to this section may be
23 adjusted for a distribution made to a tax increment
24 development district with respect to a portion of a [~~gross~~
25 ~~receipts~~] sales tax increment dedicated by a county pursuant

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1 to the Tax Increment for Development Act."

2 SECTION 28. Section 7-1-6.15 NMSA 1978 (being Laws
3 1983, Chapter 211, Section 20, as amended by Laws 2015,
4 Chapter 89, Section 1 and by Laws 2015, Chapter 100, Section
5 1) is amended to read:

6 "7-1-6.15. ADJUSTMENTS OF DISTRIBUTIONS OR TRANSFERS TO
7 MUNICIPALITIES OR COUNTIES.--

8 A. The provisions of this section apply to:

9 (1) any distribution to a municipality
10 pursuant to Section [~~7-1-6.4~~] 7-1-6.36 or 7-1-6.46 NMSA 1978;

11 (2) any transfer to a municipality with
12 respect to any local option [~~gross receipts~~] sales or use tax
13 imposed by that municipality;

14 (3) any transfer to a county with respect to
15 any local option [~~gross receipts~~] sales or use tax imposed by
16 that county;

17 (4) any distribution to a county pursuant to
18 Section 7-1-6.16 or 7-1-6.47 NMSA 1978;

19 (5) any distribution to a municipality or a
20 county of gasoline taxes pursuant to Section 7-1-6.9 NMSA
21 1978;

22 (6) any transfer to a county with respect to
23 any tax imposed in accordance with the Local Liquor Excise Tax
24 Act;

25 (7) any distribution to a county from the

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1 county government road fund pursuant to Section 7-1-6.26 NMSA
2 1978; and

3 (8) any distribution to a municipality of
4 gasoline taxes pursuant to Section 7-1-6.27 NMSA 1978 [~~and~~

5 ~~(9) any distribution to a municipality of~~
6 ~~compensating taxes pursuant to Section 7-1-6.55 NMSA 1978].~~

7 B. Before making a distribution or transfer
8 specified in Subsection A of this section to a municipality or
9 county for the month, amounts comprising the net receipts
10 shall be segregated into two mutually exclusive categories.
11 One category shall be for amounts relating to the current
12 month, and the other category shall be for amounts relating to
13 prior periods. The total of each category for a municipality
14 or county shall be reported each month to that municipality or
15 county. If the total of the amounts relating to prior periods
16 is less than zero and its absolute value exceeds the greater
17 of one hundred dollars (\$100) or an amount equal to twenty
18 percent of the average distribution or transfer amount for
19 that municipality or county, then the following procedures
20 shall be carried out:

21 (1) all negative amounts relating to any
22 period prior to the three calendar years preceding the year of
23 the current month, net of any positive amounts in that same
24 time period for the same taxpayers to which the negative
25 amounts pertain, shall be excluded from the total relating to

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1 prior periods. Except as provided in Paragraph (2) of this
2 subsection, the net receipts to be distributed or transferred
3 to the municipality or county shall be adjusted to equal the
4 amount for the current month plus the revised total for prior
5 periods; and

6 (2) if the revised total for prior periods
7 determined pursuant to Paragraph (1) of this subsection is
8 negative and its absolute value exceeds the greater of one
9 hundred dollars (\$100) or an amount equal to twenty percent of
10 the average distribution or transfer amount for that
11 municipality or county, the revised total for prior periods
12 shall be excluded from the distribution or transfers and the
13 net receipts to be distributed or transferred to the
14 municipality or county shall be equal to the amount for the
15 current month.

16 C. The department shall recover from a
17 municipality or county the amount excluded by Paragraph (2) of
18 Subsection B of this section. This amount may be referred to
19 as the "recoverable amount".

20 D. Prior to or concurrently with the distribution
21 or transfer to the municipality or county of the adjusted net
22 receipts, the department shall notify the municipality or
23 county whose distribution or transfer has been adjusted
24 pursuant to Paragraph (2) of Subsection B of this section:

25 (1) that the department has made such an

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1 adjustment, that the department has determined that a
2 specified amount is recoverable from the municipality or
3 county and that the department intends to recover that amount
4 from future distributions or transfers to the municipality or
5 county;

6 (2) that the municipality or county has
7 ninety days from the date notice is made to enter into a
8 mutually agreeable repayment agreement with the department;

9 (3) that if the municipality or county takes
10 no action within the ninety-day period, the department will
11 recover the amount from the next six distributions or
12 transfers following the expiration of the ninety days; and

13 (4) that the municipality or county may
14 inspect, pursuant to Section 7-1-8.9 NMSA 1978, an application
15 for a claim for refund that gave rise to the recoverable
16 amount, exclusive of any amended returns that may be attached
17 to the application.

18 E. No earlier than ninety days from the date
19 notice pursuant to Subsection D of this section is given, the
20 department shall begin recovering the recoverable amount from
21 a municipality or county as follows:

22 (1) the department may collect the
23 recoverable amount by:

24 (a) decreasing distributions or
25 transfers to the municipality or county in accordance with a

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1 repayment agreement entered into with the municipality or
2 county; or

3 (b) except as provided in Paragraphs
4 (2) and (3) of this subsection, if the municipality or county
5 fails to act within the ninety days, decreasing the amount of
6 the next six distributions or transfers to the municipality or
7 county following expiration of the ninety-day period in
8 increments as nearly equal as practicable and sufficient to
9 recover the amount;

10 (2) if, pursuant to Subsection B of this
11 section, the secretary determines that the recoverable amount
12 is more than fifty percent of the average distribution or
13 transfer of net receipts for that municipality or county, the
14 secretary:

15 (a) shall recover only up to fifty
16 percent of the average distribution or transfer of net
17 receipts for that municipality or county; and

18 (b) may, in the secretary's discretion,
19 waive recovery of any portion of the recoverable amount,
20 subject to approval by the state board of finance; and

21 (3) if, after application of a refund claim,
22 audit adjustment, correction of a mistake by the department or
23 other adjustment of a prior period, but prior to any recovery
24 of the department pursuant to this section, the total net
25 receipts of a municipality or county for the twelve-month

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1 period beginning with the current month are reduced or are
2 projected to be reduced to less than fifty percent of the
3 average distribution or transfer of net receipts, the
4 secretary may waive recovery of any portion of the recoverable
5 amount, subject to approval by the state board of finance.

6 F. No later than ninety days from the date notice
7 pursuant to Subsection D of this section is given, the
8 department shall provide the municipality or county adequate
9 opportunity to review an application for a claim for refund
10 that gave rise to the recoverable amount, exclusive of any
11 amended returns that may be attached to the application,
12 pursuant to Section 7-1-8.9 NMSA 1978.

13 G. On or before September 1 of each year beginning
14 in 2016, the secretary shall report to the state board of
15 finance and the legislative finance committee the total
16 recoverable amount waived pursuant to Subparagraph (b) of
17 Paragraph (2) and Paragraph (3) of Subsection E of this
18 section for each municipality and county in the prior fiscal
19 year.

20 H. The secretary is authorized to decrease a
21 distribution or transfer to a municipality or county upon
22 being directed to do so by the secretary of finance and
23 administration pursuant to the State Aid Intercept Act or to
24 redirect a distribution or transfer to the New Mexico finance
25 authority pursuant to an ordinance or a resolution passed by

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1 the county or municipality and a written agreement of the
2 municipality or county and the New Mexico finance authority.
3 Upon direction to decrease a distribution or transfer or
4 notice to redirect a distribution or transfer to a
5 municipality or county, the secretary shall decrease or
6 redirect the next designated distribution or transfer, and
7 succeeding distributions or transfers as necessary, by the
8 amount of the state distributions intercept authorized by the
9 secretary of finance and administration pursuant to the State
10 Aid Intercept Act or by the amount of the state distribution
11 intercept authorized pursuant to an ordinance or a resolution
12 passed by the county or municipality and a written agreement
13 with the New Mexico finance authority. The secretary shall
14 transfer the state distributions intercept amount to the
15 municipal or county treasurer or other person designated by
16 the secretary of finance and administration or to the New
17 Mexico finance authority pursuant to written agreement to pay
18 the debt service to avoid default on qualified local revenue
19 bonds or meet other local revenue bond, loan or other debt
20 obligations of the municipality or county to the New Mexico
21 finance authority. A decrease to or redirection of a
22 distribution or transfer pursuant to this subsection that
23 arose:

24 (1) prior to an adjustment of a distribution
25 or transfer of net receipts creating a recoverable amount owed

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1 to the department takes precedence over any collection of any
2 recoverable amount pursuant to Paragraph (2) of Subsection B
3 of this section, which may be made only from the net amount of
4 the distribution or transfer remaining after application of
5 the decrease or redirection pursuant to this subsection; and

6 (2) after an adjustment of a distribution or
7 transfer of net receipts creating a recoverable amount owed to
8 the department shall be subordinate to any collection of any
9 recoverable amount pursuant to Paragraph (2) of Subsection B
10 of this section.

11 I. Upon the direction of the secretary of finance
12 and administration pursuant to Section 9-6-5.2 NMSA 1978, the
13 secretary shall temporarily withhold the balance of a
14 distribution to a municipality or county, net of any decrease
15 or redirected amount pursuant to Subsection H of this section
16 and any recoverable amount pursuant to Paragraph (2) of
17 Subsection B of this section, that has failed to submit an
18 audit report required by the Audit Act or a financial report
19 required by Subsection F of Section 6-6-2 NMSA 1978. The
20 amount to be withheld, the source of the withheld distribution
21 and the number of months that the distribution is to be
22 withheld shall be as directed by the secretary of finance and
23 administration. A distribution withheld pursuant to this
24 subsection shall remain in the tax administration suspense
25 fund until distributed to the municipality or county and shall

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1 not be distributed to the general fund. An amount withheld
2 pursuant to this subsection shall be distributed to the
3 municipality or county upon direction of the secretary of
4 finance and administration.

5 J. As used in this section:

6 (1) "amounts relating to the current month"
7 means any amounts included in the net receipts of the current
8 month that represent payment of tax due for the current month,
9 correction of amounts processed in the current month that
10 relate to the current month or that otherwise relate to
11 obligations due for the current month;

12 (2) "amounts relating to prior periods"
13 means any amounts processed during the current month that
14 adjust amounts processed in a period or periods prior to the
15 current month regardless of whether the adjustment is a
16 correction of a department error or due to the filing of
17 amended returns, payment of department-issued assessments,
18 filing or approval of claims for refund, audit adjustments or
19 other cause;

20 (3) "average distribution or transfer
21 amount" means the following amounts; provided that a
22 distribution or transfer that is negative shall not be used in
23 calculating the amounts:

24 (a) the annual average of the total
25 amount distributed or transferred to a municipality or county

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1 in each of the three twelve-month periods preceding the
2 current month;

3 (b) if a distribution or transfer to a
4 municipality or county has been made for less than three
5 years, the total amount distributed or transferred in the year
6 preceding the current month; or

7 (c) if a municipality or county has not
8 received distributions or transfers of net receipts for twelve
9 or more months, the monthly average of net receipts
10 distributed or transferred to the municipality or county
11 preceding the current month multiplied by twelve;

12 (4) "current month" means the month for
13 which the distribution or transfer is being prepared; and

14 (5) "repayment agreement" means an agreement
15 between the department and a municipality or county under
16 which the municipality or county agrees to allow the
17 department to recover an amount determined pursuant to
18 Paragraph (2) of Subsection B of this section by decreasing
19 distributions or transfers to the municipality or county for
20 one or more months beginning with the distribution or transfer
21 to be made with respect to a designated month. No interest
22 shall be charged."

23 SECTION 29. Section 7-1-6.16 NMSA 1978 (being Laws
24 1983, Chapter 213, Section 27, as amended) is amended to read:

25 "7-1-6.16. COUNTY EQUALIZATION DISTRIBUTION.--

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1 A. ~~[Beginning on September 15, 1989 and]~~ On
2 September 15 of each year ~~[thereafter]~~, the department shall
3 distribute to any county that has imposed or continued in
4 effect during the ~~[state's]~~ preceding fiscal year a county
5 ~~[gross receipts]~~ sales tax pursuant to Section 7-20E-9 NMSA
6 1978 an amount equal to:

7 (1) the product of a fraction, the numerator
8 of which is the county's population and the denominator of
9 which is the state's population, multiplied by the annual sum
10 for the county; less

11 (2) the net receipts received by the
12 department during the report year, including any increase or
13 decrease made pursuant to Section 7-1-6.15 NMSA 1978,
14 attributable to the county ~~[gross receipts]~~ sales tax at a
15 rate of one-eighth percent; provided that for any month in the
16 report year, if no county ~~[gross receipts]~~ sales tax was in
17 effect in the county in the previous month, the net receipts,
18 for the purposes of this section, for that county for that
19 month shall be zero.

20 B. If the amount determined by the calculation in
21 Subsection A of this section is zero or a negative number for
22 a county, no distribution shall be made to that county.

23 C. As used in this section:

24 (1) "annual sum" means for each county the
25 sum of the monthly amounts for those months in the report year

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1 that follow a month in which the county had in effect a county
2 [~~gross receipts~~] sales tax;

3 (2) "monthly amount" means an amount equal
4 to [~~the product of:~~

5 ~~(a)] two and forty-four hundredths~~
6 percent of the net receipts received by the department in the
7 month attributable to the state [~~gross receipts tax plus five~~
8 ~~percent of the total amount of deductions claimed pursuant to~~
9 ~~Section 7-9-92 NMSA 1978 for the month plus five percent of~~
10 ~~the total amount of deductions claimed pursuant to Section~~
11 ~~7-9-93 NMSA 1978 for the month; and~~

12 ~~(b) a fraction, the numerator of which~~
13 ~~is one-eighth percent and the denominator of which is the tax~~
14 ~~rate imposed by Section 7-9-4 NMSA 1978 in effect on the last~~
15 ~~day of the previous month] sales tax;~~

16 (3) "population" means the most recent
17 official census or estimate determined by the United States
18 census bureau for the unit or, if neither is available, the
19 most current estimated population for the unit provided in
20 writing by the bureau of business and economic research at the
21 university of New Mexico; and

22 (4) "report year" means the twelve-month
23 period ending on the July 31 immediately preceding the date
24 upon which a distribution pursuant to this section is required
25 to be made."

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1 SECTION 30. Section 7-1-6.36 NMSA 1978 (being Laws
2 1992, Chapter 50, Section 13 and also Laws 1992, Chapter 67,
3 Section 12) is amended to read:

4 "7-1-6.36. DISTRIBUTION--INTERSTATE TELECOMMUNICATIONS
5 [~~GROSS RECEIPTS~~] SALES TAX.--A distribution pursuant to
6 Section 7-1-6.1 NMSA 1978 shall be made to each municipality
7 in an amount, subject to any increase or decrease made
8 pursuant to Section 7-1-6.15 NMSA 1978, equal to [~~the product~~
9 ~~of the quotient of one and thirty-five hundredths percent~~
10 ~~divided by the tax rate imposed by the Interstate~~
11 ~~Telecommunications Gross Receipts Tax Act times~~] thirty-one
12 and seventy-seven hundredths percent of the net receipts for
13 the month attributable to the interstate telecommunications
14 [~~gross receipts~~] sales tax from business locations:

- 15 A. within that municipality;
- 16 B. on land owned by the state, commonly known as
17 the "state fairgrounds", within the exterior boundaries of
18 that municipality;
- 19 C. outside the boundaries of any municipality on
20 land owned by that municipality; and
- 21 D. on an Indian reservation or pueblo grant in an
22 area that is contiguous to that municipality and in which the
23 municipality performs services pursuant to a contract between
24 the municipality and the Indian tribe or Indian pueblo if:

25 (1) the contract describes an area in which

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1 the municipality is required to perform services and requires
2 the municipality to perform services that are substantially
3 the same as the services the municipality performs for itself;
4 and

5 (2) the governing body of the municipality
6 has submitted a copy of the contract to the secretary."

7 SECTION 31. Section 7-1-6.38 NMSA 1978 (being Laws
8 1994, Chapter 145, Section 1, as amended) is amended to read:

9 "7-1-6.38. DISTRIBUTION--GOVERNMENTAL [~~GROSS RECEIPTS~~]
10 SALES TAX.--

11 A. A distribution pursuant to Section 7-1-6.1 NMSA
12 1978 shall be made to the public project revolving fund
13 administered by the New Mexico finance authority in an amount
14 equal to seventy-five percent of the net receipts attributable
15 to the governmental [~~gross receipts~~] sales tax.

16 B. A distribution pursuant to Section 7-1-6.1 NMSA
17 1978 shall be made to the energy, minerals and natural
18 resources department in an amount equal to twenty-four percent
19 of the net receipts attributable to the governmental [~~gross~~
20 ~~receipts~~] sales tax. Forty-one and two-thirds percent of the
21 distribution is appropriated to the energy, minerals and
22 natural resources department to implement the provisions of
23 the New Mexico Youth Conservation Corps Act and fifty-eight
24 and one-third percent of the distribution is appropriated to
25 the energy, minerals and natural resources department for

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1 state [~~park and recreation area~~] parks capital improvements,
2 including the costs of planning, engineering, design,
3 construction, renovation, repair, equipment and furnishings.

4 C. A distribution pursuant to Section 7-1-6.1 NMSA
5 1978 shall be made to the [~~office of~~] cultural affairs
6 department in an amount equal to one percent of the net
7 receipts attributable to the governmental [~~gross receipts~~]
8 sales tax for capital improvements at state museums and
9 monuments administered by the [~~office of~~] cultural affairs
10 department.

11 D. The state pledges to and agrees with the
12 holders of any bonds or notes issued by the New Mexico finance
13 authority or by the energy, minerals and natural resources
14 department and payable from the net receipts attributable to
15 the governmental [~~gross receipts~~] sales tax distributed to the
16 New Mexico finance authority or the energy, minerals and
17 natural resources department pursuant to this section that the
18 state will not limit, reduce or alter the distribution of the
19 net receipts attributable to the governmental [~~gross receipts~~]
20 sales tax to the New Mexico finance authority or the energy,
21 minerals and natural resources department or limit, reduce or
22 alter the rate of imposition of the governmental [~~gross~~
23 ~~receipts~~] sales tax until the bonds or notes together with the
24 interest thereon are fully met and discharged. The New Mexico
25 finance authority and the energy, minerals and natural

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1 resources department are authorized to include this pledge and
2 agreement of the state in any agreement with the holders of
3 the bonds or notes."

4 SECTION 32. Section 7-1-6.46 NMSA 1978 (being Laws
5 2004, Chapter 116, Section 1, as amended) is amended to read:

6 "7-1-6.46. DISTRIBUTION TO MUNICIPALITIES--OFFSET FOR
7 FOOD DEDUCTION [~~AND HEALTH CARE PRACTITIONER SERVICES~~
8 ~~DEDUCTION~~].--

9 A. For a municipality that [~~has not elected to~~
10 ~~impose~~] does not have in effect a municipal hold harmless
11 [~~gross receipts~~] sales tax through an ordinance and that has a
12 population of less than ten thousand according to the most
13 recent federal decennial census, a distribution pursuant to
14 Section 7-1-6.1 NMSA 1978 shall be made to [~~a~~] the
15 municipality in an amount, subject to any increase or decrease
16 made pursuant to Section 7-1-6.15 NMSA 1978, equal to the [~~sum~~
17 ~~of:~~

18 (~~1) the total deductions claimed pursuant to~~
19 ~~Section 7-9-92 NMSA 1978 for the month by taxpayers from~~
20 ~~business locations attributable to the municipality multiplied~~
21 ~~by the sum of the combined rate of all municipal local option~~
22 ~~gross receipts taxes in effect in the municipality for the~~
23 ~~month plus one and two hundred twenty-five thousandths~~
24 ~~percent; and~~

25 (~~2) the total deductions claimed pursuant to~~

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1 ~~Section 7-9-93 NMSA 1978 for the month by taxpayers from~~
2 ~~business locations attributable to the municipality multiplied~~
3 ~~by the sum of the combined rate of all municipal local option~~
4 ~~gross receipts taxes in effect in the municipality for the~~
5 ~~month plus one and two hundred twenty-five thousandths~~
6 ~~percent]~~ applicable maximum distribution for the municipality.

7 B. For a municipality not described in Subsection
8 A of this section, a distribution pursuant to Section 7-1-6.1
9 NMSA 1978 shall be made to the municipality in an amount,
10 subject to any increase or decrease made pursuant to Section
11 7-1-6.15 NMSA 1978, equal to the ~~[sum of:~~

12 ~~(1) the total deductions claimed pursuant to~~
13 ~~Section 7-9-92 NMSA 1978 for the month by taxpayers from~~
14 ~~business locations attributable to the municipality multiplied~~
15 ~~by the sum of the combined rate of all municipal local option~~
16 ~~gross receipts taxes in effect in the municipality on January~~
17 ~~1, 2007 plus one and two hundred twenty-five thousandths~~
18 ~~percent in the following percentages:~~

19 ~~(a) prior to July 1, 2015, one hundred~~
20 ~~percent;~~

21 ~~(b) on or after July 1, 2015 and prior~~
22 ~~to July 1, 2016, ninety-four percent;~~

23 ~~(c) on or after July 1, 2016 and prior~~
24 ~~to July 1, 2017, eighty-eight percent;~~

25 ~~(d) on or after July 1, 2017 and prior~~

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1 ~~to July 1, 2018, eighty-two percent;~~

2 ~~(e) on or after July 1, 2018 and prior~~
3 ~~to July 1, 2019, seventy-six percent;~~

4 ~~(f) on or after July 1, 2019 and prior~~
5 ~~to July 1, 2020, seventy percent;~~

6 ~~(g) on or after July 1, 2020 and prior~~
7 ~~to July 1, 2021, sixty-three percent;~~

8 ~~(h) on or after July 1, 2021 and prior~~
9 ~~to July 1, 2022, fifty-six percent;~~

10 ~~(i) on or after July 1, 2022 and prior~~
11 ~~to July 1, 2023, forty-nine percent;~~

12 ~~(j) on or after July 1, 2023 and prior~~
13 ~~to July 1, 2024, forty-two percent;~~

14 ~~(k) on or after July 1, 2024 and prior~~
15 ~~to July 1, 2025, thirty-five percent;~~

16 ~~(l) on or after July 1, 2025 and prior~~
17 ~~to July 1, 2026, twenty-eight percent;~~

18 ~~(m) on or after July 1, 2026 and prior~~
19 ~~to July 1, 2027, twenty-one percent;~~

20 ~~(n) on or after July 1, 2027 and prior~~
21 ~~to July 1, 2028, fourteen percent; and~~

22 ~~(o) on or after July 1, 2028 and prior~~
23 ~~to July 1, 2029, seven percent; and~~

24 ~~(2) the total deductions claimed pursuant to~~
25 ~~Section 7-9-93 NMSA 1978 for the month by taxpayers from~~

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1 ~~business locations attributable to the municipality multiplied~~
2 ~~by the sum of the combined rate of all municipal local option~~
3 ~~gross receipts taxes in effect in the municipality on January~~
4 ~~1, 2007 plus one and two hundred twenty-five thousandths~~
5 ~~percent in] applicable maximum distribution for the~~
6 municipality multiplied by the following percentages:

7 ~~[(a) prior to July 1, 2015, one hundred~~
8 ~~percent;~~

9 ~~(b) on or after July 1, 2015 and prior~~
10 ~~to July 1, 2016, ninety-four percent;~~

11 ~~(c) on or after July 1, 2016 and prior~~
12 ~~to July 1, 2017, eighty-eight percent;~~

13 ~~(d)]~~ (1) on or after July 1, 2017 and prior
14 to July 1, 2018, eighty-two percent;

15 ~~(e)]~~ (2) on or after July 1, 2018 and prior
16 to July 1, 2019, seventy-six percent;

17 ~~(f)]~~ (3) on or after July 1, 2019 and prior
18 to July 1, 2020, seventy percent;

19 ~~(g)]~~ (4) on or after July 1, 2020 and prior
20 to July 1, 2021, sixty-three percent;

21 ~~(h)]~~ (5) on or after July 1, 2021 and prior
22 to July 1, 2022, fifty-six percent;

23 ~~(i)]~~ (6) on or after July 1, 2022 and prior
24 to July 1, 2023, forty-nine percent;

25 ~~(j)]~~ (7) on or after July 1, 2023 and prior

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1 to July 1, 2024, forty-two percent;
2 ~~[(k)]~~ (8) on or after July 1, 2024 and prior
3 to July 1, 2025, thirty-five percent;
4 ~~[(l)]~~ (9) on or after July 1, 2025 and prior
5 to July 1, 2026, twenty-eight percent;
6 ~~[(m)]~~ (10) on or after July 1, 2026 and
7 prior to July 1, 2027, twenty-one percent;
8 ~~[(n)]~~ (11) on or after July 1, 2027 and
9 prior to July 1, 2028, fourteen percent; ~~[and~~
10 ~~(o)]~~ (12) on or after July 1, 2028 and prior
11 to July 1, 2029, seven percent; and
12 (13) on and after July 1, 2029, zero
13 percent.

14 C. ~~[The]~~ A distribution pursuant to ~~[Subsections A~~
15 ~~and B of]~~ this section is in lieu of revenue that would have
16 been received by the municipality but for the ~~[deductions]~~
17 deduction provided by ~~[Sections]~~ Section 7-9-92 ~~[and 7-9-93]~~
18 NMSA 1978. The distribution shall be considered ~~[gross~~
19 ~~receipts]~~ sales tax revenue and shall be used by the
20 municipality in the same manner as ~~[gross receipts]~~ sales tax
21 revenue, including payment of ~~[gross receipts]~~ sales tax
22 revenue bonds. ~~[A distribution pursuant to this section to a~~
23 ~~municipality not described in Subsection A of this section or~~
24 ~~to a municipality that has imposed a gross receipts tax~~
25 ~~through an ordinance that does not provide a deduction~~

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1 ~~contained in the Gross Receipts and Compensating Tax Act shall~~
2 ~~not be made on or after July 1, 2029.]~~

3 D. If the [~~reductions~~] changes made by this [~~2013~~]
4 2017 act to the distributions made pursuant to [~~Subsections A~~
5 ~~and B of~~] this section impair the ability of a municipality to
6 meet its principal or interest payment obligations for revenue
7 bonds that are outstanding prior to [~~July 1, 2013~~] January 1,
8 2018 and that are secured by the pledge of all or part of the
9 municipality's revenue from the distribution made pursuant to
10 this section, then the amount distributed pursuant to this
11 section to that municipality shall be increased by an amount
12 sufficient to meet the required payment; provided that the
13 total amount distributed to that municipality pursuant to this
14 section does not exceed the amount that would have been due
15 that municipality pursuant to this section as it was in effect
16 on [~~June 30, 2013~~] December 31, 2017.

17 E. For the purposes of this section:

18 (1) "business locations attributable to the
19 municipality" means business locations:

20 [~~(1)~~] (a) within the municipality;

21 [~~(2)~~] (b) on land owned by the state,
22 commonly known as the "state fairgrounds", within the exterior
23 boundaries of the municipality;

24 [~~(3)~~] (c) outside the boundaries of the
25 municipality on land owned by the municipality; and

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1 [~~(4)~~] (d) on an Indian reservation or
2 pueblo grant in an area that is contiguous to the municipality
3 and in which the municipality performs services pursuant to a
4 contract between the municipality and the Indian tribe or
5 Indian pueblo if: [~~(a)~~] 1) the contract describes an area in
6 which the municipality is required to perform services and
7 requires the municipality to perform services that are
8 substantially the same as the services the municipality
9 performs for itself; and [~~(b)~~] 2) the governing body of the
10 municipality has submitted a copy of the contract to the
11 secretary; and

12 (2) "maximum distribution" means:

13 (a) for a municipality that has a
14 population of less than ten thousand according to the most
15 recent federal decennial census, the total deductions claimed
16 pursuant to Section 7-9-92 NMSA 1978 for the month by
17 taxpayers from business locations attributable to the
18 municipality multiplied by the sum of the combined rate of all
19 municipal local option sales taxes in effect in the
20 municipality for the month plus nine hundred sixty-five
21 thousandths percent; and

22 (b) for a municipality that has a
23 population of ten thousand or more according to the most
24 recent federal decennial census, the total deductions claimed
25 pursuant to Section 7-9-92 NMSA 1978 for the month by

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1 taxpayers from business locations attributable to the
2 municipality multiplied by the sum of the combined rate of all
3 municipal local option gross receipts taxes in effect in the
4 municipality on January 1, 2007 plus nine hundred sixty-five
5 thousandths percent.

6 F. A distribution pursuant to this section may be
7 adjusted for a distribution made to a tax increment
8 development district with respect to a portion of a [~~gross~~
9 ~~receipts~~] sales tax increment dedicated by a municipality
10 pursuant to the Tax Increment for Development Act."

11 SECTION 33. Section 7-1-6.47 NMSA 1978 (being Laws
12 2004, Chapter 116, Section 2, as amended) is amended to read:

13 "7-1-6.47. DISTRIBUTION TO COUNTIES--OFFSET FOR FOOD
14 DEDUCTION [~~AND HEALTH CARE PRACTITIONER SERVICES DEDUCTION~~].--

15 A. For a county that [~~has not elected to impose~~]
16 does not have in effect a county hold harmless [~~gross~~
17 ~~receipts~~] sales tax through an ordinance and that has a
18 population of less than forty-eight thousand according to the
19 most recent federal decennial census, a distribution pursuant
20 to Section 7-1-6.1 NMSA 1978 shall be made to [~~a~~] the county
21 in an amount, subject to any increase or decrease made
22 pursuant to Section 7-1-6.15 NMSA 1978, equal to the [~~sum of:~~

23 ~~(1) the total deductions claimed pursuant to~~
24 ~~Section 7-9-92 NMSA 1978 for the month by taxpayers from~~
25 ~~business locations within a municipality in the county~~

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1 ~~multiplied by the combined rate of all county local option~~
2 ~~gross receipts taxes in effect for the month that are imposed~~
3 ~~throughout the county;~~

4 ~~(2) the total deductions claimed pursuant to~~
5 ~~Section 7-9-92 NMSA 1978 for the month by taxpayers from~~
6 ~~business locations in the county but not within a municipality~~
7 ~~multiplied by the combined rate of all county local option~~
8 ~~gross receipts taxes in effect for the month that are imposed~~
9 ~~in the county area not within a municipality;~~

10 ~~(3) the total deductions claimed pursuant to~~
11 ~~Section 7-9-93 NMSA 1978 for the month by taxpayers from~~
12 ~~business locations within a municipality in the county~~
13 ~~multiplied by the combined rate of all county local option~~
14 ~~gross receipts taxes in effect for the month that are imposed~~
15 ~~throughout the county; and~~

16 ~~(4) the total deductions claimed pursuant to~~
17 ~~Section 7-9-93 NMSA 1978 for the month by taxpayers from~~
18 ~~business locations in the county but not within a municipality~~
19 ~~multiplied by the combined rate of all county local option~~
20 ~~gross receipts taxes in effect for the month that are imposed~~
21 ~~in the county area not within a municipality] applicable~~
22 maximum distribution for the county.

23 B. For a county not described in Subsection A of
24 this section, a distribution pursuant to Section 7-1-6.1 NMSA
25 1978 shall be made to the county in an amount, subject to any

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1 increase or decrease made pursuant to Section 7-1-6.15 NMSA
2 1978, equal to the ~~[sum of:~~

3 ~~(1) the total deductions claimed pursuant to~~
4 ~~Section 7-9-92 NMSA 1978 for the month by taxpayers from~~
5 ~~business locations within a municipality in the county~~
6 ~~multiplied by the combined rate of all county local option~~
7 ~~gross receipts taxes in effect on January 1, 2007 that are~~
8 ~~imposed throughout the county in the following percentages:~~

9 ~~(a) prior to July 1, 2015, one hundred~~
10 ~~percent;~~

11 ~~(b) on or after July 1, 2015 and prior~~
12 ~~to July 1, 2016, ninety-four percent;~~

13 ~~(c) on or after July 1, 2016 and prior~~
14 ~~to July 1, 2017, eighty-eight percent;~~

15 ~~(d) on or after July 1, 2017 and prior~~
16 ~~to July 1, 2018, eighty-two percent;~~

17 ~~(e) on or after July 1, 2018 and prior~~
18 ~~to July 1, 2019, seventy-six percent;~~

19 ~~(f) on or after July 1, 2019 and prior~~
20 ~~to July 1, 2020, seventy percent;~~

21 ~~(g) on or after July 1, 2020 and prior~~
22 ~~to July 1, 2021, sixty-three percent;~~

23 ~~(h) on or after July 1, 2021 and prior~~
24 ~~to July 1, 2022, fifty-six percent;~~

25 ~~(i) on or after July 1, 2022 and prior~~

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1 ~~to July 1, 2023, forty-nine percent;~~

2 ~~(j) on or after July 1, 2023 and prior~~
3 ~~to July 1, 2024, forty-two percent;~~

4 ~~(k) on or after July 1, 2024 and prior~~
5 ~~to July 1, 2025, thirty-five percent;~~

6 ~~(l) on or after July 1, 2025 and prior~~
7 ~~to July 1, 2026, twenty-eight percent;~~

8 ~~(m) on or after July 1, 2026 and prior~~
9 ~~to July 1, 2027, twenty-one percent;~~

10 ~~(n) on or after July 1, 2027 and prior~~
11 ~~to July 1, 2028, fourteen percent; and~~

12 ~~(o) on or after July 1, 2028 and prior~~
13 ~~to July 1, 2029, seven percent;~~

14 ~~(2) the total deductions claimed pursuant to~~
15 ~~Section 7-9-92 NMSA 1978 for the month by taxpayers from~~
16 ~~business locations in the county but not within a municipality~~
17 ~~multiplied by the combined rate of all county local option~~
18 ~~gross receipts taxes in effect on January 1, 2007 that are~~
19 ~~imposed in the county area not within a municipality in the~~
20 ~~following percentages:~~

21 ~~(a) prior to July 1, 2015, one hundred~~
22 ~~percent;~~

23 ~~(b) on or after July 1, 2015 and prior~~
24 ~~to July 1, 2016, ninety-four percent;~~

25 ~~(c) on or after July 1, 2016 and prior~~

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1 ~~to July 1, 2017, eighty-eight percent;~~

2 ~~(d) on or after July 1, 2017 and prior~~
3 ~~to July 1, 2018, eighty-two percent;~~

4 ~~(e) on or after July 1, 2018 and prior~~
5 ~~to July 1, 2019, seventy-six percent;~~

6 ~~(f) on or after July 1, 2019 and prior~~
7 ~~to July 1, 2020, seventy percent;~~

8 ~~(g) on or after July 1, 2020 and prior~~
9 ~~to July 1, 2021, sixty-three percent;~~

10 ~~(h) on or after July 1, 2021 and prior~~
11 ~~to July 1, 2022, fifty-six percent;~~

12 ~~(i) on or after July 1, 2022 and prior~~
13 ~~to July 1, 2023, forty-nine percent;~~

14 ~~(j) on or after July 1, 2023 and prior~~
15 ~~to July 1, 2024, forty-two percent;~~

16 ~~(k) on or after July 1, 2024 and prior~~
17 ~~to July 1, 2025, thirty-five percent;~~

18 ~~(l) on or after July 1, 2025 and prior~~
19 ~~to July 1, 2026, twenty-eight percent;~~

20 ~~(m) on or after July 1, 2026 and prior~~
21 ~~to July 1, 2027, twenty-one percent;~~

22 ~~(n) on or after July 1, 2027 and prior~~
23 ~~to July 1, 2028, fourteen percent; and~~

24 ~~(o) on or after July 1, 2028 and prior~~
25 ~~to July 1, 2029, seven percent;~~

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1 ~~(3) the total deductions claimed pursuant to~~
2 ~~Section 7-9-93 NMSA 1978 for the month by taxpayers from~~
3 ~~business locations within a municipality in the county~~
4 ~~multiplied by the combined rate of all county local option~~
5 ~~gross receipts taxes in effect on January 1, 2007 that are~~
6 ~~imposed throughout the county in the following percentages:~~

7 ~~(a) prior to July 1, 2015, one hundred~~
8 ~~percent;~~

9 ~~(b) on or after July 1, 2015 and prior~~
10 ~~to July 1, 2016, ninety-four percent;~~

11 ~~(c) on or after July 1, 2016 and prior~~
12 ~~to July 1, 2017, eighty-eight percent;~~

13 ~~(d) on or after July 1, 2017 and prior~~
14 ~~to July 1, 2018, eighty-two percent;~~

15 ~~(e) on or after July 1, 2018 and prior~~
16 ~~to July 1, 2019, seventy-six percent;~~

17 ~~(f) on or after July 1, 2019 and prior~~
18 ~~to July 1, 2020, seventy percent;~~

19 ~~(g) on or after July 1, 2020 and prior~~
20 ~~to July 1, 2021, sixty-three percent;~~

21 ~~(h) on or after July 1, 2021 and prior~~
22 ~~to July 1, 2022, fifty-six percent;~~

23 ~~(i) on or after July 1, 2022 and prior~~
24 ~~to July 1, 2023, forty-nine percent;~~

25 ~~(j) on or after July 1, 2023 and prior~~

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1 ~~to July 1, 2024, forty-two percent;~~

2 ~~(k) on or after July 1, 2024 and prior~~
3 ~~to July 1, 2025, thirty-five percent;~~

4 ~~(l) on or after July 1, 2025 and prior~~
5 ~~to July 1, 2026, twenty-eight percent;~~

6 ~~(m) on or after July 1, 2026 and prior~~
7 ~~to July 1, 2027, twenty-one percent;~~

8 ~~(n) on or after July 1, 2027 and prior~~
9 ~~to July 1, 2028, fourteen percent; and~~

10 ~~(o) on or after July 1, 2028 and prior~~
11 ~~to July 1, 2029, seven percent; and~~

12 ~~(4) the total deductions claimed pursuant to~~
13 ~~Section 7-9-93 NMSA 1978 for the month by taxpayers from~~
14 ~~business locations in the county but not within a municipality~~
15 ~~multiplied by the combined rate of all county local option~~
16 ~~gross receipts taxes in effect on January 1, 2007 that are~~
17 ~~imposed in the county area not within a municipality in]~~
18 applicable maximum distribution multiplied by the following
19 percentages:

20 ~~[(a) prior to July 1, 2015, one hundred~~
21 ~~percent;~~

22 ~~(b) on or after July 1, 2015 and prior~~
23 ~~to July 1, 2016, ninety-four percent;~~

24 ~~(c) on or after July 1, 2016 and prior~~
25 ~~to July 1, 2017, eighty-eight percent;~~

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1 ~~(d)~~ (1) on or after July 1, 2017 and prior
2 to July 1, 2018, eighty-two percent;
3 ~~(e)~~ (2) on or after July 1, 2018 and prior
4 to July 1, 2019, seventy-six percent;
5 ~~(f)~~ (3) on or after July 1, 2019 and prior
6 to July 1, 2020, seventy percent;
7 ~~(g)~~ (4) on or after July 1, 2020 and prior
8 to July 1, 2021, sixty-three percent;
9 ~~(h)~~ (5) on or after July 1, 2021 and prior
10 to July 1, 2022, fifty-six percent;
11 ~~(i)~~ (6) on or after July 1, 2022 and prior
12 to July 1, 2023, forty-nine percent;
13 ~~(j)~~ (7) on or after July 1, 2023 and prior
14 to July 1, 2024, forty-two percent;
15 ~~(k)~~ (8) on or after July 1, 2024 and prior
16 to July 1, 2025, thirty-five percent;
17 ~~(l)~~ (9) on or after July 1, 2025 and prior
18 to July 1, 2026, twenty-eight percent;
19 ~~(m)~~ (10) on or after July 1, 2026 and
20 prior to July 1, 2027, twenty-one percent;
21 ~~(n)~~ (11) on or after July 1, 2027 and
22 prior to July 1, 2028, fourteen percent; ~~and~~
23 ~~(o)~~ (12) on or after July 1, 2028 and prior
24 to July 1, 2029, seven percent; and
25 (13) on and after July 1, 2029, zero

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1 percent.

2 C. ~~[The]~~ A distribution pursuant to ~~[Subsections A~~
3 ~~and B of]~~ this section is in lieu of revenue that would have
4 been received by the county but for the ~~[deductions]~~ deduction
5 provided by ~~[Sections]~~ Section 7-9-92 ~~[and 7-9-93]~~ NMSA 1978.
6 The distribution shall be considered ~~[gross receipts]~~ sales
7 tax revenue and shall be used by the county in the same manner
8 as ~~[gross receipts]~~ sales tax revenue, including payment of
9 ~~[gross receipts]~~ sales tax revenue bonds. ~~[A distribution~~
10 ~~pursuant to this section to a county not described in~~
11 ~~Subsection A of this section or to a county that has imposed a~~
12 ~~gross receipts tax through an ordinance that does not provide~~
13 ~~a deduction contained in the Gross Receipts and Compensating~~
14 ~~Tax Act shall not be made on or after July 1, 2029.]~~

15 D. If the ~~[reductions]~~ changes made by this ~~[2013]~~
16 2017 act to the distributions made pursuant to ~~[Subsections A~~
17 ~~and B of]~~ this section impair the ability of a county to meet
18 its principal or interest payment obligations for revenue
19 bonds that are outstanding prior to ~~[July 1, 2013]~~ January 1,
20 2018 and that are secured by the pledge of all or part of the
21 county's revenue from the distribution made pursuant to this
22 section, then the amount distributed pursuant to this section
23 to that county shall be increased by an amount sufficient to
24 meet the required payment; provided that the total amount
25 distributed to that county pursuant to this section does not

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1 exceed the amount that would have been due that county
2 pursuant to this section as it was in effect on [~~June 30,~~
3 ~~2013~~] December 31, 2017.

4 E. A distribution pursuant to this section may be
5 adjusted for a distribution made to a tax increment
6 development district with respect to a portion of a [~~gross~~
7 ~~receipts~~] sales tax increment dedicated by a county pursuant
8 to the Tax Increment for Development Act.

9 F. For purposes of this section, "maximum
10 distribution" means:

11 (1) for counties that have a population of
12 less than forty-eight thousand according to the most recent
13 federal decennial census, the sum of:

14 (a) the total deductions claimed
15 pursuant to Section 7-9-92 NMSA 1978 for the month by
16 taxpayers from business locations within a municipality in the
17 county multiplied by the combined rate of all county local
18 option sales taxes in effect for the month that are imposed
19 throughout the county; and

20 (b) the total deductions claimed
21 pursuant to Section 7-9-92 NMSA 1978 for the month by
22 taxpayers from business locations in the county but not within
23 a municipality multiplied by the combined rate of all county
24 local option sales taxes in effect for the month that are
25 imposed in the county area not within a municipality; and

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1 (2) for counties that have a population of
2 forty-eight thousand or more according to the most recent
3 federal decennial census, the sum of:

4 (a) the total deductions claimed
5 pursuant to Section 7-9-92 NMSA 1978 for the month by
6 taxpayers from business locations within a municipality in the
7 county multiplied by the combined rate of all county local
8 option gross receipts taxes in effect on January 1, 2007 that
9 are imposed throughout the county; and

10 (b) the total deductions claimed
11 pursuant to Section 7-9-92 NMSA 1978 for the month by
12 taxpayers from business locations in the county but not within
13 a municipality multiplied by the combined rate of all county
14 local option gross receipts taxes in effect on January 1, 2007
15 that are imposed in the county area not within a
16 municipality."

17 SECTION 34. Section 7-1-6.53 NMSA 1978 (being Laws
18 2005, Chapter 176, Section 11) is amended to read:

19 "7-1-6.53. DISTRIBUTION--ENERGY EFFICIENCY AND
20 RENEWABLE ENERGY BONDING FUND--~~[GROSS RECEIPTS]~~ STATE SALES
21 TAX.--A distribution pursuant to Section 7-1-6.1 NMSA 1978
22 shall be made to the energy efficiency and renewable energy
23 bonding fund from the net receipts attributable to the ~~[gross~~
24 ~~receipts]~~ state sales tax imposed by the ~~[Gross Receipts and~~
25 ~~Compensating]~~ Sales and Use Tax Act in an amount necessary to

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1 make the required bond debt service payments pursuant to the
2 Energy Efficiency and Renewable Energy Bonding Act as
3 determined by the New Mexico finance authority. The
4 distribution shall be made:

5 ~~[A. after the required distribution pursuant to~~
6 ~~Section 7-1-6.4 NMSA 1978;~~

7 ~~B.]~~ A. contemporaneously with other distributions
8 of net receipts attributable to the ~~[gross receipts]~~ state
9 sales tax for payment of debt service on outstanding bonds or
10 to a fund dedicated for that purpose; and

11 ~~[C.]~~ B. prior to any other distribution of net
12 receipts attributable to the ~~[gross receipts]~~ state sales
13 tax."

14 **SECTION 35.** Section 7-1-6.54 NMSA 1978 (being Laws
15 2006, Chapter 75, Section 29) is amended to read:

16 "7-1-6.54. DISTRIBUTIONS--TAX INCREMENT DEVELOPMENT
17 DISTRICTS.--A distribution to a tax increment development
18 district shall be made by the department in accordance with a
19 notice that is filed pursuant to the Tax Increment for
20 Development Act with respect to a taxing entity's dedication
21 of a portion of a ~~[gross receipts]~~ sales tax increment to the
22 tax increment development district."

23 **SECTION 36.** A new Section 7-1-6.61 NMSA 1978 is enacted
24 to read:

25 "7-1-6.61. [NEW MATERIAL] DISTRIBUTION--STATE SALES TAX

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1 TO TAX STABILIZATION RESERVE.--

2 A. Beginning February 1, 2018, once net receipts
3 attributable to the state sales tax for fiscal year 2018 reach
4 one billion eight hundred seventy-five million dollars
5 (\$1,875,000,000), the net receipts attributable for the
6 remainder of fiscal year 2018 shall be distributed to the tax
7 stabilization reserve.

8 B. Beginning July 1, 2018, once net receipts
9 attributable to the state sales tax for fiscal year 2019 reach
10 one billion nine hundred thirty-one million two hundred fifty
11 thousand dollars (\$1,931,250,000), the net receipts
12 attributable for the remainder of fiscal year 2019 shall be
13 distributed to the tax stabilization reserve."

14 SECTION 37. Section 7-1-8.8 NMSA 1978 (being Laws 2009,
15 Chapter 243, Section 10, as amended) is amended to read:

16 "7-1-8.8. INFORMATION THAT MAY BE REVEALED TO OTHER
17 STATE AGENCIES.--An employee of the department may reveal to:

18 A. a committee of the legislature for a valid
19 legislative purpose, return information concerning any tax or
20 fee imposed pursuant to the Cigarette Tax Act;

21 B. the attorney general, return information
22 acquired pursuant to the Cigarette Tax Act for purposes of
23 Section 6-4-13 NMSA 1978 and the master settlement agreement
24 defined in Section 6-4-12 NMSA 1978;

25 C. the commissioner of public lands, return

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1 information for use in auditing that pertains to rentals,
2 royalties, fees and other payments due the state under land
3 sale, land lease or other land use contracts;

4 D. the secretary of human services or the
5 secretary's delegate, under a written agreement with the
6 department, the last known address with date of all names
7 certified to the department as being absent parents of
8 children receiving public financial assistance, but only for
9 the purpose of enforcing the support liability of the absent
10 parents by the child support enforcement division or any
11 successor organizational unit;

12 E. the department of information technology, by
13 electronic media, a database updated quarterly that contains
14 the names, addresses, county of address and taxpayer
15 identification numbers of New Mexico personal income tax
16 filers, but only for the purpose of producing the random jury
17 list for the selection of petit or grand jurors for the state
18 courts pursuant to Section 38-5-3 NMSA 1978;

19 F. the state courts, the random jury lists
20 produced by the department of information technology [~~under~~]
21 pursuant to Subsection E of this section;

22 G. the director of the New Mexico department of
23 agriculture or the director's authorized representative, upon
24 request of the director or representative, the names and
25 addresses of all gasoline or special fuel distributors,

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1 wholesalers and retailers;

2 H. the public regulation commission, return
3 information with respect to the Corporate Income and Franchise
4 Tax Act required to enable the commission to carry out its
5 duties;

6 I. the state racing commission, return information
7 with respect to the state, municipal and county [~~gross~~
8 ~~receipts~~] sales taxes paid by racetracks;

9 J. the gaming control board, tax returns of
10 license applicants and their affiliates as provided in
11 Subsection E of Section 60-2E-14 NMSA 1978;

12 K. the director of the workers' compensation
13 administration or to the director's representatives authorized
14 for this purpose, return information to facilitate the
15 identification of taxpayers that are delinquent or
16 noncompliant in payment of fees required by Section 52-1-9.1
17 or 52-5-19 NMSA 1978;

18 L. the secretary of workforce solutions or the
19 secretary's delegate, return information for use in
20 enforcement of unemployment insurance collections pursuant to
21 the terms of a written reciprocal agreement entered into by
22 the taxation and revenue department with the secretary of
23 workforce solutions for exchange of information;

24 M. the New Mexico finance authority, information
25 with respect to the amount of [~~municipal and county gross~~

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1 ~~receipts]~~ local option sales taxes collected by municipalities
2 and counties pursuant to any local option [~~municipal or county~~
3 ~~gross receipts]~~ sales taxes imposed, and information with
4 respect to the amount of governmental [~~gross receipts]~~ sales
5 taxes paid by every agency, institution, instrumentality or
6 political subdivision of the state pursuant to Section 7-9-4.3
7 NMSA 1978; and

8 N. the secretary of human services or the
9 secretary's delegate; provided that a person who receives the
10 confidential return information on behalf of the human
11 services department shall not reveal the information and shall
12 be subject to the penalties in Section 7-1-76 NMSA 1978 if the
13 person fails to maintain the confidentiality required:

14 (1) that return information needed for
15 reports required to be made to the federal government
16 concerning the use of federal funds for low-income working
17 families; and

18 (2) the names and addresses of low-income
19 taxpayers for the limited purpose of outreach to those
20 taxpayers; provided that the human services department shall
21 pay the department for expenses incurred by the department to
22 derive the information requested by the human services
23 department if the information requested is not readily
24 available in reports for which the department's information
25 systems are programmed."

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1 SECTION 38. Section 7-1-8.9 NMSA 1978 (being Laws 2009,
2 Chapter 243, Section 11, as amended by Laws 2015, Chapter 89,
3 Section 2 and by Laws 2015, Chapter 100, Section 2) is amended
4 to read:

5 "7-1-8.9. INFORMATION THAT MAY BE REVEALED TO LOCAL
6 GOVERNMENTS AND THEIR AGENCIES.--

7 A. An employee of the department may reveal to:

8 (1) the officials or employees of a
9 municipality of this state authorized in a written request by
10 the municipality for a period specified in the request within
11 the twelve months preceding the request; provided that the
12 municipality receiving the information has entered into a
13 written agreement with the department that the information
14 shall be used for tax purposes only and specifying that the
15 municipality is subject to the confidentiality provisions of
16 Section 7-1-8 NMSA 1978 and the penalty provisions of Section
17 7-1-76 NMSA 1978:

18 (a) the names, taxpayer identification
19 numbers and addresses of registered [~~gross receipts~~] taxpayers
20 reporting gross receipts for that municipality under the
21 [~~Gross Receipts and Compensating~~] Sales and Use Tax Act or a
22 local option [~~gross receipts~~] sales tax imposed by that
23 municipality. The department may also reveal the information
24 described in this subparagraph quarterly or upon such other
25 periodic basis as the secretary and the municipality may agree

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1 in writing;

2 (b) a range of taxable gross receipts
3 of registered gross receipts paid by taxpayers from business
4 locations attributable to that municipality under the [~~Gross~~
5 ~~Receipts and Compensating~~] Sales and Use Tax Act or a local
6 option [~~gross receipts~~] sales tax imposed by that
7 municipality; provided that authorization from the federal
8 internal revenue service to reveal such information has been
9 received. The department may also reveal the information
10 described in this subparagraph quarterly or upon such other
11 periodic basis as the secretary and the municipality may agree
12 in writing; and

13 (c) information indicating whether
14 persons shown on a list of businesses located within that
15 municipality furnished by the municipality have reported gross
16 receipts to the department but have not reported gross
17 receipts for that municipality under the [~~Gross Receipts and~~
18 ~~Compensating~~] Sales and Use Tax Act or a local option [~~gross~~
19 ~~receipts~~] sales tax imposed by that municipality;

20 (2) the officials or employees of a county
21 of this state authorized in a written request by the county
22 for a period specified in the request within the twelve months
23 preceding the request; provided that the county receiving the
24 information has entered into a written agreement with the
25 department that the information shall be used for tax purposes

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1 only and specifying that the county is subject to the
2 confidentiality provisions of Section 7-1-8 NMSA 1978 and the
3 penalty provisions of Section 7-1-76 NMSA 1978:

4 (a) the names, taxpayer identification
5 numbers and addresses of registered [~~gross receipts~~] taxpayers
6 reporting gross receipts either for that county in the case of
7 a local option [~~gross receipts~~] sales tax imposed on a
8 countywide basis or only for the areas of that county outside
9 of any incorporated municipalities within that county in the
10 case of a [county] local option [~~gross receipts~~] sales tax
11 imposed only in areas of the county outside of any
12 incorporated municipalities. The department may also reveal
13 the information described in this subparagraph quarterly or
14 upon such other periodic basis as the secretary and the county
15 may agree in writing;

16 (b) a range of taxable gross receipts
17 of registered gross receipts paid by taxpayers from business
18 locations attributable either to that county in the case of a
19 local option [~~gross receipts~~] sales tax imposed on a
20 countywide basis or only to the areas of that county outside
21 of any incorporated municipalities within that county in the
22 case of a [county] local option [~~gross receipts~~] sales tax
23 imposed only in areas of the county outside of any
24 incorporated municipalities; provided that authorization from
25 the federal internal revenue service to reveal such

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1 information has been received. The department may also reveal
2 the information described in this subparagraph quarterly or
3 upon such other periodic basis as the secretary and the county
4 may agree in writing;

5 (c) in the case of a local option
6 [~~gross receipts~~] sales tax imposed by a county on a countywide
7 basis, information indicating whether persons shown on a list
8 of businesses located within the county furnished by the
9 county have reported gross receipts to the department but have
10 not reported gross receipts for that county under the [~~Gross~~
11 ~~Receipts and Compensating~~] Sales and Use Tax Act or a local
12 option [~~gross receipts~~] sales tax imposed by that county on a
13 countywide basis; and

14 (d) in the case of a local option
15 [~~gross receipts~~] sales tax imposed by a county only on persons
16 engaging in business in that area of the county outside of
17 incorporated municipalities, information indicating whether
18 persons on a list of businesses located in that county outside
19 of the incorporated municipalities but within that county
20 furnished by the county have reported gross receipts to the
21 department but have not reported gross receipts for that
22 county outside of the incorporated municipalities within that
23 county under the [~~Gross Receipts and Compensating~~] Sales and
24 Use Tax Act or a local option [~~gross receipts~~] sales tax
25 imposed by the county only on persons engaging in business in

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1 that county outside of the incorporated municipalities; and
2 (3) officials or employees of a municipality
3 or county of this state, authorized in a written request of
4 the municipality or county, for purposes of inspection, the
5 records of the department pertaining to an increase or
6 decrease to a distribution or transfer made pursuant to
7 Section 7-1-6.15 NMSA 1978 for the purpose of reviewing the
8 basis for the increase or decrease; provided that the
9 municipality or county receiving the information has entered
10 into a written agreement with the department that the
11 information shall be used for tax purposes only and specifying
12 that the municipality or county is subject to the
13 confidentiality provisions of Section 7-1-8 NMSA 1978 and the
14 penalty provisions of Section 7-1-76 NMSA 1978. The
15 authorized officials or employees may only reveal the
16 information provided in this paragraph to another authorized
17 official or employee, to an employee of the department, or to
18 a district court, an appellate court or a federal court in a
19 proceeding relating to a disputed distribution and in which
20 both the state and the municipality or county are parties.

21 B. The department may require that a municipal or
22 county official or employee satisfactorily complete
23 appropriate training on protecting confidential information
24 prior to receiving the information pursuant to Subsection A of
25 this section."

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1 SECTION 39. Section 7-1-8.11 NMSA 1978 (being Laws
2 2017, Chapter 63, Section 20) is amended to read:

3 "7-1-8.11. INFORMATION THAT MAY BE REVEALED TO A WATER
4 AND SANITATION DISTRICT.--

5 A. An employee of the department may reveal to the
6 officials and employees of a water and sanitation district of
7 this state that has in effect a water and sanitation [~~gross~~
8 ~~receipts~~] sales tax imposed by the water and sanitation
9 district upon its request for a period specified by that water
10 and sanitation district within the twelve months preceding the
11 request for the information by those officials and employees:

12 (1) the names, taxpayer identification
13 numbers and addresses of registered [~~gross receipts~~] taxpayers
14 reporting gross receipts for that water and sanitation
15 district; the department may also release the information
16 described in this paragraph quarterly or upon any other
17 periodic basis to which the secretary and the district agree;
18 and

19 (2) information indicating whether the
20 persons shown on a list of businesses within the water and
21 sanitation district have reported gross receipts to the
22 department but have not reported gross receipts for that water
23 and sanitation district.

24 B. The officials and employees of water and
25 sanitation districts receiving information as provided in this

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1 section shall be subject to the confidentiality provisions of
2 Section 7-1-8 NMSA 1978 and the penalty provisions of Section
3 7-1-76 NMSA 1978."

4 SECTION 40. Section 7-1-10 NMSA 1978 (being Laws 1965,
5 Chapter 248, Section 15, as amended) is amended to read:

6 "7-1-10. RECORDS REQUIRED BY STATUTE--TAXPAYER
7 RECORDS--ACCOUNTING METHODS--REPORTING METHODS--INFORMATION
8 RETURNS.--

9 A. Every person required by the provisions of any
10 statute administered by the department to keep records and
11 documents and every taxpayer shall maintain books of account
12 or other records in a manner that will permit the accurate
13 computation of state taxes or provide information required by
14 the statute under which the person is required to keep
15 records.

16 B. Methods of accounting shall be consistent for
17 the same business. A taxpayer engaged in more than one
18 business may use a different method of accounting for each
19 business.

20 C. Prior to changing the method of accounting in
21 keeping books and records for tax purposes, a taxpayer shall
22 first secure the consent of the secretary or the secretary's
23 delegate. If consent is not secured, the department upon
24 audit may require the taxpayer to compute the amount of tax
25 due on the basis of the accounting method earlier used.

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1 D. Prior to changing the method of reporting
2 taxes, other than for changes required by law, a taxpayer
3 shall first secure the consent of the secretary or the
4 secretary's delegate. Consent shall be granted or withheld
5 pursuant to the provisions of Section 7-4-19 NMSA 1978. If
6 consent is not secured, the secretary or the secretary's
7 delegate upon audit may require the taxpayer to compute the
8 amount of tax due on the basis of the reporting method earlier
9 used.

10 E. Upon the written application of a taxpayer and
11 at the sole discretion of the secretary or the secretary's
12 delegate, the secretary or the secretary's delegate may enter
13 into an agreement with a taxpayer allowing the taxpayer to
14 report values, gross receipts, deductions or the value of
15 property on an estimated basis for [~~gross receipts and~~
16 ~~compensating~~] sales and use tax, oil and gas severance tax,
17 oil and gas conservation tax, oil and gas emergency school tax
18 and oil and gas ad valorem production tax purposes for a
19 limited period of time not to exceed four years. As used in
20 this section, "estimated basis" means a methodology that is
21 reasonably expected to approximate the tax that will be due
22 over the period of the agreement using summary rather than
23 detail data or alternate valuation applications or methods,
24 provided that:

25 (1) nothing in this section shall be

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1 construed to require the secretary or the secretary's delegate
2 to enter into such an agreement; and

3 (2) the agreement ~~[must]~~ shall:

4 (a) specify the receipts, deductions or
5 values to be reported on an estimated basis and the
6 methodology to be followed by the taxpayer in making the
7 estimates;

8 (b) state the term of the agreement and
9 the procedures for terminating the agreement prior to its
10 expiration;

11 (c) be signed by the taxpayer or the
12 taxpayer's representative and the secretary or the secretary's
13 delegate; and

14 (d) contain a declaration by the
15 taxpayer or the taxpayer's representative that all statements
16 of fact made by the taxpayer or the taxpayer's representative
17 in the taxpayer's application and the agreement are true and
18 correct as to every material matter.

19 F. The secretary may, by regulation, require any
20 person doing business in the state to submit to the department
21 information reports that are considered reasonable and
22 necessary for the administration of any provision of law to
23 which the Tax Administration Act applies."

24 SECTION 41. Section 7-1-13.1 NMSA 1978 (being Laws
25 1988, Chapter 99, Section 3, as amended) is amended to read:

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1 "7-1-13.1. METHOD OF PAYMENT OF CERTAIN TAXES DUE.--

2 A. Payment of the taxes, including any applicable
3 penalties and interest, described in Paragraph (1), (2), (3)
4 or (4) of this subsection shall be made on or before the date
5 due in accordance with Subsection [B] C of this section if the
6 taxpayer's average tax payment for the group of taxes during
7 the preceding calendar year equaled or exceeded twenty-five
8 thousand dollars (\$25,000):

9 (1) Group 1: all taxes due under the
10 Withholding Tax Act, the [~~Gross Receipts and Compensating~~]
11 Sales and Use Tax Act, the Supplemental Municipal Sales Tax
12 Act, the Municipal Local Option [~~gross receipts~~ Sales and Use
13 Tax [~~acts~~ Act, the Local Hospital Sales Tax Act, the County
14 Local Option Sales and Use Tax Act, the County Correctional
15 Facility Sales Tax Act, the Interstate Telecommunications
16 [~~Gross Receipts~~] Sales Tax Act and the Leased Vehicle [~~Gross~~
17 Receipts] Sales Tax Act;

18 (2) Group 2: all taxes due under the Oil
19 and Gas Severance Tax Act, the Oil and Gas Conservation Tax
20 Act, the Oil and Gas Emergency School Tax Act and the Oil and
21 Gas Ad Valorem Production Tax Act;

22 (3) Group 3: the tax due under the Natural
23 Gas Processors Tax Act; or

24 (4) Group 4: all taxes and fees due under
25 the Gasoline Tax Act, the Special Fuels Supplier Tax Act and

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1 the Petroleum Products Loading Fee Act.

2 B. For taxpayers who have more than one
3 identification number issued by the department, the average
4 tax payment shall be computed by combining the amounts paid
5 under the several identification numbers.

6 [~~B.~~] C. Taxpayers who are required to make payment
7 in accordance with the provisions of this section shall make
8 payment by one or more of the following means on or before the
9 due date so that funds are immediately available to the state
10 on or before the due date:

11 (1) electronic payment; provided that a
12 result of the payment is that funds are immediately available
13 to the state of New Mexico on or before the due date;

14 (2) currency of the United States;

15 (3) check drawn on and payable at any New
16 Mexico financial institution; provided that the check is
17 received by the department at the place and time required by
18 the department at least one banking day prior to the due date;
19 or

20 (4) check drawn on and payable at any
21 domestic non-New Mexico financial institution; provided that
22 the check is received by the department at the time and place
23 required by the department at least two banking days prior to
24 the due date.

25 [~~C.~~] D. If the taxes required to be paid under

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1 this section are not paid in accordance with Subsection [~~B~~] C
2 of this section, the payment is not timely and is subject to
3 the provisions of Sections 7-1-67 and 7-1-69 NMSA 1978.

4 [~~D~~] E. For the purposes of this section, "average
5 tax payment" means the total amount of taxes paid with respect
6 to a group of taxes listed under Subsection A of this section
7 during a calendar year divided by the number of months in that
8 calendar year containing a due date on which the taxpayer was
9 required to pay one or more taxes in the group."

10 SECTION 42. Section 7-1-14 NMSA 1978 (being Laws 1969,
11 Chapter 145, Section 1, as amended) is amended to read:

12 "7-1-14. SECRETARY MAY DETERMINE WHERE CERTAIN GROSS
13 RECEIPTS ARE TO BE REPORTED--PLACE OF BUSINESS FOR
14 CONSTRUCTION PROJECTS, [~~AND~~] CERTAIN REAL PROPERTY SALES AND
15 SALES BY OUT-OF-STATE VENDORS.--

16 A. By regulation, the secretary may require any
17 person maintaining one or more places of business to report
18 the person's taxable gross receipts and deductions for each
19 municipality or county or area within an Indian reservation or
20 pueblo grant in which the person maintains a place of
21 business.

22 B. For persons engaged in the construction
23 business, the place where the construction project is
24 performed is a "place of business", and all receipts from that
25 project are to be reported from that place of business.

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1 C. The secretary may, by regulation, also require
2 any person maintaining a business outside the boundaries of a
3 municipality on land owned by that municipality to report the
4 person's taxable gross receipts for that municipality.

5 D. For a person engaged in the business of selling
6 real estate, the location of the real property sold is the
7 "place of business", and all receipts from that sale are to be
8 reported from that place of business.

9 E. For a person engaging in business but without
10 physical presence in this state, "place of business" is the
11 location where the property or the product of a service being
12 sold by the person is delivered. For transactions involving
13 intangible property or leases, "place of business" is the
14 location where the intangible property or lease is delivered."

15 SECTION 43. Section 7-1-15 NMSA 1978 (being Laws 1969,
16 Chapter 31, Section 1, as amended) is amended to read:

17 "7-1-15. SECRETARY MAY SET TAX REPORTING AND PAYMENT
18 INTERVALS.--The secretary may, pursuant to regulation, allow
19 taxpayers with an anticipated tax liability of less than two
20 hundred dollars (\$200) a month to report and pay taxes at
21 intervals ~~[which]~~ that the secretary may specify. However,
22 unless specifically permitted by law, an interval shall not
23 exceed six months. The secretary may also allow direct
24 marketers who have entered into an agreement with the
25 department to collect and remit ~~[compensating]~~ use tax to

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1 report and pay on a quarterly or [~~semi-annual~~] semiannual
2 basis."

3 SECTION 44. Section 7-1-15.2 NMSA 1978 (being Laws
4 1998, Chapter 105, Section 1) is amended to read:

5 "7-1-15.2. AGREEMENTS--COLLECTION OF [~~COMPENSATING~~] USE
6 TAX.--The department may enter into agreements with direct
7 marketers for purposes of enforcing collection of the
8 [~~compensating~~] use tax."

9 SECTION 45. Section 7-1-21.1 NMSA 1978 (being Laws
10 2013, Chapter 87, Section 1) is amended to read:

11 "7-1-21.1. SPECIAL AGREEMENTS--ALTERNATIVE [~~GROSS~~
12 ~~RECEIPTS~~] SALES TAXPAYER.--

13 A. To allow the payment of [~~gross receipts~~] sales
14 tax by a person who is not the liable taxpayer, the secretary
15 may approve a request by a person to assume the liability for
16 [~~gross receipts~~] sales tax or governmental [~~gross receipts~~]
17 sales tax owed by another; provided that the person requesting
18 approval agrees to assume the rights and responsibilities as
19 taxpayer pursuant to the Tax Administration Act for:

20 (1) an agreement to collect and pay over
21 taxes for persons in a business relationship, which is an
22 agreement that may be entered into by persons who wish to
23 remit [~~gross receipts~~] sales tax on behalf of another person
24 with whom the taxpayer has a business relationship;

25 (2) an agreement to collect and pay over

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1 taxes for a direct sales company:

2 (a) which agreement may be entered into
3 by a direct sales company that has distributors of tangible
4 personal property in New Mexico; and

5 (b) in which the direct sales company
6 agrees to pay the [~~gross receipts~~] sales tax liability of the
7 distributor at the same time the company remits its own [~~gross~~
8 ~~receipts~~] sales tax; and

9 (3) a manufacturer's agreement to pay [~~gross~~
10 ~~receipts~~] state sales tax or governmental [~~gross receipts~~]
11 sales tax on behalf of a utility company, which agreement:

12 (a) allows a person engaged in
13 manufacturing in New Mexico to pay [~~gross receipts~~] state
14 sales tax or governmental [~~gross receipts~~] sales tax on behalf
15 of a utility company on receipts from sales of utilities that
16 are: 1) not consumed in the manufacturing process; or 2) not
17 otherwise deductible; and

18 (b) is only applicable to transactions
19 between a manufacturer and a utility company that are
20 associated with the [~~gross receipts tax~~] deduction pursuant to
21 Subsection B of Section 7-9-46 NMSA 1978.

22 B. To enter into the agreements authorized in this
23 section, a person shall complete a form prescribed by the
24 secretary and provide any additional information or
25 documentation required by department rules or instructions

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1 that will assist in the approval of agreements listed in
2 Subsection A of this section.

3 C. Once approved, an agreement shall be effective
4 only for the period of time specified in each agreement. Any
5 person entering into an agreement to pay tax on behalf of
6 another person shall fulfill all of the requirements set out
7 in the agreement. Failure to fulfill all of the requirements
8 set out in the agreement may result in the revocation of the
9 agreement by the department. An approved agreement may only
10 be revoked prior to expiration by written notification to all
11 persons who are party to the agreement and shall be applied
12 beginning on the first day of a month that occurs at least one
13 month following the date on which the agreement is revoked.

14 D. A person approved by the secretary to pay the
15 [~~gross receipts~~] sales tax or governmental [~~gross receipts~~]
16 sales tax pursuant to Subsection A of this section shall be
17 deemed to be the taxpayer with respect to that tax pursuant to
18 the Tax Administration Act with respect to all rights and
19 responsibilities related to that tax, except that the person
20 shall not:

21 (1) [~~the person shall not~~] be entitled to
22 take any credit against the tax for which the person has
23 assumed liability pursuant to this section; and

24 (2) [~~the person shall not~~] claim a refund of
25 tax on the basis that the person is not statutorily liable to

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1 pay the tax.

2 E. The department shall relieve from liability and
3 hold harmless from the payment of a tax assumed by another
4 person pursuant to an agreement approved pursuant to this
5 section a taxpayer that would otherwise be liable for that
6 tax."

7 SECTION 46. Section 7-1-26 NMSA 1978 (being Laws 1965,
8 Chapter 248, Section 28, as amended) is amended to read:

9 "7-1-26. DISPUTING LIABILITIES--CLAIM FOR CREDIT,
10 REBATE OR REFUND.--

11 A. A ~~[person]~~ taxpayer who believes that an amount
12 of tax has been paid by or withheld from that ~~[person]~~
13 taxpayer in excess of that for which the ~~[person]~~ taxpayer was
14 liable, who has been denied any credit or rebate claimed or
15 who claims a prior right to property in the possession of the
16 department pursuant to a levy made under authority of Sections
17 7-1-31 through 7-1-34 NMSA 1978 may claim a refund by
18 directing to the secretary, within the time limited by the
19 provisions of Subsections F and G of this section, a written
20 claim for refund. At the time the written claim is submitted,
21 except as provided in Subsection K of this section, a refund
22 claim shall include:

23 (1) the taxpayer's name, address and
24 identification number;

25 (2) the type of tax for which a refund is

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1 being claimed, the credit or rebate denied or the property
2 levied upon;

3 (3) the sum of money or other property being
4 claimed;

5 (4) with respect to refund, the period for
6 which overpayment was made;

7 (5) a brief statement of the facts and the
8 law on which the claim is based, which may be referred to as
9 the "basis for the refund", which shall include documentation
10 that substantiates the written claim and supports the
11 taxpayer's basis for the refund; and

12 (6) a copy of an amended return for each tax
13 period for which the refund is claimed.

14 B. A claim for refund that meets the requirements
15 of Subsection A of this section shall be deemed to be properly
16 before the department for consideration, regardless of whether
17 the department requests additional documentation after receipt
18 of the claim for refund; provided that the claim for refund is
19 filed within the time limitations provided in Subsections F
20 and G of this section.

21 C. If the department requests additional relevant
22 documentation from a taxpayer who has submitted a claim for
23 refund, the claim for refund will not be considered complete
24 until the taxpayer provides the requested documentation. The
25 provisions of Paragraph (2) of Subsection D of this section

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1 and of Section 7-1-68 NMSA 1978 do not apply until a refund
2 claim is complete.

3 D. The secretary or the secretary's delegate may
4 allow the claim in whole or in part or may deny the claim. If
5 the:

6 (1) claim is denied in whole or in part in
7 writing, no claim may be refiled with respect to that which
8 was denied, but the ~~[person]~~ taxpayer, within ninety days
9 after either the mailing or delivery of the denial of all or
10 any part of the claim, may elect to pursue one, but not more
11 than one, of the remedies in Subsection E of this section; and

12 (2) department has neither granted nor
13 denied any portion of a complete claim for refund within one
14 hundred eighty days of the date the claim was mailed or
15 otherwise delivered to the department, the ~~[person]~~ taxpayer
16 may elect to treat the claim as denied and elect to pursue
17 one, but not more than one, of the remedies provided in
18 Subsection ~~[D]~~ E of this section.

19 E. A ~~[person]~~ taxpayer may elect to pursue no more
20 than one of the remedies in Paragraphs (1) and (2) of this
21 subsection. A ~~[person]~~ taxpayer who timely pursues more than
22 one remedy shall be deemed to have elected the first remedy
23 invoked. The ~~[person]~~ taxpayer may:

24 (1) direct to the secretary, pursuant to the
25 provisions of Section 7-1-24 NMSA 1978, a written protest that

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1 shall set forth:

2 (a) the circumstances of: 1) an
3 alleged overpayment; 2) a denied credit; 3) a denied rebate;
4 or 4) a denial of a prior right to property levied upon by the
5 department;

6 (b) an allegation that, because of that
7 overpayment or denial, the state is indebted to the taxpayer
8 for a specified amount, including any allowed interest, or for
9 the property;

10 (c) demanding the refund to the
11 taxpayer of that amount or that property; and

12 (d) reciting the facts of the claim for
13 refund; or

14 (2) commence a civil action in the district
15 court for Santa Fe county by filing a complaint setting forth
16 the circumstance of the claimed overpayment, denied credit or
17 rebate or denial of a prior right to property levied upon by
18 the department alleging that on account thereof the state is
19 indebted to the plaintiff in the amount or property stated,
20 together with any interest allowable, demanding the refund to
21 the plaintiff of that amount or property and reciting the
22 facts of the claim for refund. The plaintiff or the secretary
23 may appeal from any final decision or order of the district
24 court to the court of appeals.

25 F. Except as otherwise provided in Subsection G of
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1 this section, no credit or refund of any amount may be allowed
2 or made to any ~~[person]~~ taxpayer unless as the result of a
3 claim made by that ~~[person]~~ taxpayer as provided in this
4 section:

5 (1) within three years of the end of the
6 calendar year in which:

7 (a) the payment was originally due or
8 the overpayment resulted from an assessment by the department
9 pursuant to Section 7-1-17 NMSA 1978, whichever is later;

10 (b) the final determination of value
11 occurs with respect to any overpayment that resulted from a
12 disapproval by any agency of the United States or the state of
13 New Mexico or any court of increase in value of a product
14 subject to taxation under the Oil and Gas Severance Tax Act,
15 the Oil and Gas Conservation Tax Act, the Oil and Gas
16 Emergency School Tax Act, the Oil and Gas Ad Valorem
17 Production Tax Act or the Natural Gas Processors Tax Act;

18 (c) property was levied upon pursuant
19 to the provisions of the Tax Administration Act; or

20 (d) an overpayment of New Mexico tax
21 resulted from: 1) an internal revenue service audit
22 adjustment or a federal refund paid due to an adjustment of an
23 audit by the internal revenue service or an amended federal
24 return; or 2) making a change to a federal return for which
25 federal approval is required by the Internal Revenue Code;

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1 (2) when an amount of a claim for [~~credit~~
2 ~~under the provisions of the Investment Credit Act]~~ a
3 laboratory partnership with small business tax credit [~~Act~~
4 ~~or~~], a technology jobs and research and development tax credit
5 [~~Act or for the~~], a rural job tax credit [~~pursuant to Section~~
6 ~~7-2E-1.1 NMSA 1978]~~ or similar credit has been denied, the
7 taxpayer may claim a refund of the credit no later than one
8 year after the date of the denial;

9 (3) when a taxpayer under audit by the
10 department has signed a waiver of the limitation on
11 assessments on or after July 1, 1993 pursuant to Subsection F
12 of Section 7-1-18 NMSA 1978, the taxpayer may file a claim for
13 refund of the same tax paid for the same period for which the
14 waiver was given, until a date one year after the later of the
15 date of the mailing of an assessment issued pursuant to the
16 audit, the date of the mailing of final audit findings to the
17 taxpayer or the date a proceeding is begun in court by the
18 department with respect to the same tax and the same period;

19 (4) if the payment of an amount of tax was
20 not made within three years of the end of the calendar year in
21 which the original due date of the tax or date of the
22 assessment of the department occurred, a claim for refund of
23 that amount of tax can be made within one year of the date on
24 which the tax was paid; or

25 (5) when a taxpayer has been assessed a

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1 tax on or after July 1, 1993 under Subsection B, C or D of
2 Section 7-1-18 NMSA 1978 and when the assessment applies to a
3 period ending at least three years prior to the beginning of
4 the year in which the assessment was made, the taxpayer may
5 claim a refund for the same tax for the period of the
6 assessment or for any period following that period within one
7 year of the date of the assessment unless a longer period for
8 claiming a refund is provided in this section.

9 G. No credit or refund shall be allowed or made to
10 any ~~[person]~~ taxpayer claiming a refund of gasoline tax under
11 Section 7-13-11 NMSA 1978 unless notice of the destruction of
12 the gasoline was given to the department within thirty days of
13 the actual destruction and the claim for refund is made within
14 six months of the date of destruction. No credit or refund
15 shall be allowed or made to any ~~[person]~~ taxpayer claiming a
16 refund of gasoline tax under Section 7-13-17 NMSA 1978 unless
17 the refund is claimed within six months of the date of
18 purchase of the gasoline and the gasoline has been used at the
19 time the claim for refund is made.

20 H. If as a result of an audit by the department or
21 a managed audit covering multiple periods an overpayment of
22 tax is found in any period under the audit, that overpayment
23 may be credited against an underpayment of the same tax found
24 in another period under audit pursuant to Section 7-1-29 NMSA
25 1978, provided that the taxpayer files a claim for refund for

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1 the overpayments identified in the audit.

2 I. Any refund of tax paid under any tax or tax act
3 administered under Subsection B of Section 7-1-2 NMSA 1978 may
4 be made, at the discretion of the department, in the form of
5 credit against future tax payments if future tax liabilities
6 in an amount at least equal to the credit amount reasonably
7 may be expected to become due.

8 J. For the purposes of this section, "oil and gas
9 tax return" means a return reporting tax due with respect to
10 oil, natural gas, liquid hydrocarbons, carbon dioxide, helium
11 or nonhydrocarbon gas pursuant to the Oil and Gas Severance
12 Tax Act, the Oil and Gas Conservation Tax Act, the Oil and Gas
13 Emergency School Tax Act, the Oil and Gas Ad Valorem
14 Production Tax Act, the Natural Gas Processors Tax Act or the
15 Oil and Gas Production Equipment Ad Valorem Tax Act.

16 K. The filing of a fully completed original income
17 tax return, corporate income tax return, corporate income and
18 franchise tax return, estate tax return or special fuel excise
19 tax return that shows a balance due the taxpayer or a fully
20 completed amended income tax return, an amended corporate
21 income tax return, an amended corporate income and franchise
22 tax return, an amended estate tax return, an amended special
23 fuel excise tax return or an amended oil and gas tax return
24 that shows a lesser tax liability than the original return
25 constitutes the filing of a claim for refund for the

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1 difference in tax due shown on the original and amended
2 returns."

3 SECTION 47. Section 7-1-29 NMSA 1978 (being Laws 1965,
4 Chapter 248, Section 31, as amended) is amended to read:

5 "7-1-29. AUTHORITY TO MAKE REFUNDS OR CREDITS.--

6 A. In response to a claim for refund, credit or
7 rebate made as provided in Section 7-1-26 NMSA 1978, but
8 before a court acquires jurisdiction of the matter, the
9 secretary or the secretary's delegate may authorize payment to
10 a person in the amount of the credit or rebate claimed or
11 refund an overpayment of tax determined by the secretary or
12 the secretary's delegate to have been erroneously made by the
13 person, together with allowable interest. A payment of a
14 credit rebate claimed or a refund of tax and interest
15 erroneously paid amounting to twenty thousand dollars
16 (\$20,000) or more shall be made with the prior approval of the
17 attorney general, except that the secretary or the secretary's
18 delegate may make refunds with respect to the Oil and Gas
19 Severance Tax Act, the Oil and Gas Conservation Tax Act, the
20 Oil and Gas Emergency School Tax Act, the Oil and Gas Ad
21 Valorem Production Tax Act, the Natural Gas Processors Tax Act
22 or the Oil and Gas Production Equipment Ad Valorem Tax Act,
23 Section 7-13-17 NMSA 1978 and the Cigarette Tax Act without
24 the prior approval of the attorney general regardless of the
25 amount.

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1 B. Pursuant to the final order of the district
2 court, the court of appeals, the supreme court of New Mexico
3 or a federal court, from which order, appeal or review is not
4 successfully taken, adjudging that a person has properly
5 claimed a credit or rebate or made an overpayment of tax, the
6 secretary shall authorize the payment to the person of the
7 amount thereof.

8 C. In the discretion of the secretary, any amount
9 of credit or rebate to be paid or tax to be refunded may be
10 offset against any amount of tax for which the person due to
11 receive the credit, rebate payment or refund is liable, or in
12 the case of a refund of gross receipts or sales tax to a
13 taxpayer without a physical presence in this state, any
14 compensating tax or use tax owed by that person's customer as
15 a result of transactions with that person for which the refund
16 was claimed. The secretary or the secretary's delegate shall
17 give notice to the taxpayer that the credit, rebate payment or
18 refund will be made in this manner, and the taxpayer shall be
19 entitled to interest pursuant to Section 7-1-68 NMSA 1978
20 until the tax liability is credited with the credit, rebate or
21 refund amount.

22 D. In an audit by the department or a managed
23 audit covering multiple reporting periods in which both
24 underpayments and overpayments of a tax have been made in
25 different reporting periods, the department shall credit the

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1 tax overpayments against the underpayments, provided that the
2 taxpayer files a claim for refund of the overpayments. An
3 overpayment shall be applied as a credit first to the earliest
4 underpayment and then to succeeding underpayments. An
5 underpayment of tax to which an overpayment is credited
6 pursuant to this section shall be deemed paid in the period in
7 which the overpayment was made or the period to which the
8 overpayment was credited against an underpayment, whichever is
9 later. If the overpayments credited pursuant to this section
10 exceed the underpayments of a tax, the amount of the net
11 overpayment for the periods covered in the audit shall be
12 refunded to the taxpayer.

13 E. When a taxpayer makes a payment identified to a
14 particular return or assessment, and the department determines
15 that the payment exceeds the amount due pursuant to that
16 return or assessment, the secretary may apply the excess to
17 the taxpayer's other liabilities pursuant to the tax acts to
18 which the return or assessment applies, without requiring the
19 taxpayer to file a claim for a refund. The liability to which
20 an overpayment is applied pursuant to this section shall be
21 deemed paid in the period in which the overpayment was made or
22 the period to which the overpayment was applied, whichever is
23 later.

24 F. If the department determines, upon review of an
25 original or amended income tax return, corporate income and

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1 franchise tax return, estate tax return, special fuels excise
2 tax return or oil and gas tax return, that there has been an
3 overpayment of tax for the taxable period to which the return
4 or amended return relates in excess of the amount due to be
5 refunded to the taxpayer pursuant to the provisions of
6 Subsection K of Section 7-1-26 NMSA 1978, the department may
7 refund that excess amount to the taxpayer without requiring
8 the taxpayer to file a refund claim.

9 G. Records of refunds and credits made in excess
10 of ten thousand dollars (\$10,000) shall be available for
11 inspection by the public. The department shall keep such
12 records for a minimum of three years from the date of the
13 refund or credit.

14 H. In response to a timely refund claim pursuant
15 to Section 7-1-26 NMSA 1978 and notwithstanding any other
16 provision of the Tax Administration Act, the secretary or the
17 secretary's delegate may refund or credit a portion of an
18 assessment of tax paid, including applicable penalties and
19 interest representing the amount of tax previously paid by
20 another person on behalf of the taxpayer on the same
21 transaction, provided that the requirements of equitable
22 recoupment are met. For purposes of this subsection, the
23 refund claim may be filed by the taxpayer to whom the
24 assessment was issued or by another person who claims to have
25 previously paid the tax on behalf of the taxpayer. Prior to

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1 granting the refund or credit, the secretary may require a
2 waiver of all rights to claim a refund or credit of the tax
3 previously paid by another person paying a tax on behalf of
4 the taxpayer."

5 SECTION 48. Section 7-1-55 NMSA 1978 (being Laws 1975,
6 Chapter 251, Section 3, as amended) is amended to read:

7 "7-1-55. CONTRACTOR'S BOND FOR GROSS RECEIPTS--TAX--
8 PENALTY.--

9 A. A person engaged in the construction business
10 who does not have a principal place of business in New Mexico
11 and who enters into a prime construction contract to be
12 performed in this state shall, at the time such contract is
13 entered into, furnish the secretary or the secretary's
14 delegate with a surety bond, or other acceptable security, in
15 a sum equivalent to the gross receipts to be paid under the
16 contract multiplied by the sum of the applicable rate of the
17 [~~gross receipts~~] state sales tax imposed by Section 7-9-4 NMSA
18 1978 plus the applicable rate or rates of tax imposed pursuant
19 to local option [~~gross receipts~~] sales taxes to secure payment
20 of the tax imposed on the gross receipts from the contract and
21 shall obtain a certificate from the secretary or the
22 secretary's delegate that the requirements of this subsection
23 have been met.

24 B. If the total sum to be paid under the contract
25 is changed by ten percent or more subsequent to the date the

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1 surety bond or other acceptable security is furnished to the
2 secretary or the secretary's delegate, such person shall
3 increase or decrease, as the case may be, the amount of the
4 bond or security within fourteen days after the change.

5 C. If a person fails to comply with Subsection A
6 or B of this section, the secretary or the secretary's
7 delegate may:

8 (1) [~~may~~] demand of the person by certified
9 mail or in person that the person comply. Upon the failure of
10 the person to comply within ten days of the date of the
11 mailing of such demand, the secretary may institute a
12 proceeding to enjoin the person from doing business as
13 provided in Section 7-1-53 NMSA 1978; or

14 (2) [~~may~~] when a serious and immediate risk
15 exists that an amount of tax due or reasonably expected to
16 become due from the person on gross receipts from a prime
17 construction contract will not be paid, request the person to
18 comply with Subsections A and B of this section, and, upon
19 failure immediately to comply, the secretary may, without
20 further notice of any kind, apply to any district court of the
21 state for an injunction as provided in Section 7-1-53 NMSA
22 1978.

23 D. Subsections A, B and C of this section shall
24 not apply if the total gross receipts to be paid under the
25 construction contract, including any change in such amount,

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1 are less than fifty thousand dollars (\$50,000).

2 E. As used in this section, "construction" shall
3 have the meaning set forth in Section 7-9-3.4 NMSA 1978 and
4 "engaging in business" shall have the meaning set forth in
5 Section 7-9-3.3 NMSA 1978.

6 F. A municipality or other political subdivision
7 of the state or any agency of the state shall not issue a
8 building or other construction permit to any person subject to
9 the requirements of Subsection A of this section without first
10 having been furnished by the construction contractor with the
11 certificate from the secretary or the secretary's delegate
12 specified in Subsection A of this section. Any person who
13 issues any such permit before receiving the certificate shall
14 be deemed guilty of a misdemeanor and, upon conviction, be
15 fined not less than fifty dollars (\$50.00) nor more than one
16 hundred dollars (\$100) for each offense."

17 SECTION 49. Section 7-4-18 NMSA 1978 (being Laws 1965,
18 Chapter 203, Section 18) is amended to read:

19 "7-4-18. DETERMINATION OF SALES IN THIS STATE OF
20 SERVICES AND OTHER [~~THAN TANGIBLE PERSONAL~~] PROPERTY FOR
21 INCLUSION IN SALES FACTOR.--

22 A. Sales, other than sales [~~of tangible personal~~
23 ~~property~~] described in Section 7-4-17 NMSA 1978, are in this
24 state [~~if:~~

25 ~~A. the income-producing activity is performed in~~

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1 ~~this state; or~~

2 ~~B. the income-producing activity is performed both~~
3 ~~in and outside this state and a greater proportion of the~~
4 ~~income-producing activity is performed in this state than in~~
5 ~~any other state based on costs of performance]:~~

6 (1) in the case of sale, rental, lease or
7 license of real property, if and to the extent the real
8 property is located in this state;

9 (2) in the case of rental, lease or license
10 of tangible personal property, if and to the extent the
11 tangible personal property is located in this state;

12 (3) in the case of sale of a service, if and
13 to the extent the service is delivered to a location in this
14 state; and

15 (4) in the case of sale, rental, lease or
16 license of intangible property, if and to the extent the
17 intangible property is used in this state.

18 B. If the state or states of assignment under
19 Subsection A of this section cannot be determined, the state
20 or states of assignment shall be reasonably approximated.

21 C. If the taxpayer is not taxable in a state to
22 which a sale is assigned pursuant to Subsection A of this
23 section or if the state of assignment cannot be determined or
24 reasonably approximated pursuant to Subsection B of this
25 section, that sale shall be excluded from the numerator and

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1 denominator of the sales factor.

2 D. The department may promulgate rules as
3 necessary or appropriate to carry out the purposes of this
4 section."

5 SECTION 50. Section 7-9-1 NMSA 1978 (being Laws 1966,
6 Chapter 47, Section 1, as amended) is amended to read:

7 "7-9-1. SHORT TITLE.--Chapter 7, Article 9 NMSA 1978
8 may be cited as the "~~[Gross Receipts and Compensating]~~ Sales
9 and Use Tax Act."

10 SECTION 51. Section 7-9-3 NMSA 1978 (being Laws 1978,
11 Chapter 46, Section 1, as amended) is amended to read:

12 "7-9-3. DEFINITIONS.--As used in the ~~[Gross Receipts~~
13 ~~and Compensating]~~ Sales and Use Tax Act:

14 A. "buying" or "selling" means a transfer of
15 property for consideration or the performance of service for
16 consideration;

17 B. "department" means the taxation and revenue
18 department, the secretary of taxation and revenue or an
19 employee of the department exercising authority lawfully
20 delegated to that employee by the secretary;

21 C. "financial corporation" means a savings and
22 loan association or an incorporated savings and loan company,
23 trust company, mortgage banking company, consumer finance
24 company or other financial corporation;

25 D. "initial use" or "initially used" means the

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1 first employment for the intended purpose and does not include
2 the following activities:

3 (1) observation of tests conducted by the
4 performer of services;

5 (2) participation in progress reviews,
6 briefings, consultations and conferences conducted by the
7 performer of services;

8 (3) review of preliminary drafts, drawings
9 and other materials prepared by the performer of the services;

10 (4) inspection of preliminary prototypes
11 developed by the performer of services; or

12 (5) similar activities;

13 E. "leasing" means an arrangement whereby, for a
14 consideration, property is employed for or by any person other
15 than the owner of the property, except that the granting of a
16 license to use property is licensing and is not a lease;

17 F. "local option [~~gross receipts~~] sales tax" means
18 a tax authorized to be imposed by a county or municipality
19 upon the taxpayer's gross receipts and required to be
20 collected by the department at the same time and in the same
21 manner as the [~~gross receipts~~] state sales tax; "local option
22 [~~gross receipts~~] sales tax" includes the taxes imposed
23 pursuant to the Municipal Local Option [~~Gross Receipts Taxes~~]
24 Sales and Use Tax Act, Supplemental Municipal [~~Gross Receipts~~]
25 Sales Tax Act, County Local Option [~~Gross Receipts Taxes~~]

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1 Sales and Use Tax Act, Local Hospital [~~Gross Receipts~~] Sales
2 Tax Act, County Correctional Facility [~~Gross Receipts~~] Sales
3 Tax Act and such other acts as may be enacted authorizing
4 counties or municipalities to impose taxes on gross receipts,
5 which taxes are to be collected by the department;

6 G. "manufactured home" means a movable or portable
7 housing structure for human occupancy that exceeds either a
8 width of eight feet or a length of forty feet constructed to
9 be towed on its own chassis and designed to be installed with
10 or without a permanent foundation;

11 H. "manufacturing" means combining or processing
12 components or materials to increase their value for sale in
13 the ordinary course of business, but does not include
14 construction;

15 I. "manufacturing service" means the service of
16 combining or processing components or materials owned by
17 another, but does not include construction, the processing of
18 natural resources, including hydrocarbons, power generation or
19 the processing of food for immediate consumption;

20 [~~F.~~] J. "person" means:

21 (1) an individual, estate, trust, receiver,
22 cooperative association, club, corporation, company, firm,
23 partnership, limited liability company, limited liability
24 partnership, joint venture, syndicate or other entity,
25 including any gas, water or electric utility owned or operated

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1 by a county, municipality or other political subdivision of
2 the state; or

3 (2) a national, federal, state, Indian or
4 other governmental unit or subdivision, or an agency,
5 department or instrumentality of any of the foregoing;

6 ~~[J-]~~ K. "property" means real property, tangible
7 personal property, licenses other than the licenses of
8 copyrights, trademarks or patents and franchises. Tangible
9 personal property includes electricity and manufactured homes;

10 ~~[K-]~~ L. "research and development services" means
11 an activity engaged in for other persons for consideration,
12 for one or more of the following purposes:

13 (1) advancing basic knowledge in a
14 recognized field of natural science;

15 (2) advancing technology in a field of
16 technical endeavor;

17 (3) developing a new or improved product,
18 process or system with new or improved function, performance,
19 reliability or quality, whether or not the new or improved
20 product, process or system is offered for sale, lease or other
21 transfer;

22 (4) developing new uses or applications for
23 an existing product, process or system, whether or not the new
24 use or application is offered as the rationale for purchase,
25 lease or other transfer of the product, process or system;

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1 (5) developing analytical or survey
2 activities incorporating technology review, application,
3 trade-off study, modeling, simulation, conceptual design or
4 similar activities, whether or not offered for sale, lease or
5 other transfer; or

6 (6) designing and developing prototypes or
7 integrating systems incorporating the advances, developments
8 or improvements included in Paragraphs (1) through (5) of this
9 subsection;

10 ~~[L-]~~ M. "secretary" means the secretary of
11 taxation and revenue or the secretary's delegate;

12 ~~[M-]~~ N. "service" means all activities engaged in
13 for other persons for a consideration, which activities
14 involve predominantly the performance of a service as
15 distinguished from selling or leasing property. "Service"
16 includes activities performed by a person for its members or
17 shareholders. In determining what is a service, the intended
18 use, principal objective or ultimate objective of the
19 contracting parties shall not be controlling. "Service"
20 includes construction activities and all tangible personal
21 property that will become an ingredient or component part of a
22 construction project. That tangible personal property retains
23 its character as tangible personal property until it is
24 installed as an ingredient or component part of a construction
25 project in New Mexico. Sales of tangible personal property

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1 that will become an ingredient or component part of a
2 construction project to persons engaged in the construction
3 business are sales of tangible personal property; and

4 [N.] O. "use" or "using" includes use, consumption
5 or storage other than storage for subsequent sale in the
6 ordinary course of business or for use solely outside this
7 state."

8 SECTION 52. Section 7-9-3.2 NMSA 1978 (being Laws 1991,
9 Chapter 8, Section 1, as amended) is amended to read:

10 "7-9-3.2. ADDITIONAL DEFINITION.--

11 A. As used in the [~~Gross Receipts and~~
12 ~~Compensating~~] Sales and Use Tax Act, "governmental gross
13 receipts" means receipts of the state or an agency,
14 institution, instrumentality or political subdivision from:

15 (1) the sale of tangible personal property
16 other than water from facilities open to the general public;

17 (2) the performance of or admissions to
18 recreational, athletic or entertainment services or events in
19 facilities open to the general public;

20 (3) refuse collection or refuse disposal or
21 both;

22 (4) sewage services;

23 (5) the sale of water by a utility owned or
24 operated by a county, municipality or other political
25 subdivision of the state; and

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1 (6) the renting of parking, docking or tie-
2 down spaces or the granting of permission to park vehicles,
3 tie down aircraft or dock boats.

4 "Governmental gross receipts" includes receipts from the
5 sale of tangible personal property handled on consignment when
6 sold from facilities open to the general public, but excludes
7 cash discounts taken and allowed, governmental gross receipts
8 tax payable on transactions reportable for the period and any
9 type of time-price differential.

10 B. As used in this section, "facilities open to
11 the general public" does not include point of sale registers
12 or electronic devices at a bookstore owned or operated by a
13 public post-secondary educational institution when the
14 registers or devices are utilized in the sale of textbooks or
15 other materials required for courses at the institution to a
16 student enrolled at the institution who displays a valid
17 student identification card."

18 SECTION 53. Section 7-9-3.3 NMSA 1978 (being Laws 2003,
19 Chapter 272, Section 4) is amended to read:

20 "7-9-3.3. DEFINITION--ENGAGING IN BUSINESS.--As used in
21 the [~~Gross Receipts and Compensating~~] Sales and Use Tax Act,
22 "engaging in business" means carrying on or causing to be
23 carried on any activity with the purpose of direct or indirect
24 benefit, without regard to having physical presence, including
25 the presence of a representative acting on behalf of the

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1 person, in the state, except that "engaging in business" does
2 not include:

3 A. [~~"engaging in business" does not include~~]
4 having a worldwide [~~web site~~] website as a third-party content
5 provider on a computer physically located in New Mexico but
6 owned by another nonaffiliated person; [~~and~~]

7 B. [~~"engaging in business" does not include~~] using
8 a nonaffiliated third-party call center to accept and process
9 telephone or electronic orders of tangible personal property
10 or licenses primarily from non-New Mexico buyers, which orders
11 are forwarded to a location outside New Mexico for filling, or
12 to provide services primarily to non-New Mexico customers; and

13 C. the activities of a person without physical
14 presence in this state if the person and the person's
15 affiliates have less than one hundred thousand dollars
16 (\$100,000) of gross receipts in the state, based on receipts
17 during the prior calendar year. As used in this subsection,
18 "affiliate" means a person that directly or indirectly,
19 through one or more intermediaries controls, is controlled by
20 or is under common control with another person."

21 SECTION 54. Section 7-9-3.4 NMSA 1978 (being Laws 2003,
22 Chapter 272, Section 5) is amended to read:

23 "7-9-3.4. DEFINITIONS--CONSTRUCTION AND CONSTRUCTION
24 MATERIALS.--As used in the [~~Gross Receipts and Compensating~~]
25 Sales and Use Tax Act:

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A. "construction" means:

- (1) the building, altering, repairing or demolishing in the ordinary course of business any:
 - (a) road, highway, bridge, parking area or related project;
 - (b) building, stadium or other structure;
 - (c) airport, subway or similar facility;
 - (d) park, trail, athletic field, golf course or similar facility;
 - (e) dam, reservoir, canal, ditch or similar facility;
 - (f) sewerage or water treatment facility, power generating plant, pump station, natural gas compressing station, gas processing plant, coal gasification plant, refinery, distillery or similar facility;
 - (g) sewerage, water, gas or other pipeline;
 - (h) transmission line;
 - (i) radio, television or other tower;
 - (j) water, oil or other storage tank;
 - (k) shaft, tunnel or other mining appurtenance;
 - (l) microwave station or similar

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1 facility;

2 (m) retaining wall, wall, fence, gate
3 or similar structure; or

4 (n) similar work;

5 (2) the leveling or clearing of land;

6 (3) the excavating of earth;

7 (4) the drilling of wells of any type,
8 including seismograph shot holes or core drilling; or

9 (5) similar work; and

10 B. "construction material" means tangible personal
11 property that becomes or is intended to become an ingredient
12 or component part of a construction project, but "construction
13 material" does not include a replacement fixture when the
14 replacement is not construction or a replacement part for a
15 fixture."

16 SECTION 55. Section 7-9-3.5 NMSA 1978 (being Laws 2003,
17 Chapter 272, Section 3, as amended) is amended to read:

18 "7-9-3.5. DEFINITION--GROSS RECEIPTS.--

19 A. As used in the [~~Gross Receipts and~~
20 ~~Compensating~~] Sales and Use Tax Act, "gross receipts":

21 (1) [~~"gross receipts"~~] means the total
22 amount of money or the value of other consideration received
23 from selling property in New Mexico, from leasing or licensing
24 property employed in New Mexico, from granting a right to use
25 a franchise employed in New Mexico, from selling services

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1 performed outside New Mexico, the product of which is
2 initially used in New Mexico, or from performing services in
3 New Mexico. In an exchange in which the money or other
4 consideration received does not represent the value of the
5 property or service exchanged, "gross receipts" means the
6 reasonable value of the property or service exchanged;

7 (2) [~~"gross receipts"~~] includes:

8 (a) any receipts from sales of tangible
9 personal property handled on consignment;

10 (b) the total commissions or fees
11 derived from the business of buying, selling or promoting the
12 purchase, sale or lease, as an agent or broker on a commission
13 or fee basis, of any property, service, stock, bond or
14 security;

15 (c) amounts paid by members of any
16 cooperative association or similar organization for sales or
17 leases of personal property or performance of services by such
18 organization;

19 (d) amounts received from transmitting
20 messages or conversations by persons providing telephone or
21 telegraph services;

22 (e) amounts received by a New Mexico
23 florist from the sale of flowers, plants or other products
24 that are customarily sold by florists where the sale is made
25 pursuant to orders placed with the New Mexico florist that are

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1 filled and delivered outside New Mexico by an out-of-state
2 florist; and

3 (f) the receipts of a home service
4 provider from providing mobile telecommunications services to
5 customers whose place of primary use is in New Mexico if: 1)
6 the mobile telecommunications services originate and terminate
7 in the same state, regardless of where the services originate,
8 terminate or pass through; and 2) the charges for mobile
9 telecommunications services are billed by or for a customer's
10 home service provider and are deemed provided by the home
11 service provider. For the purposes of this section, "home
12 service provider", "mobile telecommunications services",
13 "customer" and "place of primary use" have the meanings given
14 in the federal Mobile Telecommunications Sourcing Act; and

15 (3) [~~gross receipts~~] excludes:

16 (a) cash discounts allowed and taken;

17 (b) [~~New Mexico gross receipts~~] state
18 and local option sales tax, governmental [~~gross receipts~~]
19 sales tax and leased vehicle [~~gross receipts~~] sales tax
20 payable on transactions for the reporting period;

21 (c) taxes imposed pursuant to the
22 provisions of any local option [~~gross receipts~~] sales tax that
23 is payable on transactions for the reporting period;

24 (d) any gross receipts or sales taxes
25 imposed by an Indian nation, tribe or pueblo; provided that

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1 the tax is approved, if approval is required by federal law or
2 regulation, by the secretary of the interior of the United
3 States; and provided further that the gross receipts or sales
4 tax imposed by the Indian nation, tribe or pueblo provides a
5 reciprocal exclusion for gross receipts, sales or gross
6 receipts-based excise taxes imposed by the state or its
7 political subdivisions;

8 (e) any type of time-price
9 differential;

10 (f) amounts received solely on behalf
11 of another in a disclosed agency capacity; and

12 (g) amounts received by a New Mexico
13 florist from the sale of flowers, plants or other products
14 that are customarily sold by florists where the sale is made
15 pursuant to orders placed with an out-of-state florist for
16 filling and delivery in New Mexico by a New Mexico florist.

17 B. When the sale of property or service is made
18 under any type of charge, conditional or time-sales contract
19 or the leasing of property is made under a leasing contract,
20 the seller or lessor may elect to treat all receipts,
21 excluding any type of time-price differential, under such
22 contracts as gross receipts as and when the payments are
23 actually received. If the seller or lessor transfers the
24 seller's or lessor's interest in any such contract to a third
25 person, the seller or lessor shall pay the ~~[gross receipts]~~

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1 state sales tax and the local option sales tax upon the full
2 sale or leasing contract amount, excluding any type of time-
3 price differential."

4 SECTION 56. Section 7-9-4 NMSA 1978 (being Laws 1966,
5 Chapter 47, Section 4, as amended) is amended to read:

6 "7-9-4. IMPOSITION AND RATE OF TAX--DENOMINATION AS
7 "[~~GROSS RECEIPTS~~] STATE SALES TAX".--

8 A. For the privilege of engaging in business, an
9 excise tax equal to [~~five and one-eighth percent~~] the rates
10 determined pursuant to Subsection B of this section of gross
11 receipts is imposed on any person engaging in business in New
12 Mexico. [~~B-~~] The tax imposed by this section shall be
13 referred to as the "[~~gross receipts~~] state sales tax".

14 B. The rate of the state sales tax shall be:

15 (1) prior to February 1, 2018, five and one-
16 eighth percent;

17 (2) beginning February 1, 2018 and prior to
18 January 1, 2019, three and six-tenths percent; and

19 (3) on and after January 1, 2019, as
20 determined by the department on or before October 1, 2018, the
21 quotient, rounded up to the nearest one-hundredth percent, of
22 one billion nine hundred thirty-one million two hundred fifty
23 thousand dollars (\$1,931,250,000), divided by the product of
24 the gross receipts of all persons that engaged in business in
25 the state and were subject to the state sales tax from

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1 February 1, 2018 through July 31, 2018 multiplied by two and
2 eleven thousandths."

3 SECTION 57. Section 7-9-4.3 NMSA 1978 (being Laws 1991,
4 Chapter 8, Section 2, as amended by Laws 1993, Chapter 332,
5 Section 1 and by Laws 1993, Chapter 352, Section 1) is amended
6 to read:

7 "7-9-4.3. IMPOSITION AND RATE OF TAX--DENOMINATION AS
8 "GOVERNMENTAL [~~GROSS RECEIPTS~~] SALES TAX".--For the privilege
9 of engaging in certain activities by governments, there is
10 imposed on every agency, institution, instrumentality or
11 political subdivision of the state, except any school district
12 and any entity licensed by the department of health that is
13 principally engaged in providing health care services, an
14 excise tax of five percent of governmental gross receipts.
15 The tax imposed by this section shall be referred to as the
16 "governmental [~~gross receipts~~] sales tax"."

17 SECTION 58. Section 7-9-5 NMSA 1978 (being Laws 1966,
18 Chapter 47, Section 5, as amended) is amended to read:

19 "7-9-5. PRESUMPTION OF TAXABILITY.--

20 A. To prevent evasion of the [~~gross receipts~~]
21 state sales tax and to aid in its administration, it is
22 presumed that all receipts of a person engaging in business
23 are subject to the [~~gross receipts~~] state sales tax. [~~Any~~] A
24 person engaged solely in transactions specifically exempt
25 under the provisions of the [~~Gross Receipts and Compensating~~]

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1 Sales and Use Tax Act shall not be required to register or
2 file a return under that act.

3 B. If receipts from nontaxable charges for mobile
4 telecommunications services are aggregated with and not
5 separately stated from taxable charges for mobile
6 telecommunications services, [~~then~~] the charges for nontaxable
7 mobile telecommunications services shall be subject to [~~gross~~
8 ~~receipts~~] state sales tax unless the home service provider can
9 reasonably identify nontaxable charges in its books and
10 records that are kept in the regular course of business. For
11 the purposes of this subsection, "charges for mobile
12 telecommunications services", "home service provider" and
13 "mobile telecommunications services" have the meanings given
14 in the federal Mobile Telecommunications Sourcing Act."

15 SECTION 59. Section 7-9-6 NMSA 1978 (being Laws 1966,
16 Chapter 47, Section 6, as amended) is amended to read:

17 "7-9-6. SEPARATELY STATING THE [~~GROSS RECEIPTS~~] STATE
18 SALES TAX.--When the [~~gross receipts~~] state sales tax is
19 stated separately on the books of the seller or lessor, and if
20 the total amount of tax that is stated separately on
21 transactions reportable within one reporting period is in
22 excess of the amount of [~~gross receipts~~] state sales tax
23 otherwise payable on the transactions on which the tax was
24 stated separately, the excess amount of tax stated on the
25 transactions within that reporting period shall be included in

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1 gross receipts."

2 SECTION 60. Section 7-9-7 NMSA 1978 (being Laws 1966,
3 Chapter 47, Section 7, as amended) is amended to read:

4 "7-9-7. IMPOSITION AND RATE OF TAX--DENOMINATION AS
5 "[~~COMPENSATING~~] USE TAX".--

6 A. For the privilege of using tangible property in
7 New Mexico, there is imposed on the person using the property
8 an excise tax [~~equal to five and one-eighth percent~~] at the
9 rate in effect and imposed pursuant to Section 7-9-4 NMSA 1978
10 of the value of tangible property that was:

11 (1) manufactured by the person using the
12 property in the state;

13 (2) acquired inside or outside of this state
14 as the result of a transaction with a person located outside
15 this state that would have been subject to the [~~gross~~
16 ~~receipts~~] state sales tax had the tangible personal property
17 been acquired from a person with nexus with New Mexico; or

18 (3) acquired as the result of a transaction
19 that was not initially subject to the [~~compensating~~] use tax
20 imposed by Paragraph (2) of this subsection or the [~~gross~~
21 ~~receipts~~] state sales tax but which transaction, because of
22 the buyer's subsequent use of the property, should have been
23 subject to the [~~compensating~~] use tax imposed by Paragraph (2)
24 of this subsection or the [~~gross receipts~~] state sales tax.

25 B. For the purpose of Subsection A of this

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1 section, value of tangible property shall be the adjusted
2 basis of the property for federal income tax purposes
3 determined as of the time of acquisition or introduction into
4 this state or of conversion to use, whichever is later. If no
5 adjusted basis for federal income tax purposes is established
6 for the property, a reasonable value of the property shall be
7 used.

8 C. For the privilege of using a license or
9 franchise in New Mexico, there is imposed on the person using
10 the property an excise tax at the rate provided in Subsection
11 A of this section against the value of the property in its use
12 in New Mexico. For use of a license or franchise to be
13 taxable under this subsection, the property must have been
14 sold, leased or licensed by a person outside this state and
15 the receipts from the sale, lease or licensing of the license
16 or franchise must not have been subject to the state sales
17 tax.

18 [~~G.~~] D. For the privilege of using services
19 rendered in New Mexico, there is imposed on the person using
20 such services an excise tax [~~equal to five percent~~] at the
21 rate in effect and imposed pursuant to Section 7-9-4 NMSA 1978
22 of the value of the services at the time they were rendered.
23 [~~The services, to be taxable under this subsection, must have~~
24 ~~been rendered as the result of a transaction that was not~~
25 ~~initially subject to the gross receipts tax but which~~

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1 ~~transaction, because of the buyer's subsequent use of the~~
2 ~~services, should have been subject to the gross receipts tax.]~~
3 For use of services to be taxable under this subsection, the
4 services must have been performed by a person outside this
5 state and receipts from the performance or sale of the
6 services not subject to the state sales tax.

7 ~~[D.]~~ E. The tax imposed by this section shall be
8 referred to as the "~~compensating~~ use tax".

9 **SECTION 61.** Section 7-9-7.1 NMSA 1978 (being Laws 1993,
10 Chapter 45, Section 1, as amended) is amended to read:

11 "7-9-7.1. DEPARTMENT BARRED FROM TAKING COLLECTION
12 ACTIONS WITH RESPECT TO CERTAIN ~~COMPENSATING~~ USE TAX
13 LIABILITIES.--

14 A. The department shall take no action to enforce
15 collection of ~~compensating~~ use tax due on purchases made by
16 an individual if:

17 (1) the property is used only for
18 nonbusiness purposes;

19 (2) the property is not a manufactured home;
20 and

21 (3) the individual is not an agent for
22 collection of compensating tax pursuant to Section 7-9-10 NMSA
23 1978.

24 B. The prohibition in Subsection A of this section
25 does not prevent the department from enforcing collection of

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1 [compensating] use tax on purchases from persons who are not
2 individuals, who are agents for collection pursuant to Section
3 7-9-10 NMSA 1978 or who use the property in the course of
4 engaging in business in New Mexico or from enforcing
5 collection of [compensating] use tax due on purchase of
6 manufactured homes."

7 SECTION 62. Section 7-9-8 NMSA 1978 (being Laws 1966,
8 Chapter 47, Section 8, as amended) is amended to read:

9 "7-9-8. PRESUMPTION OF TAXABILITY AND VALUE.--

10 A. To prevent evasion of the [compensating] use
11 tax and the duty to collect it, it is presumed that property
12 bought or sold by any person for delivery into this state is
13 bought or sold for a taxable use in this state.

14 B. In determining the amount of [compensating] use
15 tax due on the use of property, it is presumed, in the absence
16 of preponderant evidence of another value, that the value
17 means the total amount of money or the reasonable value of
18 other consideration paid for property exclusive of any type of
19 time-price differential. However, in an exchange in which the
20 amount of money paid does not represent the value of the
21 property or property and service purchased, the [compensating]
22 use tax shall be imposed on the reasonable value of the
23 property or property and service purchased.

24 C. In determining the amount of [compensating] use
25 tax due on the use of a service, it is presumed, in the

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1 absence of preponderant evidence of another value, that the
2 value means the total amount of money or the reasonable value
3 of other consideration paid for the service exclusive of any
4 type of time-price differential. However, in an exchange in
5 which the amount paid does not represent the value of the
6 service purchased, the [~~compensating~~] use tax shall be imposed
7 on the reasonable value of the service purchased."

8 SECTION 63. Section 7-9-9 NMSA 1978 (being Laws 1966,
9 Chapter 47, Section 9, as amended) is amended to read:

10 "7-9-9. LIABILITY OF USER FOR PAYMENT OF [~~COMPENSATING~~]
11 USE TAX.--Any person in New Mexico using property on the value
12 of which [~~compensating~~] use tax is payable but has not been
13 paid is liable to the state for payment of the [~~compensating~~]
14 use tax, but this liability is discharged if the buyer has
15 paid the [~~compensating~~] use tax to the seller for payment over
16 to the department."

17 SECTION 64. Section 7-9-10 NMSA 1978 (being Laws 1966,
18 Chapter 47, Section 10, as amended) is amended to read:

19 "7-9-10. AGENTS FOR COLLECTION OF [~~COMPENSATING~~] USE
20 TAX--DUTIES.--

21 A. Every person carrying on or causing to be
22 carried on any activity within this state attempting to
23 exploit New Mexico's markets who sells property or sells
24 property and service for use in this state and who is not
25 subject to [~~the gross receipts~~] state sales tax on receipts

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1 from these sales shall collect the [~~compensating~~] use tax from
2 the buyer and pay the tax collected to the department.

3 [~~"Activity", for the purposes of this section, includes but is~~
4 ~~not limited to]~~

5 B. As used in this section, "activity":

6 (1) means engaging in any of the following
7 in New Mexico:

8 (a) maintaining an office or other
9 place of business;

10 (b) soliciting orders through employees
11 or independent contractors;

12 (c) soliciting orders through
13 advertisements placed in newspapers or magazines published in
14 New Mexico or advertisements broadcast by New Mexico radio or
15 television stations;

16 (d) soliciting orders through programs
17 broadcast by New Mexico radio or television stations or
18 transmitted by cable systems in New Mexico; and

19 (e) canvassing, demonstrating,
20 collecting money, warehousing or storing merchandise or
21 delivering or distributing products as a consequence of an
22 advertising or other sales program directed at potential
23 customers; [~~"Activity", for the purposes of this section]~~ and

24 (2) does not include:

25 (a) having a [~~world wide web site]~~

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1 worldwide website as a third-party provider on a computer
2 physically located in New Mexico but owned by another
3 nonaffiliated person; [~~and "activity" does not include~~] or
4 (b) using a nonaffiliated third-party
5 call center to accept and process telephone or electronic
6 orders of tangible personal property or licenses primarily
7 from non-New Mexico buyers, which orders are forwarded to a
8 location outside New Mexico for filling, or to provide
9 services primarily to non-New Mexico customers.

10 [~~B.~~] C. To ensure orderly and efficient collection
11 of the public revenue, if any application of this section is
12 held invalid, the section's application to other situations or
13 persons shall not be affected."

14 **SECTION 65.** Section 7-9-11 NMSA 1978 (being Laws 1966,
15 Chapter 47, Section 11, as amended) is amended to read:

16 "7-9-11. DATE PAYMENT DUE.--The taxes imposed by the
17 [~~Gross Receipts and Compensating~~] Sales and Use Tax Act are to
18 be paid on or before the twenty-fifth day of the month
19 following the month in which the taxable event occurs."

20 **SECTION 66.** Section 7-9-12 NMSA 1978 (being Laws 1969,
21 Chapter 144, Section 5, as amended) is amended to read:

22 "7-9-12. EXEMPTIONS.-- [~~Exempted from the gross receipts~~
23 ~~or compensating tax are those receipts or uses exempted in~~
24 ~~Sections 7-9-13 through 7-9-42 NMSA 1978.~~] Exemptions from
25 either the [~~gross receipts~~] state sales tax or the

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1 ~~[compensating]~~ use tax are not exemptions from both taxes
2 unless explicitly stated otherwise by law."

3 SECTION 67. Section 7-9-13 NMSA 1978 (being Laws 1969,
4 Chapter 144, Section 6, as amended) is amended to read:

5 "7-9-13. EXEMPTION--~~[GROSS RECEIPTS]~~ STATE SALES TAX--
6 GOVERNMENTAL AGENCIES.--

7 A. Except as otherwise provided in this section,
8 exempted from the ~~[gross receipts]~~ states sales tax are
9 receipts of:

- 10 (1) the United States or any agency,
11 department or instrumentality thereof;
- 12 (2) the state of New Mexico or any political
13 subdivision thereof;
- 14 (3) any Indian nation, tribe or pueblo from
15 activities or transactions occurring on its sovereign
16 territory; or
- 17 (4) any foreign nation or agency,
18 instrumentality or political subdivision thereof, but only
19 when required by a treaty in force to which the United States
20 is a party.

21 B. Receipts from the sale of gas or electricity by
22 a utility owned or operated by a county, municipality or other
23 political subdivision of a state are not exempted from the
24 ~~[gross receipts]~~ state sales tax.

25 C. Receipts from the operation of a cable

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1 television system owned or operated by a municipality are not
2 exempted from the [~~gross receipts~~] states sales tax.

3 D. Receipts from a state or local government
4 entity licensed by the department of health that is
5 principally engaged in providing health care services are not
6 exempted from the state sales tax."

7 **SECTION 68.** Section 7-9-14 NMSA 1978 (being Laws 1969,
8 Chapter 144, Section 7, as amended) is amended to read:

9 "7-9-14. EXEMPTION--~~[COMPENSATING]~~ USE TAX--
10 GOVERNMENTAL AGENCIES--INDIANS.--

11 A. Except as otherwise provided in this
12 subsection, there is exempted from the [~~compensating~~] use tax
13 the use of property by the United States or the state of New
14 Mexico or any governmental unit or subdivision, agency,
15 department or instrumentality thereof. The exemption provided
16 by this subsection does not apply to:

17 (1) the use of property that is or will be
18 incorporated into a metropolitan redevelopment project under
19 the Metropolitan Redevelopment Code; or

20 (2) the use of construction material.

21 B. Exempted from the [~~compensating~~] use tax is the
22 use of property by any Indian nation, tribe or pueblo or any
23 governmental unit, subdivision, agency, department or
24 instrumentality thereof on Indian reservations or pueblo
25 grants.

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1 C. Receipts from an Indian nation, tribe or pueblo
2 or any governmental unit, subdivision, agency, department or
3 instrumentality thereof on Indian reservations or pueblo
4 grants licensed by the department of health that is
5 principally engaged in providing health care services are not
6 exempted from the use tax."

7 SECTION 69. Section 7-9-24 NMSA 1978 (being Laws 1969,
8 Chapter 144, Section 17, as amended) is amended to read:

9 "7-9-24. EXEMPTION--~~[GROSS RECEIPTS]~~ STATE SALES TAX--
10 [~~INSURANCE COMPANIES~~] RECEIPTS ON WHICH PREMIUM TAX IS
11 ASSESSED.--Exempted from the [~~gross receipts~~] state sales tax
12 are the receipts [~~of insurance companies or any agent thereof~~
13 ~~from premiums and any consideration received by a property~~
14 ~~bondsman, as that person is defined in Section 59A-51-2 NMSA~~
15 ~~1978, as security or surety for a bail bond in connection with~~
16 ~~a judicial proceeding]~~:

17 A. on which the premium tax, pursuant to Section
18 59A-6-2 NMSA 1978, is assessed; and

19 B. of authorized insurers from eligible
20 investments, as those terms are used in the New Mexico
21 Insurance Code."

22 SECTION 70. Section 7-9-29 NMSA 1978 (being Laws 1970,
23 Chapter 12, Section 3, as amended) is amended to read:

24 "7-9-29. EXEMPTION--~~[GROSS RECEIPTS]~~ STATE SALES TAX--
25 CERTAIN ORGANIZATIONS.--

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1 A. Exempted from the [~~gross receipts~~] state sales
2 tax are the receipts of organizations that demonstrate to the
3 department that they have been granted exemption from the
4 federal income tax by the United States commissioner of
5 internal revenue as organizations described in Section
6 501(c)(3) of the United States Internal Revenue Code of [~~1954~~]
7 1986, as that section may be amended or renumbered.

8 B. Exempted from the [~~gross receipts~~] state sales
9 tax are the receipts from carrying on chamber of commerce,
10 visitor bureau and convention bureau functions of
11 organizations that demonstrate to the department that they
12 have been granted exemption from the federal income tax by the
13 United States commissioner of internal revenue as
14 organizations described in Section 501(c)(6) of the United
15 States Internal Revenue Code of [~~1954~~] 1986, as that section
16 may be amended or renumbered.

17 C. This section does not apply to receipts derived
18 from an unrelated trade or business as defined in Section 513
19 of the United States Internal Revenue Code of [~~1954~~] 1986, as
20 that section may be amended or renumbered."

21 **SECTION 71.** Section 7-9-40 NMSA 1978 (being Laws 1970,
22 Chapter 60, Section 2, as amended) is amended to read:

23 "7-9-40. EXEMPTION-- [~~GROSS RECEIPTS~~] STATE SALES TAX--
24 PURSES AND JOCKEY REMUNERATION AT NEW MEXICO RACETRACKS
25 [~~RECEIPTS FROM GROSS AMOUNTS WAGERED~~].-- [~~A. Exempted from the~~

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1 ~~gross receipts tax are the receipts of horsemen, jockeys and~~
2 ~~trainers from race purses at New Mexico horse racetracks~~
3 ~~subject to the jurisdiction of the state racing commission.~~

4 B.] Exempted from the [~~gross receipts~~] state sales
5 tax are the receipts of a racetrack from the commissions and
6 other amounts authorized by Section [~~60-1-10~~] 60-1A-19 NMSA
7 1978 to be retained by a racetrack conducting horse races
8 under the authority of a license from the state racing
9 commission."

10 SECTION 72. Section 7-9-43 NMSA 1978 (being Laws 1966,
11 Chapter 47, Section 13, as amended) is repealed and a new
12 Section 7-9-43 NMSA 1978 is enacted to read:

13 "7-9-43. [NEW MATERIAL] NONTAXABLE TRANSACTION
14 CERTIFICATE AND ALTERNATIVE EVIDENCE REQUIRED TO ENTITLE
15 PERSONS TO DEDUCTIONS.--

16 A. Except as provided in Subsection B of this
17 section, a person may establish entitlement to a deduction
18 from gross receipts allowed pursuant to the Sales and Use Tax
19 Act by obtaining a properly executed nontaxable transaction
20 certificate from the purchaser.

21 B. Except as provided in Subsection C of this
22 section, a person who does not comply with Subsection A of
23 this section may establish entitlement to a deduction from
24 gross receipts by presenting alternative evidence that
25 demonstrates the facts necessary to support entitlement to the

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1 deduction, but the burden of proof is on that person.

2 Alternative evidence includes:

3 (1) invoices or contracts that identify the
4 nature of the transaction;

5 (2) documentation as to the purchaser's use
6 or disposition of the property or service;

7 (3) a statement from the purchaser
8 indicating that the purchaser sold or intends to resell the
9 property or service purchased from the seller, either by
10 itself or in combination with other property or services, in
11 the ordinary course of business; or

12 (4) other evidence that demonstrates the
13 facts necessary to establish entitlement to the deduction or
14 specified by department rule or instruction.

15 C. A statement from the purchaser summarizing the
16 purchaser's use or disposition of the property or service
17 purchased from the seller that includes the following
18 information shall constitute prima facie evidence of
19 entitlement to the deduction:

20 (1) the seller's name;

21 (2) the date of the invoice or date of the
22 transaction;

23 (3) the invoice number or a copy of the
24 invoice;

25 (4) a copy of the purchase order, if

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1 available;

2 (5) the amount from purchase; and

3 (6) a description of the property or service
4 purchased or leased.

5 D. When a person accepts in good faith a properly
6 executed nontaxable transaction certificate from the
7 purchaser, the properly executed nontaxable transaction
8 certificate shall be conclusive evidence that the proceeds
9 from the transaction are deductible from the person's gross
10 receipts.

11 E. If a person has accepted in good faith a
12 properly executed nontaxable transaction certificate, but the
13 purchaser has not employed the property or service purchased
14 in the nontaxable manner or has provided false or inaccurate
15 information on the nontaxable transaction certificate, the
16 purchaser shall be liable for an amount equal to any tax,
17 penalty and interest that the seller would have been required
18 to pay if the seller had not complied with Subsection A of
19 this section.

20 F. Any person who knowingly or willfully provides
21 false or inaccurate information on a nontaxable transaction
22 certificate may be subject to prosecution under Sections
23 7-1-72 and 7-1-73 NMSA 1978."

24 **SECTION 73.** Section 7-9-44 NMSA 1978 (being Laws 1969,
25 Chapter 144, Section 34, as amended) is amended to read:

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1 "7-9-44. SUSPENSION OF THE RIGHT TO USE A NONTAXABLE
2 TRANSACTION CERTIFICATE.--

3 A. The secretary may suspend for not more than one
4 year the privilege of a person to execute nontaxable
5 transaction certificates if that person [~~(1)~~] fails to pay,
6 within one year of the date [~~the tax is due, the compensating~~
7 ~~tax on the~~] in which the transaction subject to the nontaxable
8 transaction certificate occurred, the penalty provided by
9 Section 7-1-69.3 NMSA 1978 with respect to the person's
10 subsequent use of property or services purchased through the
11 execution of a nontaxable transaction certificate. [~~or~~

12 ~~(2) executes with the seller or lessor a~~
13 ~~nontaxable transaction certificate inapplicable to the~~
14 ~~transaction when no compensating tax is due on that buyer's or~~
15 ~~lessee's use of the property or service.~~

16 ~~B. The secretary may suspend for not more than six~~
17 ~~months the privilege of a person to execute nontaxable~~
18 ~~transaction certificates to claim deductions on the basis of~~
19 ~~nontaxable transaction certificates accepted by that person,~~
20 ~~or both, if that person fails to account in the manner and~~
21 ~~time required by the department, in accordance with Subsection~~
22 ~~E of Section 7-9-43 NMSA 1978, for the certificates executed~~
23 ~~or accepted by that person.~~

24 ~~G.]~~ B. A suspension under this section voids the
25 department's approval of the person's application for the

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1 privilege of executing nontaxable transaction certificates
2 and, prior to resumption of the privilege, the person whose
3 privilege to execute nontaxable transaction certificates has
4 been suspended shall reapply for the privilege of executing
5 such certificates in accordance with Section 7-9-43 NMSA 1978.

6 ~~[D.]~~ C. Notwithstanding the provisions of Section
7 7-1-8 NMSA 1978, the department may notify the public or
8 provide for notice to the public of the suspension of a
9 person's privilege to execute nontaxable transaction
10 certificates."

11 SECTION 74. Section 7-9-45 NMSA 1978 (being Laws 1969,
12 Chapter 144, Section 35, as amended) is amended to read:

13 "7-9-45. DEDUCTIONS.--

14 A. ~~[In computing the gross receipts tax or~~
15 ~~governmental gross receipts tax due, only those receipts~~
16 ~~specified in Sections 7-9-46 through 7-9-76.2, 7-9-77.1,~~
17 ~~7-9-83, 7-9-85 through 7-9-87 and 7-9-89 NMSA 1978 may be~~
18 ~~deducted. Receipts, whether specified once or several times~~
19 ~~in those sections, may be deducted only once from gross~~
20 ~~receipts or governmental gross]~~ Receipts may only be deducted
21 once from gross receipts or governmental gross receipts when
22 computing the state sales tax or governmental sales tax due.

23 B. The same receipts ~~[that are exempted from the~~
24 ~~gross receipts tax may]~~ shall not be both exempt from the
25 state sales tax and deducted from gross receipts. ~~[Receipts~~

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1 ~~that are deducted from gross receipts may not be exempted from~~
2 ~~the gross receipts tax.]~~

3 C. The same receipts [~~that are exempted from the~~
4 ~~governmental gross receipts tax]~~ shall not be both exempt from
5 the governmental sales tax and deducted from governmental
6 gross receipts. [~~Receipts that are deducted from governmental~~
7 ~~gross receipts shall not be exempted from the governmental~~
8 ~~gross receipts tax.]"~~

9 SECTION 75. Section 7-9-46 NMSA 1978 (being Laws 1969,
10 Chapter 144, Section 36, as amended) is amended to read:

11 "7-9-46. DEDUCTION--GROSS RECEIPTS [~~TAX~~]--GOVERNMENTAL
12 GROSS RECEIPTS--SALES TO MANUFACTURERS AND MANUFACTURING
13 SERVICE PROVIDERS.--

14 A. Receipts from selling tangible personal
15 property may be deducted from gross receipts or from
16 governmental gross receipts if the sale is made to a person
17 engaged in the business of manufacturing who delivers a
18 nontaxable transaction certificate to the seller. The buyer
19 delivering the nontaxable transaction certificate must
20 incorporate the tangible personal property as an ingredient or
21 component part of the product that the buyer is in the
22 business of manufacturing.

23 B. Receipts from selling tangible personal
24 property that is a consumable and used in such a way that it
25 is consumed in the manufacturing process of a product,

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1 provided that the tangible personal property is not a tool or
2 equipment used to create the manufactured product, to a person
3 engaged in the business of manufacturing that product and who
4 delivers a nontaxable transaction certificate to the seller
5 may be deducted [~~in the following percentages~~] from gross
6 receipts or from governmental gross receipts

7 ~~(1) twenty percent of receipts received~~
8 ~~prior to January 1, 2014;~~

9 ~~(2) forty percent of receipts received in~~
10 ~~calendar year 2014;~~

11 ~~(3) sixty percent of receipts received in~~
12 ~~calendar year 2015;~~

13 ~~(4) eighty percent of receipts received in~~
14 ~~calendar year 2016; and~~

15 ~~(5) one hundred percent of receipts received~~
16 ~~on or after January 1, 2017].~~

17 C. Receipts from selling qualified equipment may
18 be deducted from gross receipts if the sale is made to a
19 person engaged in the business of manufacturing or a
20 manufacturing service provider who delivers a nontaxable
21 transaction certificate to the seller.

22 [~~G.~~] D. The purpose of the deductions provided in
23 this section is to encourage manufacturing businesses to
24 locate in New Mexico and to reduce the tax burden, including
25 reducing pyramiding, on the tangible personal property that is

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1 consumed in the manufacturing process and that is purchased by
2 manufacturing businesses in New Mexico.

3 ~~[D.]~~ E. The department shall annually report to
4 the revenue stabilization and tax policy committee the
5 aggregate amount of deductions taken pursuant to this section,
6 the number of taxpayers claiming each of the deductions and
7 any other information that is necessary to determine that the
8 deductions are performing the purposes for which they are
9 enacted.

10 ~~[E.]~~ F. A taxpayer deducting gross receipts
11 pursuant to this section shall report the amount deducted
12 separately for each deduction provided in this section and
13 attribute the amount of the deduction to the appropriate
14 authorization provided in this section in a manner required by
15 the department that facilitates the evaluation by the
16 legislature of the benefit to the state of these deductions.

17 ~~[F.]~~ G. As used in ~~[Subsection B of]~~ this section:

18 (1) "consumable" means tangible personal
19 property that is incorporated into, destroyed, depleted or
20 transformed in the process of manufacturing a product:

21 ~~[(1)]~~ (a) including electricity, fuels,
22 water, manufacturing aids and supplies, chemicals and gases
23 ~~[repair parts, spares and other tangibles used to manufacture~~
24 ~~a product]; but~~

25 ~~[(2)]~~ (b) excluding tangible personal

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1 property used in: [~~(a)~~] 1) the generation of power; [~~(b)~~] 2)
2 the processing of natural resources, including hydrocarbons;
3 and [~~(c)~~] 3) the preparation of meals for immediate
4 consumption on- or off-premises;

5 (2) "manufacturing operation" means a plant
6 operated by a manufacturer or manufacturing service provider
7 employing personnel to perform production tasks, in
8 conjunction with equipment not previously existing at the
9 site, to produce goods; and

10 (3) "qualified equipment" means an essential
11 machine, mechanism or tool, or a component or fitting thereof,
12 used directly and exclusively in a manufacturing operation and
13 subject to depreciation for purposes of the Internal Revenue
14 Code of 1986 by the taxpayer carrying on the manufacturing
15 operation that:

16 (a) was not previously used in New
17 Mexico and that is owned by the taxpayer, the United States or
18 an agency or instrumentality thereof or the state or a
19 political subdivision thereof and leased or subleased to the
20 taxpayer if the equipment is in New Mexico and is incorporated
21 or is to be incorporated within one year into a manufacturing
22 operation;

23 (b) includes repair or replacement
24 parts for the qualified equipment, spares and other tangibles
25 used to manufacture a product; and

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1 (c) does not include: 1) tangible
2 personal property used in the generation of power; 2) the
3 processing of natural resources, including hydrocarbons; 3)
4 the preparation of meals for immediate consumption on- or
5 off-premises; or 4) any vehicle that leaves the site of the
6 manufacturing operation for purposes of transporting persons
7 or property or any property for which the taxpayer claims the
8 credit pursuant to Section 7-9-79 NMSA 1978."

9 SECTION 76. A new Section 7-9-48.1 NMSA 1978 is enacted
10 to read:

11 "7-9-48.1. [NEW MATERIAL] DEDUCTION--GROSS RECEIPTS--
12 CERTAIN BUSINESS SERVICES.--

13 A. Receipts from the sale of accounting services,
14 engineering services, financial management services,
15 information technology services, human resources services,
16 legal services and temporary services may be deducted from
17 gross receipts if:

18 (1) the sale is made to a sole
19 proprietorship, a limited liability company, a partnership or
20 a corporation;

21 (2) the sale is made to an entity with a New
22 Mexico tax identification number or an equivalent tax
23 identification number from another state; or

24 (3) the purchaser presents to the seller a
25 nontaxable transaction certificate or alternative evidence

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1 entitling a person to a deduction pursuant to Section 7-9-43
2 NMSA 1978.

3 B. A taxpayer allowed a deduction pursuant to this
4 section shall report the amount of the deduction separately in
5 a manner required by the department.

6 C. As used in this section:

7 (1) "accounting services" means the
8 systematic and comprehensive recording of financial
9 transactions pertaining to a business entity and the process
10 of summarizing, analyzing and reporting these transactions to
11 oversight agencies or tax collection entities, including
12 certified public auditing, attest services and preparing
13 financial statements, bookkeeping, tax return preparation,
14 advice and consulting and, where applicable, representing
15 taxpayers before tax collection agencies. "Accounting
16 services" does not include, except as provided with respect to
17 financial management services, investment advice, wealth
18 management advice or consulting or any tax return preparation,
19 advice, counseling or representation for individuals,
20 regardless of whether those individuals are owners of
21 pass-through entities, such as partnerships, limited liability
22 companies or S-corporations;

23 (2) "engineering services" means
24 consultation, the production of a creative work,
25 investigation, evaluation, planning and design, the

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1 performance of studies and reviewing planning documents when
2 performed by, or under the supervision of, a licensed
3 engineer, including the design, development and testing of
4 mechanical, electrical, hydraulic, chemical, pneumatic or
5 thermal machinery or equipment, industrial or commercial work
6 systems or processes and military equipment. "Engineering
7 services" does not include medical or medical laboratory
8 services, any engineering performed in connection with a
9 construction service or the design and installation of
10 computer or computer network infrastructure;

11 (3) "financial management services" means
12 managing and directing the investments of, or providing
13 investment advisory services to, a hedge fund, mutual fund or
14 non-captive real estate investment trust;

15 (4) "hedge fund" means a private investment
16 fund or pool, the assets of which are managed by a
17 professional management firm that:

18 (a) trades or invests, through public
19 market or private transactions, in securities, commodities,
20 currencies, derivatives or similar classes of financial
21 assets; or

22 (b) that is not an investment company
23 under 15 USC 80a-3(c)(1) or 15 USC 80a-3(c)(7);

24 (5) "human resources services" means
25 managing and overseeing the recruitment, management or

1 termination of a business's employees, including employee
2 recruitment; managing employee relations; maintaining
3 employment files; setting personnel policies; managing and
4 administering employee payroll, benefits and compensation,
5 including employee withholding; overseeing employee discipline
6 and termination; and ensuring compliance with labor and
7 antidiscrimination laws. "Human resources services" does not
8 include training or providing required certification to a
9 business's employees or employee efficiency consulting;

10 (6) "information technology services" means
11 separately stated services for installing and maintaining a
12 business's computers and computer network, including
13 performing computer network design; installing, repairing,
14 maintaining or restoring computer networks, hardware or
15 software; and performing custom software programming or making
16 custom modifications to existing software programming.

17 "Information technology services" does not include:

18 (a) software maintenance and update
19 agreements, unless made in conjunction with custom
20 programming;

21 (b) computers, servers, chilling
22 equipment and pre-programmed software;

23 (c) data processing services or the
24 processing or storage of information to compile and produce
25 records of transactions for retrieval or use, including data

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1 entry, data retrieval, data searches and information
2 compilation; or

3 (d) access to telecommunications or
4 internet;

5 (7) "legal services" means services
6 performed by a licensed attorney or under the supervision of a
7 licensed attorney for a client, regardless of the attorney's
8 form of business entity or whether the services are prepaid,
9 including legal representation before courts or administrative
10 agencies; drafting legal documents, such as contracts or
11 patent applications; legal research; advising and counseling;
12 arbitration; mediation; and notary public and other ancillary
13 legal services performed for a client in conjunction with and
14 under the supervision of a licensed attorney. "Legal
15 services" does not include lobbying or government relations
16 services, title insurance agent services, licensing or selling
17 legal software or legal document templates, insurance
18 investigation services or any legal representation involving
19 financial crimes or tax evasion in New Mexico;

20 (8) "mutual fund" means an entity registered
21 pursuant to the federal Investment Company Act of 1940;

22 (9) "real estate investment trust" means an
23 entity described in Section 856(a) of the Internal Revenue
24 Code of 1986, as that section may be amended or renumbered,
25 the investments of which are limited to interest in mortgages

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1 on real property and shares of or transferable certificates of
2 beneficial interest in an entity described in Section 856(a);
3 provided that a real estate investment trust does not include
4 a captive real estate investment trust as defined in the
5 Corporate Income and Franchise Tax Act; and

6 (10) "temporary service" means an employment
7 situation in which an employee is expected to remain in a
8 position for a specified period of time. Temporary employees
9 may have the opportunity to achieve permanent employment
10 status after the time period has lapsed and may be referred to
11 as seasonal employees or temps. "Temporary service" includes
12 services performed by a skilled or unskilled person replacing
13 or supporting client company staff for business purposes.
14 "Temporary service" does not include services performed by a
15 temporary service provider that is not licensed as such by the
16 state or subcontracted services."

17 SECTION 77. Section 7-9-54 NMSA 1978 (being Laws 1969,
18 Chapter 144, Section 44, as amended by Laws 2003, Chapter 272,
19 Section 6 and by Laws 2003, Chapter 330, Section 2) is amended
20 to read:

21 "7-9-54. DEDUCTION--GROSS RECEIPTS [~~TAX~~]--GOVERNMENTAL
22 GROSS RECEIPTS [~~TAX~~]--SALES TO GOVERNMENTAL AGENCIES.--

23 A. Receipts from selling tangible personal
24 property to the United States or New Mexico or a governmental
25 unit, subdivision, agency, department or instrumentality

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1 thereof may be deducted from gross receipts or from
2 governmental gross receipts. Unless contrary to federal law,
3 the deduction provided by this subsection does not apply to:

4 (1) receipts from selling metalliferous
5 mineral ore;

6 (2) receipts from selling tangible personal
7 property that is or will be incorporated into a metropolitan
8 redevelopment project created under the Metropolitan
9 Redevelopment Code;

10 (3) receipts from selling construction
11 material; ~~[or]~~

12 (4) that portion of the receipts from
13 performing a "service" that reflects the value of tangible
14 personal property utilized or produced in performance of such
15 service; or

16 (5) receipts for tangible personal property,
17 including prescription drugs.

18 B. Receipts from selling tangible personal
19 property for any purpose to an Indian tribe, nation or pueblo
20 or a governmental unit, subdivision, agency, department or
21 instrumentality thereof for use on Indian reservations or
22 pueblo grants may be deducted from gross receipts or from
23 governmental gross receipts.

24 C. When a seller, in good faith, deducts receipts
25 for tangible personal property sold to the state or a

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1 governmental unit, subdivision, agency, department or
2 instrumentality thereof, after receiving written assurances
3 from the buyer's representative that the property sold is not
4 construction material, the department shall not assert in a
5 later assessment or audit of the seller that the receipts are
6 not deductible pursuant to Paragraph (3) of Subsection A of
7 this section."

8 SECTION 78. Section 7-9-55 NMSA 1978 (being Laws 1969,
9 Chapter 144, Section 45, as amended) is amended to read:

10 "7-9-55. [~~DEDUCTION--GROSS RECEIPTS TAX~~] GOVERNMENTAL
11 GROSS RECEIPTS [~~TAX~~]~~--EXPORTS--~~TRANSACTION IN INTERSTATE
12 COMMERCE.--

13 A. Receipts from transactions in interstate or
14 foreign commerce may be deducted from gross receipts and
15 governmental gross receipts to the extent that the imposition
16 of the [~~gross receipts~~] state sales tax would be unlawful
17 under the United States constitution.

18 [~~B. Receipts from transactions in interstate~~
19 ~~commerce may be deducted from governmental gross receipts.~~

20 [~~G. Receipts from transmitting messages or~~
21 ~~conversations by radio other than from one point in this state~~
22 ~~to another point in this state and receipts from the sale of~~
23 ~~radio or television broadcast time when the advertising~~
24 ~~message is supplied by or on behalf of a national or regional~~
25 ~~seller or advertiser not having its principal place of~~

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1 ~~business in or being incorporated under the laws of this state~~
2 ~~may be deducted from gross receipts. Commissions of~~
3 ~~advertising agencies from performing services in this state~~
4 ~~may not be deducted from gross receipts under this section.]~~

5 B. Receipts from selling tangible personal
6 property in interstate or foreign commerce may be deducted
7 from gross receipts when the order for the property is placed
8 from outside the state and the seller ships or delivers the
9 tangible personal property to a location outside New Mexico
10 for use outside New Mexico.

11 C. Receipts from leasing or licensing personal
12 property in interstate or foreign commerce may be deducted
13 from gross receipts when the order for the property is placed
14 from outside the state and the property is employed outside
15 New Mexico.

16 D. Receipts from granting a right to use a
17 franchise in interstate or foreign commerce may be deducted
18 from gross receipts when the franchise is employed outside New
19 Mexico.

20 E. Receipts from selling in interstate or foreign
21 commerce a service performed in New Mexico may be deducted
22 from gross receipts when the seller ships or delivers the
23 product of the service to a location outside New Mexico for
24 initial use outside New Mexico."

25 SECTION 79. Section 7-9-62 NMSA 1978 (being Laws 1969,

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1 Chapter 144, Section 52, as amended) is amended to read:

2 "7-9-62. DEDUCTION--GROSS RECEIPTS [~~TAX~~]--AGRICULTURAL
3 IMPLEMENTS--AIRCRAFT MANUFACTURERS--VEHICLES THAT ARE NOT
4 REQUIRED TO BE REGISTERED--AIRCRAFT PARTS AND MAINTENANCE
5 SERVICES--REPORTING REQUIREMENTS.--

6 A. Except for receipts deductible under Subsection
7 B of this section, fifty percent of the receipts from selling
8 agricultural implements, farm tractors, aircraft or vehicles
9 that are not required to be registered under the Motor Vehicle
10 Code may be deducted from gross receipts; provided that, with
11 respect to agricultural implements, the sale is made to a
12 person who states in writing that the person is regularly
13 engaged in the business of farming or ranching. Any deduction
14 allowed under Section 7-9-71 NMSA 1978 must be taken before
15 the deduction allowed by this subsection is computed.

16 B. Prior to July 1, 2032, receipts of an aircraft
17 manufacturer or affiliate from selling aircraft or from
18 selling aircraft flight support, pilot training or maintenance
19 training services may be deducted from gross receipts. [~~Any~~
20 ~~deduction allowed under Section 7-9-71 NMSA 1978 must be taken~~
21 ~~before the deduction allowed by this subsection is computed.~~]

22 C. Prior to July 1, 2032, receipts from selling
23 aircraft parts or maintenance services for aircraft or
24 aircraft parts may be deducted from gross receipts. [~~Any~~
25 ~~deduction allowed under Section 7-9-71 NMSA 1978 must be taken~~

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1 ~~before the deduction allowed by this subsection is computed.]~~

2 D. A taxpayer allowed a deduction pursuant to this
3 section shall report the amount of the deduction separately in
4 a manner required by the department.

5 E. The department shall compile an annual report
6 on the deductions provided by this section that shall include
7 the number of taxpayers approved by the department to receive
8 the deductions, the aggregate amount of deductions approved
9 and any other information necessary to evaluate the
10 effectiveness of the deductions. [~~Beginning in 2019 and every~~
11 ~~five years thereafter~~] Each year that the deductions are in
12 effect, the department shall compile and present the annual
13 reports to the revenue stabilization and tax policy committee
14 and the legislative finance committee with an analysis of the
15 effectiveness and cost of the deductions.

16 F. As used in this section:

17 (1) "affiliate" means a business entity that
18 directly or indirectly through one or more intermediaries
19 controls, is controlled by or is under common control with the
20 aircraft manufacturer;

21 (2) "agricultural implement" means a tool,
22 utensil or instrument that is depreciable for federal income
23 tax purposes and that is:

24 (a) designed to irrigate agricultural
25 crops above ground or below ground at the place where the crop

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1 is grown; or

2 (b) designed primarily for use with a
3 source of motive power, such as a tractor, in planting,
4 growing, cultivating, harvesting or processing agricultural
5 crops at the place where the crop is grown; in raising poultry
6 or livestock; or in obtaining or processing food or fiber,
7 such as eggs, milk, wool or mohair, from living poultry or
8 livestock at the place where the poultry or livestock are kept
9 for this purpose;

10 (3) "aircraft manufacturer" means a business
11 entity that in the ordinary course of business designs and
12 builds private or commercial aircraft certified by the federal
13 aviation administration;

14 (4) "business entity" means a corporation,
15 limited liability company, partnership, limited partnership,
16 limited liability partnership or real estate investment trust,
17 but does not mean an individual or a joint venture;

18 (5) "control" means equity ownership in a
19 business entity that:

20 (a) represents at least fifty percent
21 of the total voting power of that business entity; and

22 (b) has a value equal to at least fifty
23 percent of the total equity of that business entity; and

24 (6) "flight support" means providing
25 navigation data, charts, weather information, online

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1 maintenance records and other aircraft or flight-related
2 information and the software needed to access the
3 information."

4 SECTION 80. Section 7-9-62.1 NMSA 1978 (being Laws 2000
5 (2nd S.S.), Chapter 4, Section 2, as amended) is amended to
6 read:

7 "7-9-62.1. DEDUCTION--GROSS RECEIPTS [~~TAX~~]-AIRCRAFT
8 SALES AND SERVICES--REPORTING REQUIREMENTS.--

9 A. Prior to July 1, 2032, receipts from the sale
10 of or from maintaining, refurbishing, remodeling or otherwise
11 modifying a commercial or military carrier over ten thousand
12 pounds gross landing weight may be deducted from gross
13 receipts.

14 B. A taxpayer allowed a deduction pursuant to this
15 section shall report the amount of the deduction separately in
16 a manner required by the department.

17 C. The department shall compile an annual report
18 on the deduction provided by this section that shall include
19 the number of taxpayers approved by the department to receive
20 the deduction, the aggregate amount of deductions approved and
21 any other information necessary to evaluate the effectiveness
22 of the deduction. [~~Beginning in 2019 and every five years~~
23 ~~thereafter~~] Each year that the deduction is in effect, the
24 department shall compile and present the annual reports to the
25 revenue stabilization and tax policy committee and the

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1 legislative finance committee with an analysis of the
2 effectiveness and cost of the deduction."

3 SECTION 81. Section 7-9-75 NMSA 1978 (being Laws 1972,
4 Chapter 39, Section 2) is amended to read:

5 "7-9-75. DEDUCTION--GROSS RECEIPTS [~~TAX~~]--SALE OF
6 CERTAIN SERVICES PERFORMED DIRECTLY ON PRODUCT MANUFACTURED.--

7 A. Receipts from selling the service of combining
8 or processing components or materials may be deducted from
9 gross receipts if the sale is made to a person engaged in the
10 business of manufacturing who delivers a nontaxable
11 transaction certificate to the seller. The buyer delivering
12 the nontaxable transaction certificate must have the service
13 performed directly upon tangible personal property [~~which he~~]
14 that the buyer is in the business of manufacturing or upon
15 ingredients or component parts thereof.

16 B. A taxpayer allowed a deduction pursuant to this
17 section shall report the amount deducted separately in a
18 manner required by the department."

19 SECTION 82. Section 7-9-77.1 NMSA 1978 (being Laws
20 1998, Chapter 96, Section 1, as amended) is amended to read:

21 "7-9-77.1. DEDUCTION--GROSS RECEIPTS [~~TAX~~]--CERTAIN
22 MEDICAL AND HEALTH CARE SERVICES.--

23 A. Receipts [~~of a health care practitioner~~] from
24 payments by the United States government or any agency thereof
25 for provision of medical and other health [~~services by a~~

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1 ~~health care practitioner or of medical or other health]~~ and
2 palliative services ~~[by hospices or nursing homes]~~ to medicare
3 beneficiaries pursuant to the provisions of Title 18 of the
4 federal Social Security Act may be deducted from gross
5 receipts.

6 B. Receipts ~~[of a health care practitioner]~~ from
7 payments by a third-party administrator of the federal TRICARE
8 program for provision of medical and other health services by
9 medical doctors and osteopathic physicians to covered
10 beneficiaries may be deducted from gross receipts.

11 C. Receipts ~~[of a health care practitioner]~~ from
12 payments by or on behalf of the Indian health service of the
13 United States department of health and human services for
14 provision of medical and other health services by medical
15 doctors and osteopathic physicians to covered beneficiaries
16 may be deducted from gross receipts.

17 D. Receipts of a clinical laboratory from payments
18 by the United States government or any agency thereof for
19 medical services provided by the clinical laboratory to
20 medicare beneficiaries pursuant to the provisions of Title 18
21 of the federal Social Security Act may be deducted from gross
22 receipts.

23 E. Receipts of a home health agency from payments
24 by the United States government or any agency thereof for
25 medical, other health and palliative services provided by the

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1 home health agency to medicare beneficiaries pursuant to the
2 provisions of Title 18 of the federal Social Security Act may
3 be deducted from gross receipts.

4 F. Prior to July 1, 2024, receipts of a dialysis
5 facility from payments by the United States government or any
6 agency thereof for medical and other health services provided
7 by the dialysis facility to medicare beneficiaries pursuant to
8 the provisions of Title 18 of the federal Social Security Act
9 may be deducted from gross receipts.

10 G. Receipts for tangible personal property,
11 including prescription drugs, may not be deducted from gross
12 receipts pursuant to this section.

13 [~~G.~~] H. A taxpayer allowed a deduction pursuant to
14 this section shall report the amount of the deduction
15 separately in a manner required by the department. A taxpayer
16 who has receipts that are deductible pursuant to this section
17 and Section 7-9-93 NMSA 1978 shall deduct the receipts under
18 this section prior to calculating the receipts that may be
19 deducted pursuant to Section 7-9-93 NMSA 1978.

20 [~~H.~~] I. The department shall compile an annual
21 report on the deductions created pursuant to this section that
22 shall include the number of taxpayers approved by the
23 department to receive each deduction, the aggregate amount of
24 deductions approved and any other information necessary to
25 evaluate the effectiveness of the deductions. The department

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1 shall compile and present the annual reports to the revenue
2 stabilization and tax policy committee and the legislative
3 finance committee with an analysis of the effectiveness and
4 cost of the deductions and whether the deductions are
5 providing a benefit to the state.

6 ~~[F.]~~ J. For the purposes of this section:

7 (1) "clinical laboratory" means a laboratory
8 accredited pursuant to 42 USCA 263a;

9 (2) "dialysis facility" means an end-stage
10 renal disease facility as defined pursuant to 42 C.F.R.
11 405.2102; and

12 ~~[(3) "health care practitioner" means:~~

13 ~~(a) an athletic trainer licensed~~
14 ~~pursuant to the Athletic Trainer Practice Act;~~

15 ~~(b) an audiologist licensed pursuant to~~
16 ~~the Speech-Language Pathology, Audiology and Hearing Aid~~
17 ~~Dispensing Practices Act;~~

18 ~~(c) a chiropractic physician licensed~~
19 ~~pursuant to the Chiropractic Physician Practice Act;~~

20 ~~(d) a counselor or therapist~~
21 ~~practitioner licensed pursuant to the Counseling and Therapy~~
22 ~~Practice Act;~~

23 ~~(e) a dentist licensed pursuant to the~~
24 ~~Dental Health Care Act;~~

25 ~~(f) a doctor of oriental medicine~~

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1 ~~licensed pursuant to the Acupuncture and Oriental Medicine~~
2 ~~Practice Act;~~

3 ~~(g) an independent social worker~~
4 ~~licensed pursuant to the Social Work Practice Act;~~

5 ~~(h) a massage therapist licensed~~
6 ~~pursuant to the Massage Therapy Practice Act;~~

7 ~~(i) a naprapath licensed pursuant to~~
8 ~~the Naprapathic Practice Act;~~

9 ~~(j) a nutritionist or dietitian~~
10 ~~licensed pursuant to the Nutrition and Dietetics Practice Act;~~

11 ~~(k) an occupational therapist licensed~~
12 ~~pursuant to the Occupational Therapy Act;~~

13 ~~(l) an optometrist licensed pursuant to~~
14 ~~the Optometry Act;~~

15 ~~(m) an osteopathic physician licensed~~
16 ~~pursuant to the Osteopathic Medicine Act;~~

17 ~~(n) a pharmacist licensed pursuant to~~
18 ~~the Pharmacy Act;~~

19 ~~(o) a physical therapist licensed~~
20 ~~pursuant to Physical Therapy Act;~~

21 ~~(p) a physician licensed pursuant to~~
22 ~~the Medical Practice Act;~~

23 ~~(q) a podiatrist licensed pursuant to~~
24 ~~the Podiatry Act;~~

25 ~~(r) a psychologist licensed pursuant to~~

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1 ~~the Professional Psychologist Act;~~

2 ~~(s) a radiologic technologist licensed~~
3 ~~pursuant to the Medical Imaging and Radiation Therapy Health~~
4 ~~and Safety Act;~~

5 ~~(t) a registered nurse licensed~~
6 ~~pursuant to the Nursing Practice Act;~~

7 ~~(u) a respiratory care practitioner~~
8 ~~licensed pursuant to the Respiratory Care Act; and~~

9 ~~(v) a speech-language pathologist~~
10 ~~licensed pursuant to the Speech-Language Pathology, Audiology~~
11 ~~and Hearing Aid Dispensing Practices Act;~~

12 ~~(4) "home health agency" means a for-profit~~
13 ~~entity that is licensed by the department of health and~~
14 ~~certified by the federal centers for medicare and medicaid~~
15 ~~services as a home health agency and certified to provide~~
16 ~~medicare services;~~

17 ~~(5) "hospice" means a for-profit entity~~
18 ~~licensed by the department of health as a hospice and~~
19 ~~certified to provide medicare services;~~

20 ~~(6) "nursing home" means a for-profit entity~~
21 ~~licensed by the department of health as a nursing home and~~
22 ~~certified to provide medicare services; and~~

23 ~~(7)]~~ (3) "TRICARE program" means the program
24 defined in 10 U.S.C. 1072(7)."

25 SECTION 83. Section 7-9-85 NMSA 1978 (being Laws 1994,

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1 Chapter 43, Section 1) is amended to read:

2 "7-9-85. DEDUCTION--GROSS RECEIPTS [~~TAX~~]--CERTAIN
3 ORGANIZATION FUNDRAISERS.--Receipts from not more than two
4 fundraising events annually conducted by an organization that
5 is exempt from the federal income tax as an organization
6 described in Section 501(c) [~~other than an organization~~
7 ~~described in Section 501(e)(3)~~] of the United States Internal
8 Revenue Code of 1986, as amended, may be deducted from gross
9 receipts."

10 SECTION 84. Section 7-9-87 NMSA 1978 (being Laws 1995,
11 Chapter 155, Section 35) is amended to read:

12 "7-9-87. DEDUCTION--GROSS RECEIPTS [~~TAX~~]--LOTTERY
13 RETAILER RECEIPTS.--Receipts of a lottery game retailer from
14 selling lottery tickets for multi-state games pursuant to the
15 New Mexico Lottery Act may be deducted from gross receipts."

16 SECTION 85. Section 7-9-90 NMSA 1978 (being Laws 1999,
17 Chapter 231, Section 3, as amended) is amended to read:

18 "7-9-90. DEDUCTIONS--GROSS RECEIPTS [~~TAX~~]--SALES OF
19 URANIUM HEXAFLUORIDE AND ENRICHMENT OF URANIUM.--

20 A. Prior to July 1, 2047, receipts from selling
21 uranium hexafluoride and from providing the service of
22 enriching uranium may be deducted from gross receipts.

23 B. The department shall annually report to the
24 revenue stabilization and tax policy committee aggregate
25 amounts of deductions taken pursuant to this section, the

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1 number of taxpayers claiming the deduction and any other
2 information that is necessary to determine that the deduction
3 is performing a purpose that is beneficial to the state.

4 C. A taxpayer deducting gross receipts pursuant to
5 this section shall report the amount deducted separately and
6 attribute the amount of the deduction to the authorization
7 provided in this section in a manner required by the
8 department that facilitates the evaluation by the legislature
9 for the benefit to the state of this deduction."

10 SECTION 86. Section 7-9-110.1 NMSA 1978 (being Laws
11 2011, Chapter 60, Section 1 and Laws 2011, Chapter 61, Section
12 1) is amended to read:

13 "7-9-110.1. DEDUCTION--~~[GROSS RECEIPTS]~~ STATE SALES
14 TAX--USE TAX--LOCOMOTIVE ENGINE FUEL.--

15 A. Prior to July 1, 2047, receipts from the sale
16 of fuel to a common carrier to be loaded or used in a
17 locomotive engine may be deducted from gross receipts. [For
18 the purposes of this section, "locomotive engine" means a
19 wheeled vehicle consisting of a self-propelled engine that is
20 used to draw trains along railway tracks.]

21 B. Prior to July 1, 2047, the value of fuel to be
22 loaded or used by a common carrier in a locomotive engine may
23 be deducted in computing the use tax due.

24 C. The purpose of the deductions provided by this
25 section is to encourage the construction, renovation,

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1 maintenance and operation of railroad locomotive refueling
2 facilities and other railroad capital investments in New
3 Mexico.

4 D. To be eligible for a deduction on fuel loaded
5 or used by a common carrier in a locomotive engine from the
6 use tax, the fuel shall be used or loaded by a common carrier
7 that:

8 (1) after July 1, 2011, made a capital
9 investment of one hundred million dollars (\$100,000,000) or
10 more in new construction or renovations at the railroad
11 locomotive refueling facility in which the fuel is loaded or
12 used; or

13 (2) on or after July 1, 2012, made a capital
14 investment of fifty million dollars (\$50,000,000) or more in
15 new railroad infrastructure improvements, including railroad
16 facilities, track, signals and supporting railroad network,
17 located in New Mexico; provided that the new railroad
18 infrastructure improvements are not required by a regulatory
19 agency to correct problems, such as regular or preventive
20 maintenance, specifically identified by that agency as
21 requiring necessary corrective action.

22 E. To be eligible for the deduction on fuel loaded
23 or used by a common carrier in a locomotive engine from gross
24 receipts, a common carrier shall deliver an appropriate
25 nontaxable transaction certificate to the seller and the sale

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1 shall be made to a common carrier that:

2 (1) after July 1, 2011, made a capital
3 investment of one hundred million dollars (\$100,000,000) or
4 more in new construction or renovations at the railroad
5 locomotive refueling facility in which the fuel is sold; or

6 (2) on or after July 1, 2012, made a capital
7 investment of fifty million dollars (\$50,000,000) or more in
8 new railroad infrastructure improvements, including railroad
9 facilities, track, signals and supporting railroad network,
10 located in New Mexico; provided that the new railroad
11 infrastructure improvements are not required by a regulatory
12 agency to correct problems, such as regular or preventative
13 maintenance, specifically identified by that agency as
14 requiring necessary corrective action.

15 F. The economic development department shall
16 promulgate rules for the issuance of a certificate of
17 eligibility for the purposes of claiming a deduction pursuant
18 to this section. A common carrier may request a certificate
19 of eligibility from the economic development department to
20 provide to the taxation and revenue department to establish
21 eligibility for a nontaxable transaction certificate for the
22 deduction on fuel loaded or used by a common carrier in a
23 locomotive engine from gross receipts. The taxation and
24 revenue department shall issue nontaxable transaction
25 certificates to a common carrier upon the presentation of a

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1 certificate of eligibility obtained from the economic
2 development department pursuant to this subsection.

3 G. The economic development department shall keep
4 a record of temporary and permanent jobs from all railroad
5 activity where a capital investment is made by a common
6 carrier that claims a deduction pursuant to this section. The
7 economic development department and the taxation and revenue
8 department shall estimate the amount of state revenue that is
9 attributable to all railroad activity where a capital
10 investment is made by a common carrier that claims a deduction
11 pursuant to this section.

12 H. The economic development department and the
13 taxation and revenue department shall compile an annual report
14 with the number of taxpayers who claim a deduction pursuant to
15 this section, the number of jobs created as a result of that
16 deduction, the amount of that deduction approved, the net
17 revenue to the state as a result of that deduction and any
18 other information required by the legislature to aid in
19 evaluating the effectiveness of that deduction. A taxpayer
20 who claims a deduction pursuant to this section shall provide
21 the economic development department and the taxation and
22 revenue department with the information required to compile
23 that report. The economic development department and the
24 taxation and revenue department shall present that report
25 before the legislative interim revenue stabilization and tax

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1 policy committee and the legislative finance committee by
2 November of each year. Notwithstanding any other section of
3 law to the contrary, the economic development department and
4 the taxation and revenue department may disclose the number of
5 applicants for a deduction pursuant to this section, the
6 amount of the deduction approved, the number of employees of
7 the taxpayer and any other information required by the
8 legislature or the taxation and revenue department to aid in
9 evaluating the effectiveness of that deduction.

10 I. An appropriate legislative committee shall
11 review the effectiveness of the deduction for each taxpayer
12 who claims the deduction pursuant to this section every six
13 years beginning in 2019.

14 J. For the purposes of this section, "locomotive
15 engine" means a wheeled vehicle consisting of a self-propelled
16 engine that is used to draw trains along railway tracks."

17 **SECTION 87.** A new section of the Sales and Use Tax Act
18 is enacted to read:

19 "[NEW MATERIAL] DEDUCTION--GROSS RECEIPTS--CERTAIN
20 ORGANIZATIONS WITH CERTAIN AMOUNTS OF GROSS RECEIPTS.--The
21 first two hundred fifty thousand dollars (\$250,000) of the
22 annual gross receipts of an organization that demonstrates to
23 the department that the organization has been granted
24 exemption from the federal income tax by the United States
25 commissioner of internal revenue as an organization described

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1 in Section 501(c)(3) of the United States Internal Revenue
2 Code of 1986, as that section may be amended or renumbered,
3 may be deducted from gross receipts."

4 SECTION 88. Section 7-9C-1 NMSA 1978 (being Laws 1992,
5 Chapter 50, Section 1 and also Laws 1992, Chapter 67, Section
6 1, as amended) is amended to read:

7 "7-9C-1. SHORT TITLE.--Chapter 7, Article 9C NMSA 1978
8 may be cited as the "Interstate Telecommunications [~~Gross~~
9 ~~Receipts~~] Sales Tax Act."

10 SECTION 89. Section 7-9C-7 NMSA 1978 (being Laws 1992,
11 Chapter 50, Section 7 and also Laws 1992, Chapter 67, Section
12 7, as amended) is amended to read:

13 "7-9C-7. DEDUCTION--SALE OF A SERVICE FOR RESALE.--~~[A.]~~
14 Receipts from providing an interstate telecommunications
15 service in this state that will be used by other persons in
16 providing telephone or telegraph services to the final user
17 may be deducted from interstate telecommunications gross
18 receipts if the sale is made to a person who is subject to the
19 interstate telecommunications [~~gross receipts tax or to the~~
20 ~~gross receipts tax or the compensating~~] sales tax, the state
21 sales tax or the use tax.

22 [~~B. Receipts during the period July 1, 1998~~
23 ~~through June 30, 2000 from providing leased telephone lines,~~
24 ~~telecommunications services, internet access services or~~
25 ~~computer programming that will be used by other persons in~~

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1 ~~providing internet access and related services to the final~~
2 ~~user may be deducted from interstate telecommunications gross~~
3 ~~receipts if the sale is made to a person who is subject to the~~
4 ~~interstate telecommunications gross receipts tax, the gross~~
5 ~~receipts tax or the compensating tax.]"~~

6 SECTION 90. Section 7-9F-3 NMSA 1978 (being Laws 2000
7 (2nd S.S.), Chapter 22, Section 3, as amended) is amended to
8 read:

9 "7-9F-3. DEFINITIONS.--As used in the Technology Jobs
10 and Research and Development Tax Credit Act:

11 A. "affiliate" means a person who directly or
12 indirectly owns or controls, is owned or controlled by or is
13 under common ownership or control with another person through
14 ownership of voting securities or other ownership interests
15 representing a majority of the total voting power of the
16 entity;

17 ~~[B. "annual payroll expense" means the wages paid~~
18 ~~or payable to employees in the state by the taxpayer in the~~
19 ~~taxable year for which the taxpayer applies for an additional~~
20 ~~credit pursuant to the Technology Jobs and Research and~~
21 ~~Development Tax Credit Act;~~

22 ~~G. "base payroll expense" means the wages paid or~~
23 ~~payable by the taxpayer in the taxable year prior to the~~
24 ~~taxable year for which the taxpayer applies for an additional~~
25 ~~credit pursuant to the Technology Jobs and Research and~~

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1 ~~Development Tax Credit Act, adjusted for any increase from the~~
2 ~~preceding taxable year in the consumer price index for the~~
3 ~~United States for all items as published by the United States~~
4 ~~department of labor in the taxable year for which the~~
5 ~~additional credit is claimed. In a taxable year during which~~
6 ~~a taxpayer has been part of a business merger or acquisition~~
7 ~~or other change in business organization, the taxpayer's base~~
8 ~~payroll expense shall include the payroll expense of all~~
9 ~~entities included in the reorganization for all positions that~~
10 ~~are included in the business entity resulting from the~~
11 ~~reorganization;~~

12 ~~D.]~~ B. "department" means the taxation and revenue
13 department, the secretary of taxation and revenue or any
14 employee of the department exercising authority lawfully
15 delegated to that employee by the secretary;

16 ~~[E.]~~ C. "facility" means a factory, mill, plant,
17 refinery, warehouse, dairy, feedlot, building or complex of
18 buildings located within the state, including the land on
19 which it is located and all machinery, equipment and other
20 real and tangible personal property located at or within it
21 and used in connection with its operation;

22 ~~[F.]~~ D. "local option [~~gross receipts~~] sales tax"
23 means a tax authorized to be imposed by a county or
24 municipality upon the taxpayer's gross receipts, as that term
25 is defined in the [~~Gross Receipts and Compensating~~] Sales and

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1 Use Tax Act, and required to be collected by the department at
2 the same time and in the same manner as the gross receipts
3 tax; "local option [~~gross receipts~~] sales tax" includes the
4 taxes imposed pursuant to the Municipal Local Option [~~Gross~~
5 ~~Receipts Taxes~~] Sales and Use Tax Act, Supplemental Municipal
6 [~~Gross Receipts~~] Sales Tax Act, County Local Option [~~Gross~~
7 ~~Receipts Taxes~~] Sales and Use Tax Act, Local Hospital [~~Gross~~
8 ~~Receipts~~] Sales Tax Act, County Correctional Facility [~~Gross~~
9 ~~Receipts~~] Sales Tax Act and such other acts as may be enacted
10 authorizing counties or municipalities to impose taxes on
11 gross receipts, which taxes are to be collected by the
12 department in the same time and in the same manner as it
13 collects the gross receipts tax;

14 [~~G.~~] E. "qualified expenditure" means an
15 expenditure or an allocated portion of an expenditure by a
16 taxpayer in connection with qualified research at a qualified
17 facility, including expenditures for depletable land and rent
18 paid or incurred for land, improvements, the allowable amount
19 paid or incurred to operate or maintain a facility, buildings,
20 equipment, computer software, computer software upgrades,
21 consultants and contractors performing work in New Mexico,
22 payroll, technical books and manuals and test materials, but
23 not including any expenditure on property that is owned by a
24 municipality or county in connection with an industrial
25 revenue bond project, property for which the taxpayer has

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1 received any credit pursuant to the Investment Credit Act,
2 property that was owned by the taxpayer or an affiliate before
3 July 3, 2000 or research and development expenditures
4 reimbursed by a person who is not an affiliate of the
5 taxpayer. If a "qualified expenditure" is an allocation of an
6 expenditure, the cost accounting methodology used for the
7 allocation of the expenditure shall be the same cost
8 accounting methodology used by the taxpayer in its other
9 business activities;

10 ~~[H.]~~ F. "qualified facility" means a facility in
11 New Mexico at which qualified research is conducted other than
12 a facility operated by a taxpayer for the United States or any
13 agency, department or instrumentality thereof;

14 ~~[I.]~~ G. "qualified research" means research:

15 (1) that is undertaken for the purpose of
16 discovering information:

17 (a) that is technological in nature;
18 and

19 (b) the application of which is
20 intended to be useful in the development of a new or improved
21 business component of the taxpayer; and

22 (2) substantially all of the activities of
23 which constitute elements of a process of experimentation
24 related to a new or improved function, performance,
25 reliability or quality, but not related to style, taste or

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1 cosmetic or seasonal design factors;

2 ~~[J. "qualified research and development small~~
3 ~~business" means a taxpayer that:~~

4 ~~(1) employed no more than fifty employees as~~
5 ~~determined by the number of employees for which the taxpayer~~
6 ~~was liable for unemployment insurance coverage in the taxable~~
7 ~~year for which an additional credit is claimed;~~

8 ~~(2) had total qualified expenditures of no~~
9 ~~more than five million dollars (\$5,000,000) in the taxable~~
10 ~~year for which an additional credit is claimed; and~~

11 ~~(3) did not have more than fifty percent of~~
12 ~~its voting securities or other equity interest with the right~~
13 ~~to designate or elect the board of directors or other~~
14 ~~governing body of the business owned directly or indirectly by~~
15 ~~another business;~~

16 ~~K.]~~ H. "rural area" means any area of the state
17 other than the state fairgrounds, an incorporated municipality
18 with a population of thirty thousand or more according to the
19 most recent federal decennial census and any area within three
20 miles of the external boundaries of an incorporated
21 municipality with a population of thirty thousand or more
22 according to the most recent federal decennial census; and

23 ~~[L.]~~ I. "taxpayer" means any of the following
24 persons, other than a federal, state or other governmental
25 unit or subdivision or an agency, department, institution or

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1 instrumentality thereof:

2 (1) a person liable for payment of any tax;

3 (2) a person responsible for withholding and
4 payment or collection and payment of any tax; or

5 (3) a person to whom an assessment has been
6 made if the assessment remains unabated or the assessed amount
7 has not been paid [~~or~~

8 ~~(4) for purposes of the additional credit~~
9 ~~against the taxpayer's income tax pursuant to the Technology~~
10 ~~Jobs and Research and Development Tax Credit Act and to the~~
11 ~~extent of their respective interest in that entity, the~~
12 ~~shareholders, members, partners or other owners of:~~

13 ~~(a) a small business corporation that~~
14 ~~has elected to be treated as an S corporation for federal~~
15 ~~income tax purposes; or~~

16 ~~(b) an entity treated as a partnership~~
17 ~~or disregarded entity for federal income tax purposes; and~~

18 ~~M. "wages" means remuneration for services~~
19 ~~performed by an employee in New Mexico for an employer]."~~

20 SECTION 91. Section 7-9F-5 NMSA 1978 (being Laws 2000
21 (2nd S.S.), Chapter 22, Section 5, as amended) is amended to
22 read:

23 "7-9F-5. [~~BASIC~~] CREDIT AMOUNT-- [~~ADDITIONAL CREDIT~~--
24 ~~AMOUNTS~~] CLAIMANT.-- [~~A.~~] The [~~basic~~] credit provided for in
25 the Technology Jobs and Research and Development Tax Credit

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1 Act is an amount equal to five percent of the amount of
2 qualified expenditures made by a taxpayer conducting qualified
3 research at a qualified facility.

4 ~~[B. The additional credit provided for in the~~
5 ~~Technology Jobs and Research and Development Tax Credit Act is~~
6 ~~an amount equal to five percent of the amount of qualified~~
7 ~~expenditures made by a taxpayer conducting qualified research~~
8 ~~at a qualified facility.]"~~

9 SECTION 92. Section 7-9F-6 NMSA 1978 (being Laws 2000
10 (2nd S.S.), Chapter 22, Section 6, as amended) is amended to
11 read:

12 "7-9F-6. ELIGIBILITY REQUIREMENTS.--~~[A.]~~ A taxpayer
13 conducting qualified research at a qualified facility and
14 making qualified expenditures is eligible to claim the ~~[basic]~~
15 credit pursuant to the Technology Jobs and Research and
16 Development Tax Credit Act.

17 ~~[B. A taxpayer conducting qualified research at a~~
18 ~~qualified facility and making qualified expenditures is~~
19 ~~eligible to claim the additional credit pursuant to the~~
20 ~~Technology Jobs and Research and Development Tax Credit Act~~
21 ~~if:~~

22 ~~(1) the taxpayer increases the taxpayer's~~
23 ~~annual payroll expense at the qualified facility by at least~~
24 ~~seventy-five thousand dollars (\$75,000) over the base payroll~~
25 ~~expense of the taxpayer;~~

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1 ~~(2) the increase in Paragraph (1) of this~~
2 ~~subsection has not previously been used to meet the~~
3 ~~requirements of this subsection; and~~

4 ~~(3) there is at least a seventy-five-~~
5 ~~thousand-dollar (\$75,000) increase in the taxpayer's annual~~
6 ~~payroll expense for every one million dollars (\$1,000,000) in~~
7 ~~qualified expenditures claimed by the taxpayer in a taxable~~
8 ~~year in the same claim.]"~~

9 SECTION 93. Section 7-9F-8 NMSA 1978 (being Laws 2000
10 (2nd S.S.), Chapter 22, Section 8) is amended to read:

11 "7-9F-8. RURAL AREAS.--The amount of [~~the basic and~~
12 ~~additional~~] credit for which a taxpayer is otherwise eligible
13 shall be doubled if the qualified expenditures were incurred
14 with respect to a qualified facility in a rural area."

15 SECTION 94. Section 7-9F-9 NMSA 1978 (being Laws 2000
16 (2nd S.S.), Chapter 22, Section 9, as amended) is amended to
17 read:

18 "7-9F-9. CLAIMING THE [~~BASIC~~] CREDIT.--

19 A. A taxpayer may apply for approval of a credit
20 within one year following the end of the reporting period in
21 which the qualified expenditure was made.

22 B. A taxpayer having applied for and been granted
23 approval for a [~~basic~~] credit by the department pursuant to
24 the Technology Jobs and Research and Development Tax Credit
25 Act may claim the amount of the approved [~~basic~~] credit

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1 against the taxpayer's [~~compensating~~] use tax, withholding tax
2 or [~~gross receipts~~] sales tax, excluding local option [~~gross~~
3 ~~receipts~~] sales tax due to the state of New Mexico; provided
4 that no taxpayer may claim an amount of approved [~~basic~~]
5 credit for a reporting period in which the [~~basic~~] credit is
6 being claimed that exceeds the sum of the taxpayer's
7 [~~compensating~~] use tax, withholding tax and [~~gross receipts~~]
8 sales tax, excluding any local option [~~gross receipts~~] sales
9 tax, due for that reporting period.

10 C. Any amount of approved [~~basic~~] credit not
11 claimed against the taxpayer's [~~compensating~~] use tax,
12 withholding tax or [~~gross receipts~~] sales tax, excluding any
13 local option [~~gross receipts~~] sales tax due may be claimed in
14 subsequent reporting periods for a period of up to three years
15 from the date of the original claim."

16 SECTION 95. Section 7-9F-11 NMSA 1978 (being Laws 2000
17 (2nd S.S.), Chapter 22, Section 11) is amended to read:

18 "7-9F-11. RECAPTURE.--If the taxpayer or a successor in
19 business of the taxpayer ceases operations in New Mexico for
20 at least one hundred eighty consecutive days within a two-year
21 period after the taxpayer has claimed a [~~basic~~] credit [~~or an~~
22 ~~additional credit at a facility with respect to which the~~
23 ~~taxpayer has claimed the basic credit or the additional~~
24 ~~credit~~], the department shall grant no further [~~basic~~] credit
25 [~~or additional credit to the taxpayer with respect to that~~

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1 facility]. In addition, any amount of approved [~~basic~~] credit
2 not claimed against the taxpayer's [~~gross receipts~~] sales tax,
3 [~~compensating~~] use tax or withholding tax [~~and any amount of~~
4 ~~approved additional credit not claimed against the taxpayer's~~
5 ~~income tax or corporate income tax~~] shall be extinguished, and
6 within thirty days after the one hundred eightieth day of the
7 cessation of operations, the taxpayer shall pay the amount of
8 any [~~gross receipts~~] sales tax, [~~compensating~~] use tax or
9 withholding tax for which an approved [~~basic~~] credit was taken
10 [~~and any income tax or corporate income tax against which an~~
11 ~~approved additional credit was taken~~]. For purposes of this
12 section, a taxpayer shall not be deemed to have ceased
13 operations during reasonable periods for maintenance or
14 retooling or for the repair or replacement of facilities
15 damaged or destroyed or during the continuance of labor
16 disputes."

17 SECTION 96. Section 7-10-1 NMSA 1978 (being Laws 1970,
18 Chapter 26, Section 1, as amended) is amended to read:

19 "7-10-1. SHORT TITLE.--Chapter 7, Article 10 NMSA 1978
20 may be cited as the "[~~Gross Receipts~~] Sales Tax Registration
21 Act".

22 SECTION 97. Section 7-10-3 NMSA 1978 (being Laws 1970,
23 Chapter 26, Section 3, as amended) is amended to read:

24 "7-10-3. DEFINITIONS.--As used in the [~~Gross Receipts~~]
25 Sales Tax Registration Act:

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1 A. "department" means the taxation and revenue
2 department, the secretary of taxation and revenue or any
3 employee of the department exercising authority lawfully
4 delegated to that employee by the secretary;

5 B. "person" means any individual, estate, trust,
6 receiver, cooperative association, club, corporation, company,
7 firm, partnership, joint venture, syndicate or other entity;
8 and

9 C. "state" means any state agency, department or
10 office that has authority to contract in the name of the state
11 or to make payments from state funds."

12 **SECTION 98.** Section 7-10-4 NMSA 1978 (being Laws 1970,
13 Chapter 26, Section 4, as amended) is amended to read:

14 "7-10-4. PERSONS DOING BUSINESS WITH THE STATE--
15 REGISTRATION TO PAY THE ~~[GROSS RECEIPTS]~~ STATE SALES TAX
16 REQUIRED.--Any person leasing or selling property to the state
17 or performing services for the state, as those terms are used
18 in the ~~[Gross Receipts and Compensating]~~ Sales and Use Tax
19 Act, shall be registered with the department to pay ~~[the gross~~
20 ~~receipts]~~ state sales tax unless that person has no business
21 location, employees or property in New Mexico and does not
22 conduct business in New Mexico through agents or contractors."

23 **SECTION 99.** Section 7-10-5 NMSA 1978 (being Laws 1970,
24 Chapter 26, Section 5, as amended) is amended to read:

25 "7-10-5. PENALTY FOR NONCOMPLIANCE.--If any person

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1 required to register under the provisions of Section 7-10-4
2 NMSA 1978 is not registered to pay the [~~gross receipts~~] state
3 sales tax, the state shall withhold payment of the amount due
4 until the person has presented evidence of registration with
5 the department to pay the [~~gross receipts~~] state sales tax."

6 SECTION 100. Section 7-14-4 NMSA 1978 (being Laws 1988,
7 Chapter 73, Section 14) is amended to read:

8 "7-14-4. DETERMINATION OF AMOUNT OF MOTOR VEHICLE
9 EXCISE TAX.--The rate of the motor vehicle excise tax is
10 [~~three~~] six percent and is applied to the price paid for the
11 vehicle. If the price paid does not represent the value of
12 the vehicle in the condition that existed at the time it was
13 acquired, the tax rate shall be applied to the reasonable
14 value of the vehicle in such condition at such time. However,
15 allowances granted for vehicle trade-ins may be deducted from
16 the price paid or the reasonable value of the vehicle
17 purchased."

18 SECTION 101. Section 7-14-10 NMSA 1978 (being Laws
19 1988, Chapter 73, Section 20, as amended) is amended to read:

20 "7-14-10. DISTRIBUTION OF PROCEEDS.--The receipts from
21 the tax and any associated interest and penalties shall be
22 deposited in the "motor vehicle suspense fund", hereby created
23 in the state treasury. As of the end of each month, the net
24 receipts attributable to the tax and associated penalties and
25 interest shall be distributed [~~to the general fund~~] as

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1 follows:

2 A. sixteen and one-half percent to the state road
3 fund;

4 B. sixteen and one-half percent to the local
5 governments road fund; and

6 C. sixty-seven percent to the general fund."

7 SECTION 102. Section 7-14A-1 NMSA 1978 (being Laws
8 1991, Chapter 197, Section 5, as amended) is amended to read:

9 "7-14A-1. SHORT TITLE.--Chapter 7, Article 14A NMSA
10 1978 may be cited as the "Leased Vehicle [~~Gross Receipts~~]
11 Sales Tax Act"."

12 SECTION 103. Section 7-14A-2 NMSA 1978 (being Laws
13 1991, Chapter 197, Section 6, as amended) is amended to read:

14 "7-14A-2. DEFINITIONS.--As used in the Leased Vehicle
15 [~~Gross Receipts~~] Sales Tax Act:

16 A. "department" means the taxation and revenue
17 department, the secretary of taxation and revenue or any
18 employee of the department exercising authority lawfully
19 delegated to that employee by the secretary;

20 B. "engaging in business" means carrying on or
21 causing to be carried on the leasing of vehicles with the
22 purpose of direct or indirect benefit;

23 C. "gross receipts" means the total amount of
24 money or the value of other consideration received from
25 leasing vehicles used in New Mexico, but excludes cash

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1 discounts allowed and taken, leased vehicle [~~gross receipts~~]
2 sales tax payable on transactions for the reporting period,
3 [~~gross receipts~~] state sales tax payable pursuant to the
4 [~~Gross Receipts and Compensating~~] Sales and Use Tax Act on
5 transactions for the reporting period and taxes imposed
6 pursuant to the provisions of any local option [~~gross~~
7 ~~receipts~~] sales tax, as that term is defined in the Tax
8 Administration Act, that is payable on transactions for the
9 reporting period and any type of time-price differential.
10 Also excluded from "gross receipts" are any gross receipts or
11 sales taxes imposed by an Indian nation, tribe or pueblo;
12 provided that the tax is approved, if approval is required by
13 federal law or regulation, by the secretary of the interior of
14 the United States; and provided further that the gross
15 receipts or sales tax imposed by the Indian nation, tribe or
16 pueblo provides a reciprocal exclusion for gross receipts,
17 sales or gross receipts-based excise taxes imposed by the
18 state or its political subdivisions. In an exchange in which
19 the money or other consideration received does not represent
20 the value of the lease of the vehicle, "gross receipts" means
21 the reasonable value of the lease of the vehicle. When the
22 leasing of vehicles is made under a leasing contract, the
23 seller or lessor may elect to treat all receipts under those
24 contracts as gross receipts as and when the payments are
25 actually received. "Gross receipts" also includes amounts

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1 paid by members of any cooperative association or similar
2 organization for the lease of vehicles by that organization;

3 D. "leasing" means any arrangement whereby, for a
4 consideration, a vehicle without a driver furnished by the
5 lessor or owner is employed for or by any person other than
6 the owner of the vehicle for a period of not more than six
7 months;

8 E. "person" means any individual, estate, trust,
9 receiver, cooperative association, club, corporation, company,
10 firm, partnership, joint venture, syndicate or other entity;
11 and

12 F. "vehicle" means a passenger automobile designed
13 to accommodate six or fewer adult human beings that is part of
14 a fleet of five or more passenger automobiles owned by the
15 same person."

16 SECTION 104. Section 7-14A-3 NMSA 1978 (being Laws
17 1991, Chapter 197, Section 7) is amended to read:

18 "7-14A-3. IMPOSITION AND RATE OF TAX--DENOMINATION AS
19 "LEASED VEHICLE [~~GROSS RECEIPTS~~] SALES TAX".--

20 A. For the privilege of engaging in business, an
21 excise tax equal to five percent of gross receipts is imposed
22 on any person engaging in business in New Mexico.

23 B. The tax imposed by this section shall be
24 referred to as the "leased vehicle [~~gross receipts~~] sales
25 tax".

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1 SECTION 105. Section 7-14A-3.1 NMSA 1978 (being Laws
2 1993, Chapter 359, Section 1, as amended) is amended to read:

3 "7-14A-3.1. IMPOSITION AND RATE--LEASED VEHICLE
4 SURCHARGE.--

5 A. Except as provided in Subsection B of this
6 section, there is imposed a surcharge on the leasing of a
7 vehicle to another person by a person engaging in business in
8 New Mexico if the lease is subject to the leased vehicle
9 [~~gross receipts~~] sales tax. The amount of this surcharge is
10 two dollars (\$2.00) for each day the vehicle is leased by the
11 person. The surcharge may be referred to as the "leased
12 vehicle surcharge".

13 B. The leased vehicle surcharge imposed in
14 Subsection A of this section shall not apply to the lease of a
15 temporary replacement vehicle if the lessee signs a statement
16 that the temporary replacement vehicle is to be used as a
17 replacement for another vehicle that is being repaired,
18 serviced or replaced. For the purposes of this section,
19 "temporary replacement vehicle" means a vehicle that is:

20 (1) used by an individual in place of
21 another vehicle that is unavailable for use by the individual
22 due to loss, damage, mechanical breakdown or need for
23 servicing; and

24 (2) leased temporarily by or on behalf of
25 the individual or loaned temporarily to the individual by a

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1 vehicle repair facility or dealer while the other vehicle is
2 being repaired, serviced or replaced."

3 SECTION 106. Section 7-14A-4 NMSA 1978 (being Laws
4 1991, Chapter 197, Section 8, as amended) is amended to read:

5 "7-14A-4. PRESUMPTION OF TAXABILITY.--To prevent
6 evasion of the leased vehicle [~~gross receipts~~] sales tax and
7 the leased vehicle surcharge and to aid in their
8 administration, it is presumed that all receipts of a person
9 engaging in business are subject to the leased vehicle [~~gross~~
10 ~~receipts~~] sales tax and that all vehicles leased by that
11 person are subject to the leased vehicle surcharge."

12 SECTION 107. Section 7-14A-5 NMSA 1978 (being Laws
13 1991, Chapter 197, Section 9) is amended to read:

14 "7-14A-5. SEPARATELY STATING THE LEASED VEHICLE [~~GROSS~~
15 ~~RECEIPTS~~] SALES TAX.--When the leased vehicle [~~gross receipts~~]
16 sales tax is stated separately on the books of the lessor and
17 if the total amount of tax that is stated separately on
18 transactions reportable within one reporting period is in
19 excess of the amount of leased vehicle [~~gross receipts~~] sales
20 tax otherwise payable on the transactions on which the tax was
21 separately stated, the excess amount of tax stated on the
22 transactions within that reporting period shall be included in
23 gross receipts."

24 SECTION 108. Section 7-14A-6 NMSA 1978 (being Laws
25 1991, Chapter 197, Section 10, as amended) is amended to read:

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1 "7-14A-6. DATE PAYMENT DUE.--The tax and the surcharge
2 imposed by the Leased Vehicle [~~Gross Receipts~~] Sales Tax Act
3 are to be paid on or before the twenty-fifth day of the month
4 following the month in which the taxable event occurs."

5 **SECTION 109.** Section 7-14A-7 NMSA 1978 (being Laws
6 1991, Chapter 197, Section 11) is amended to read:

7 "7-14A-7. DEDUCTION--TRANSACTIONS IN INTERSTATE
8 COMMERCE.--Receipts from transactions in interstate commerce
9 may be deducted from gross receipts to the extent that the
10 imposition of the leased vehicle [~~gross receipts~~] sales tax
11 would be unlawful under the United States constitution."

12 **SECTION 110.** Section 7-14A-10 NMSA 1978 (being Laws
13 1991, Chapter 197, Section 14, as amended) is amended to read:

14 "7-14A-10. DISTRIBUTION OF PROCEEDS.--At the end of
15 each month, the net receipts attributable to the leased
16 vehicle [~~gross receipts~~] sales tax and any associated
17 penalties and interest shall be distributed as follows:

18 A. one-fourth to the local governments road fund;

19 and

20 B. three-fourths to the highway infrastructure
21 fund."

22 **SECTION 111.** Section 7-14A-11 NMSA 1978 (being Laws
23 1991, Chapter 197, Section 15, as amended) is amended to read:

24 "7-14A-11. ADMINISTRATION.--

25 A. The department shall interpret the provisions

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1 of the Leased Vehicle [~~Gross Receipts~~] Sales Tax Act.

2 B. The department shall administer and enforce the
3 collection of the leased vehicle [~~gross receipts~~] sales tax
4 and the leased vehicle surcharge, and the Tax Administration
5 Act applies to the administration and enforcement of the tax
6 and the surcharge."

7 SECTION 112. Section 7-19-10 NMSA 1978 (being Laws
8 1979, Chapter 397, Section 1, as amended) is amended to read:
9 "7-19-10. SHORT TITLE.--Sections 7-19-10 through
10 7-19-18 NMSA 1978 may be cited as the "Supplemental Municipal
11 [~~Gross Receipts~~] Sales Tax Act".

12 SECTION 113. Section 7-19-11 NMSA 1978 (being Laws
13 1979, Chapter 397, Section 2, as amended) is amended to read:

14 "7-19-11. DEFINITIONS.--As used in the Supplemental
15 Municipal [~~Gross Receipts~~] Sales Tax Act:

16 A. "department" or "division" means the taxation
17 and revenue department, the secretary of taxation and revenue
18 or any employee of the department exercising authority
19 lawfully delegated to that employee by the secretary;

20 B. "governing body" means the city council or city
21 commission of a municipality;

22 C. "municipality" means any incorporated city,
23 town or village having previously qualified to impose and did
24 impose the tax pursuant to the provisions of the Supplemental
25 Municipal [~~Gross Receipts~~] Sales Tax Act in effect prior to

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1 ~~[this 1997 act]~~ the enactment of Laws 1997, Chapter 219;

2 D. "person" means an individual or any other legal
3 entity;

4 E. "refunding bonds" means bonds issued pursuant
5 to the provisions of the Supplemental Municipal [~~Gross~~
6 ~~Receipts~~] Sales Tax Act to refund supplemental municipal
7 ~~[gross receipts]~~ sales tax bonds issued pursuant to the
8 provisions of that act;

9 F. "state ~~[gross receipts]~~ sales tax" means the
10 ~~[gross receipts]~~ sales tax imposed under the [~~Gross Receipts~~
11 ~~and Compensating~~] Sales and Use Tax Act; and

12 G. "supplemental municipal ~~[gross receipts]~~ sales
13 tax" means the tax authorized to be imposed under the
14 Supplemental Municipal [~~Gross Receipts~~] Sales Tax Act."

15 **SECTION 114.** Section 7-19-12 NMSA 1978 (being Laws
16 1979, Chapter 397, Section 3, as amended) is amended to read:

17 "7-19-12. AUTHORIZATION TO IMPOSE SUPPLEMENTAL
18 MUNICIPAL [~~GROSS RECEIPTS~~] SALES TAX--AUTHORIZATION FOR
19 ISSUANCE OF SUPPLEMENTAL MUNICIPAL [~~GROSS RECEIPTS~~] SALES TAX
20 BONDS--ELECTION REQUIRED.--

21 A. The majority of the members elected to the
22 governing body of a municipality may enact an ordinance
23 imposing an excise tax on any person engaging in business in
24 the municipality for the privilege of engaging in business in
25 the municipality. This tax is to be referred to as the

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1 "supplemental municipal [~~gross receipts~~] sales tax". The rate
2 of the tax shall not exceed one percent of the gross receipts
3 of the person engaging in business and shall be imposed in
4 one-fourth percent increments if less than one percent.

5 B. The governing body of a municipality enacting
6 an ordinance imposing the tax authorized in Subsection A of
7 this section shall submit the question of imposing such tax
8 and the question of the issuance of supplemental municipal
9 [~~gross receipts~~] sales tax bonds in an amount not to exceed
10 nine million dollars (\$9,000,000), for which the revenue from
11 the supplemental municipal [~~gross receipts~~] sales tax is
12 dedicated, to the qualified electors of the municipality at a
13 regular or special election.

14 C. The questions referred to in Subsection B of
15 this section shall be submitted to a vote of the qualified
16 electors of the municipality as two separate ballot questions,
17 which shall be substantially in the following form:

18 (1) "Shall the municipality be authorized to
19 issue supplemental municipal [~~gross receipts~~] sales tax bonds
20 in an amount of not exceeding _____ dollars for
21 the purpose of constructing and equipping and otherwise
22 acquiring a municipal water supply system?

23 For _____ Against _____"; and

24 (2) "Shall the municipality impose an excise
25 tax for the privilege of engaging in business in the

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1 municipality [~~which~~] that shall be known as the "supplemental
2 municipal [~~gross receipts~~] sales tax" and [~~which~~] that shall
3 be imposed at a rate of _____ percent of the gross
4 receipts of the person engaging in business, the proceeds of
5 which are dedicated to the payment of supplemental municipal
6 [~~gross receipts~~] sales tax bonds?

7 For _____ Against _____".

8 D. Only those voters who are registered electors
9 who reside within the municipality shall be permitted to vote
10 on these two questions. The procedures for conducting the
11 election shall be substantially the same as the applicable
12 provisions in Sections 3-30-1, 3-30-6 and 3-30-7 NMSA 1978
13 relating to municipal debt.

14 E. If at an election called pursuant to this
15 section a majority of the voters voting on each of the two
16 questions [~~vote~~] votes in the affirmative on each [~~such~~]
17 question, [~~then~~] the ordinance imposing the supplemental
18 municipal [~~gross receipts~~] sales tax shall be approved. If at
19 such election a majority of the voters voting on such
20 questions [~~fail~~] fails to approve any of the questions, [~~then~~]
21 the ordinance imposing the tax shall be disapproved and the
22 questions required to be submitted by Subsection B of this
23 section shall not be submitted to the voters for a period of
24 one year from the date of the election.

25 F. Any ordinance enacted under the provisions of

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1 this section shall include an effective date of either July 1
2 or January 1, whichever date occurs first after the expiration
3 of at least five months from the date of the election. A
4 certified copy of any ordinance imposing a supplemental
5 municipal [~~gross receipts~~] sales tax shall be mailed to the
6 [~~division~~] department within five days after the ordinance is
7 adopted by the approval by the electorate. Any ordinance
8 repealing the imposition of a tax under the provisions of the
9 Supplemental Municipal [~~Gross Receipts~~] Sales Tax Act shall
10 become effective on either July 1 or January 1, after the
11 expiration of at least five months from the date the ordinance
12 is repealed by the governing body.

13 G. Nothing in this section is intended to or does
14 alter the effectiveness or validity of any actions taken in
15 accordance with Subsection G of Section 80 of Chapter 20 of
16 Laws 1986."

17 SECTION 115. Section 7-19-13 NMSA 1978 (being Laws
18 1979, Chapter 397, Section 4) is amended to read:

19 "7-19-13. ORDINANCE [~~MUST~~] SHALL CONFORM TO CERTAIN
20 PROVISIONS OF THE [~~GROSS RECEIPTS AND COMPENSATING~~] SALES AND
21 USE TAX ACT AND REQUIREMENTS OF THE [~~DIVISION~~] DEPARTMENT---

22 A. Any ordinance imposing a supplemental municipal
23 [~~gross receipts~~] sales tax shall adopt by reference the same
24 definitions and the same provisions relating to exemptions and
25 deductions as are contained in the [~~Gross Receipts and~~

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1 ~~Compensating~~] Sales and Use Tax Act then in effect and as it
2 may be amended from time to time.

3 B. The governing body of any municipality imposing
4 or increasing the supplemental municipal [~~gross receipts~~]
5 sales tax [~~must~~] shall adopt the language of the model
6 ordinance furnished to the municipality by the [~~division~~]
7 department for the portion of the ordinance relating to the
8 tax."

9 SECTION 116. Section 7-19-14 NMSA 1978 (being Laws
10 1979, Chapter 397, Section 5, as amended) is amended to read:

11 "7-19-14. SPECIFIC EXEMPTIONS.--No supplemental
12 municipal [~~gross receipts~~] sales tax shall be imposed on the
13 gross receipts arising from:

14 A. transporting persons or property for hire by
15 railroad, motor vehicle, air transportation or any other means
16 from one point within the municipality to another point
17 outside the municipality; or

18 B. a business located outside the boundaries of a
19 municipality on land owned by that municipality for which a
20 gross receipts tax distribution is made pursuant to Section
21 7-1-6.4 NMSA 1978."

22 SECTION 117. Section 7-19-15 NMSA 1978 (being Laws
23 1979, Chapter 397, Section 6, as amended) is amended to read:

24 "7-19-15. COLLECTION BY DEPARTMENT--TRANSFER OF
25 PROCEEDS--DEDUCTIONS.--

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1 A. The department shall collect the supplemental
2 municipal [~~gross receipts~~] sales tax in the same manner and at
3 the same time it collects the state [~~gross receipts~~] sales
4 tax.

5 B. The department shall withhold an administrative
6 fee pursuant to Section [~~1 of this 1997 act~~] 7-1-6.41 NMSA
7 1978. The department shall transfer to each municipality for
8 which it is collecting a supplemental municipal [~~gross~~
9 ~~receipts~~] sales tax the amount of the tax collected less the
10 administrative fee withheld and less any disbursements for tax
11 credits, refunds and the payment of interest applicable to the
12 supplemental municipal [~~gross receipts~~] sales tax. Transfer
13 of the tax to a municipality shall be made within the month
14 following the month in which the tax is collected."

15 **SECTION 118.** Section 7-19-16 NMSA 1978 (being Laws
16 1979, Chapter 397, Section 7) is amended to read:

17 "7-19-16. INTERPRETATION OF ACT--ADMINISTRATION AND
18 ENFORCEMENT OF TAX.--

19 A. The [~~division~~] department shall interpret the
20 provisions of the Supplemental Municipal [~~Gross Receipts~~]
21 Sales Tax Act.

22 B. The [~~division~~] department shall administer and
23 enforce the collection of the supplemental municipal [~~gross~~
24 ~~receipts~~] sales tax, and the Tax Administration Act applies to
25 the administration and enforcement of the tax."

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1 SECTION 119. Section 7-19-17 NMSA 1978 (being Laws
2 1979, Chapter 397, Section 8, as amended) is amended to read:

3 "7-19-17. ISSUANCE OF BONDS--PURPOSES.--

4 A. If the ordinance imposing the supplemental
5 municipal [~~gross receipts~~] sales tax is approved as provided
6 in Subsection E of Section 7-19-12 NMSA 1978, the governing
7 body of a municipality may issue bonds pursuant to the
8 Supplemental Municipal [~~Gross Receipts~~] Sales Tax Act in an
9 amount not to exceed nine million dollars (\$9,000,000). The
10 supplemental municipal [~~gross receipts~~] sales tax bonds shall
11 be issued for the purpose of constructing and equipping and
12 otherwise acquiring a municipal water supply system, including
13 the purchase of water rights and easements, equipment and
14 professional fees related thereto, to be paid back from the
15 proceeds of the supplemental municipal [~~gross receipts~~] sales
16 tax imposed.

17 B. Supplemental municipal [~~gross receipts~~] sales
18 tax bonds shall be issued and sold as provided in the
19 Supplemental Municipal [~~Gross Receipts~~] Sales Tax Act. The
20 governing body of the municipality shall determine at its
21 discretion the terms, covenants and conditions of the
22 supplemental municipal [~~gross receipts~~] sales tax bonds,
23 including [~~but not limited to~~] date of issuance, denomination,
24 maturity, coupon rates, call features, premium, registration,
25 refundability and other matters covering the general and

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1 technical aspects of their issuance. These bonds may be
2 either serial or term and may be sold by the governing body of
3 the municipality at the time and in the manner as the
4 governing body may elect, at either public or private sale.
5 The supplemental municipal [~~gross receipts~~] sales tax bonds
6 shall not be considered or held to be general obligations of
7 the municipality issuing them and are payable solely from the
8 revenue accruing from the revenue of the supplemental
9 municipal [~~gross receipts~~] sales tax. The ordinance
10 authorizing the tax shall be irrevocable until these bonds
11 are fully paid."

12 SECTION 120. Section 7-19-17.1 NMSA 1978 (being Laws
13 1997, Chapter 219, Section 4) is amended to read:

14 "7-19-17.1. REFUNDING BONDS--AUTHORIZATION.--

15 A. Any municipality may issue refunding bonds for
16 the purpose of refinancing, paying and discharging all or any
17 part of outstanding supplemental municipal [~~gross receipts~~]
18 sales tax bonds of any one or more or all outstanding issues:

19 (1) for the acceleration, deceleration or
20 other modification of the payment of such obligations,
21 including without limitation any capitalization of any
22 interest thereon in arrears or about to become due for any
23 period not exceeding one year from the date of the refunding
24 bonds;

25 (2) for the purpose of reducing interest

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1 costs or affecting other economies;

2 (3) for the purpose of modifying or
3 eliminating restrictive contractual limitations pertaining to
4 the issuance of additional bonds, otherwise concerning the
5 outstanding bonds or to any facilities relating thereto; or

6 (4) for any combination of such purposes.

7 B. The municipality may pledge irrevocably for the
8 payment of interest and principal on refunding bonds the
9 appropriate pledged revenues, which may be pledged to an
10 original issue of bonds as provided in the Supplemental
11 Municipal [~~Gross Receipts~~] Sales Tax Act. Nothing in this
12 section shall permit the pledge of the [~~gross receipts~~]
13 supplemental municipal sales tax revenue to the payment of
14 bonds that refund bonds issued under any other provision of
15 law.

16 C. Refunding bonds may be issued separately or
17 issued in combination in one series or more.

18 D. Refunding bonds issued pursuant to the
19 Supplemental Municipal [~~Gross Receipts~~] Sales Tax Act shall be
20 authorized by ordinance. Any bonds that are refunded under
21 the provisions of this section shall be paid at maturity or on
22 any permitted prior redemption date in the amounts, at the
23 time and places and, if called prior to maturity, in
24 accordance with any applicable notice provisions, all as
25 provided in the proceedings authorizing the issuance of the

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1 refunded bonds, or otherwise appertaining thereto, except for
2 any such bond that is voluntarily surrendered for exchange or
3 payment by the holder or owner.

4 E. Provision shall be made for paying the bonds
5 refunded at the time or places provided in Subsection D of
6 this section. The principal amount of the refunding bonds
7 shall not exceed, but may be less than or be the same as, the
8 principal amount of the bonds being refunded so long as
9 provision is duly and sufficiently made for the payment of the
10 refunded bonds.

11 F. The proceeds of refunding bonds, including any
12 accrued interest and premium appertaining to the sale of
13 refunding bonds, shall either be immediately applied to the
14 retirement of the bonds being refunded or be placed in escrow
15 in a commercial bank or trust company that possesses and is
16 exercising trust powers and that is a member of the federal
17 deposit insurance corporation, to be applied to the payment of
18 the principal of, interest on and any prior redemption premium
19 due in connection with the bonds being refunded; provided that
20 such refunding bond proceeds, including any accrued interest
21 and any premium appertaining to a sale of refunding bonds, may
22 be applied to the establishment and maintenance of a reserve
23 fund and to the payment of expenses incidental to the
24 refunding and the issuance of the refunding bonds, the
25 interest on the refunding bonds and the principal of the

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1 refunding bonds or both interest and principal as the
2 municipality may determine. Nothing in this section requires
3 the establishment of an escrow if the refunded bonds become
4 due and payable within one year from the date of the refunding
5 bonds and if the amounts necessary to retire the refunded
6 bonds within that time are deposited with the paying agent for
7 the refunded bonds. Any such escrow shall not necessarily be
8 limited to proceeds of refunding bonds but may include other
9 money available for its escrow purpose. Any proceeds in
10 escrow pending such use may be invested or reinvested in
11 bills, certificates of indebtedness, notes or bonds that are
12 direct obligations of or the principal and interest of which
13 obligations are unconditionally guaranteed by the United
14 States or in certificates of deposit of banks that are members
15 of the federal deposit insurance corporation, the par value of
16 which certificates of deposit is collateralized by a pledge of
17 obligations of or the payment of which is unconditionally
18 guaranteed by the United States, the par value of which
19 obligations is at least seventy-five percent of the par value
20 of the certificates of deposit. Such proceeds and investments
21 in escrow, together with any interest or other income to be
22 derived from any such investment, shall be in an amount at all
23 times sufficient as to principal, interest, any prior
24 redemption premium due and any charges of the escrow agent
25 payable therefrom to pay the bonds being refunded as they

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1 become due at their respective maturities or due at any
2 designated prior redemption date in connection with which the
3 municipality shall exercise a prior redemption option. Any
4 purchaser of any refunding bond issued pursuant to the
5 provisions of the Supplemental Municipal [~~Gross Receipts~~]
6 Sales Tax Act is in no manner responsible for the application
7 of the proceeds thereof by the municipality or any of its
8 officers, agents or employees.

9 G. Refunding bonds may be sold at a public or
10 negotiated sale and may bear such additional terms and
11 provisions as may be determined by the municipality subject to
12 limitations in the Supplemental Municipal [~~Gross Receipts~~]
13 Sales Tax Act. The terms, provisions and authorization of the
14 refunding bonds are not subject to the provisions of any other
15 statute, provided that the Public Securities Limitation of
16 Action Act shall be fully applicable to the issuance of
17 refunding bonds.

18 H. The municipality shall receive from the
19 department of finance and administration written approval of
20 any refunding bonds issued pursuant to the provisions of this
21 section."

22 SECTION 121. Section 7-19-18 NMSA 1978 (being Laws
23 1979, Chapter 397, Section 9, as amended) is amended to read:

24 "7-19-18. SUPPLEMENTAL MUNICIPAL [~~GROSS RECEIPTS~~] SALES
25 TAX--USE OF PROCEEDS--RESTRICTION.--

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1 A. The proceeds from the supplemental municipal
2 [~~gross receipts~~] sales tax shall be deposited in a special
3 improvement account of the municipality and shall be used only
4 for:

5 (1) the payment of the principal of,
6 interest on, any prior redemption premiums due in connection
7 with and other expenses related to the supplemental municipal
8 [~~gross receipts~~] sales tax bonds issued pursuant to the
9 Supplemental Municipal [~~Gross Receipts~~] Sales Tax Act;

10 (2) the funding of any reserves and other
11 accounts in connection with such bonds;

12 (3) refunding bonds; and

13 (4) to the extent not needed for those
14 purposes, the improvement of the municipality's water system.

15 B. When any issue of supplemental municipal [~~gross~~
16 ~~receipts~~] sales bonds is fully paid, the supplemental
17 municipal [~~gross receipts~~] sales tax shall cease to be imposed
18 for that issue but may continue to be imposed for bonds
19 enacted and approved pursuant to Section 7-19-12 NMSA 1978 and
20 thereafter issued or for refunding bonds issued pursuant to
21 Section [~~4 of this 1997 act~~] 7-19-17.1 NMSA 1978. Any money
22 remaining in a special improvement account after the
23 obligations for supplemental municipal [~~gross receipts~~] sales
24 tax bonds and refunding bonds are fully paid may be
25 transferred to any other fund of the municipality."

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1 SECTION 122. Section 7-19D-1 NMSA 1978 (being Laws
2 1993, Chapter 346, Section 1) is amended to read:

3 "7-19D-1. SHORT TITLE.--Chapter 7, Article 19D NMSA
4 1978 may be cited as the "Municipal Local Option [~~Gross~~
5 ~~Receipts Taxes~~] Sales and Use Tax Act"."

6 SECTION 123. Section 7-19D-2 NMSA 1978 (being Laws
7 1993, Chapter 346, Section 2) is amended to read:

8 "7-19D-2. DEFINITIONS.--As used in the Municipal Local
9 Option [~~Gross Receipts Taxes~~] Sales and Use Tax Act:

10 A. "department" means the taxation and revenue
11 department, the secretary of taxation and revenue or any
12 employee of the department exercising authority lawfully
13 delegated to that employee by the secretary;

14 B. "governing body" means the city council or city
15 commission of a city, the board of trustees of a town or
16 village and the board of county commissioners of an H-class
17 [~~counties~~] county;

18 C. "municipality" means any incorporated city,
19 town or village, whether incorporated under general act,
20 special act or special charter, and an H-class county;

21 D. "person" means an individual or any other legal
22 entity; and

23 E. "state [~~gross receipts~~] sales tax" means the
24 [~~gross receipts~~] state sales tax imposed [~~under the Gross~~
25 ~~Receipts and Compensating~~] pursuant to the Sales and Use Tax

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1 Act."

2 SECTION 124. Section 7-19D-3 NMSA 1978 (being Laws
3 1993, Chapter 346, Section 3) is amended to read:

4 "7-19D-3. EFFECTIVE DATE OF ORDINANCE.--An ordinance
5 imposing, amending or repealing a tax or an increment of tax
6 authorized by the Municipal Local Option [~~Gross Receipts~~
7 ~~Taxes~~] Sales and Use Tax Act shall be effective on July 1 or
8 January 1, whichever date occurs first after the expiration of
9 at least three months from the date the adopted ordinance is
10 mailed or delivered to the department. The ordinance shall
11 include that effective date."

12 SECTION 125. Section 7-19D-4 NMSA 1978 (being Laws
13 1993, Chapter 346, Section 4) is amended to read:

14 "7-19D-4. ORDINANCE SHALL CONFORM TO CERTAIN PROVISIONS
15 OF THE [~~GROSS RECEIPTS AND COMPENSATING~~] SALES AND USE TAX ACT
16 AND REQUIREMENTS OF THE DEPARTMENT.--

17 A. An ordinance imposing a tax [~~under~~] pursuant to
18 the provisions of the Municipal Local Option [~~Gross Receipts~~
19 ~~Taxes~~] Sales and Use Tax Act shall adopt by reference the same
20 definitions and the same provisions relating to exemptions and
21 deductions as are contained in the [~~Gross Receipts and~~
22 ~~Compensating~~] Sales and Use Tax Act then in effect and as it
23 may be amended from time to time.

24 B. The governing body of any municipality imposing
25 a tax [~~under~~] pursuant to provisions of the Municipal Local

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1 Option [~~Gross Receipts Taxes~~] Sales and Use Tax Act shall
2 impose the tax by adopting the model ordinance with respect to
3 the tax furnished to the municipality by the department. An
4 ordinance that does not conform substantially to the model
5 ordinance of the department is not valid."

6 SECTION 126. Section 7-19D-5 NMSA 1978 (being Laws
7 1993, Chapter 346, Section 5, as amended) is amended to read:

8 "7-19D-5. SPECIFIC EXEMPTIONS.--No tax authorized by
9 the provisions of the Municipal Local Option [~~Gross Receipts~~
10 ~~Taxes~~] Sales and Use Tax Act shall be imposed on the gross
11 receipts arising from [~~A.~~] transporting persons or property
12 for hire by railroad, motor vehicle, air transportation or any
13 other means from one point within the municipality to another
14 point outside the municipality [~~or~~

15 ~~B. a business located outside the boundaries of a~~
16 ~~municipality on land owned by that municipality for which a~~
17 ~~state gross receipts tax distribution is made pursuant to~~
18 ~~Section 7-1-6.4 NMSA 1978]."~~

19 SECTION 127. Section 7-19D-6 NMSA 1978 (being Laws
20 1993, Chapter 346, Section 6) is amended to read:

21 "7-19D-6. COPY OF ORDINANCE TO BE SUBMITTED TO
22 DEPARTMENT.--A certified copy of the ordinance imposing or
23 repealing a tax authorized [~~under~~] by the Municipal Local
24 Option [~~Gross Receipts Taxes~~] Sales and Use Tax Act or
25 changing the tax rate imposed shall be mailed or delivered to

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1 the department within five days after the later of the date
2 the ordinance is adopted or the date the results of any
3 election held with respect to the ordinance are certified to
4 be in favor of the ordinance."

5 SECTION 128. Section 7-19D-7 NMSA 1978 (being Laws
6 1993, Chapter 346, Section 7, as amended) is amended to read:

7 "7-19D-7. COLLECTION BY DEPARTMENT--TRANSFER OF
8 PROCEEDS--DEDUCTIONS.--

9 A. The department shall collect each tax imposed
10 pursuant to the provisions of the Municipal Local Option
11 [~~Gross Receipts Taxes~~] Sales and Use Tax Act in the same
12 manner and at the same time it collects the state [~~gross~~
13 ~~receipts tax~~] sales and use taxes.

14 B. Except as provided in Subsection C of this
15 section, the department shall withhold an administrative fee
16 pursuant to Section [~~1 of this 1997 act~~] 7-1-6.41 NMSA 1978.
17 The department shall transfer to each municipality for which
18 it is collecting a tax pursuant to the provisions of the
19 Municipal Local Option [~~Gross Receipts Taxes~~] Sales and Use
20 Tax Act the amount of each tax collected for that
21 municipality, less the administrative fee withheld and less
22 any disbursements for tax credits, refunds and the payment of
23 interest applicable to the tax. The transfer to the
24 municipality shall be made within the month following the
25 month in which the tax is collected.

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1 C. With respect to the municipal [~~gross receipts~~]
2 sales tax imposed by a municipality pursuant to Section
3 7-19D-9 NMSA 1978, the department shall withhold the
4 administrative fee pursuant to Section [~~1 of this 1997 act~~]
5 7-1-6.41 NMSA 1978 only on that portion of the municipal
6 [~~gross receipts~~] sales tax arising from a municipal [~~gross~~
7 ~~receipts~~] sales tax rate in excess of one-half [~~of one~~]
8 percent."

9 SECTION 129. Section 7-19D-8 NMSA 1978 (being Laws
10 1993, Chapter 346, Section 8) is amended to read:

11 "7-19D-8. INTERPRETATION OF ACT--ADMINISTRATION AND
12 ENFORCEMENT OF ACT.--

13 A. The department shall interpret the provisions
14 of the Municipal Local Option [~~Gross Receipts Taxes~~] Sales and
15 Use Tax Act.

16 B. The department shall administer and enforce the
17 collection of each tax authorized [~~under~~] by the provisions of
18 the Municipal Local Option [~~Gross Receipts Taxes~~] Sales and
19 Use Tax Act, and the Tax Administration Act applies to the
20 administration and enforcement of each tax."

21 SECTION 130. Section 7-19D-9 NMSA 1978 (being Laws
22 1978, Chapter 151, Section 1, as amended) is amended to read:

23 "7-19D-9. MUNICIPAL [~~GROSS RECEIPTS~~] SALES TAX--
24 AUTHORITY TO IMPOSE RATE.--

25 A. The majority of the members of the governing

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1 body of any municipality may impose by ordinance an excise tax
2 not to exceed a rate of [~~one and one-half~~] two and four
3 hundred sixty-five thousandths percent, except as provided in
4 Paragraph (1) of Subsection D of this section, of the gross
5 receipts of any person engaging in business in the
6 municipality for the privilege of engaging in business in the
7 municipality. The tax imposed pursuant to this section may be
8 referred to as the "municipal sales tax".

9 B. A portion of the tax imposed pursuant to this
10 section shall be imposed by the enactment of one or more
11 ordinances, each imposing any number of municipal [~~gross~~
12 ~~receipts~~] sales tax rate increments, but the total municipal
13 [~~gross receipts~~] sales tax rate imposed by all ordinances
14 pursuant to this subsection shall not exceed an aggregate rate
15 of one and one-half percent of the gross receipts of a person
16 engaging in business. Municipalities may impose increments of
17 one-eighth of one percent.

18 [~~B. The tax imposed pursuant to Subsection A of~~
19 ~~this section may be referred to as the "municipal gross~~
20 ~~receipts tax".]~~

21 C. In addition to the tax rate increments that may
22 be imposed pursuant to Subsection B of this section, there is
23 imposed a tax rate of nine hundred sixty-five thousandths
24 percent, except as provided in Paragraph (2) of Subsection D
25 of this section, of the gross receipts of any person engaging

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1 in business in a municipality. The revenue from the tax rate
2 imposed pursuant to this subsection is dedicated to the
3 payment of any outstanding bonds issued by the municipality to
4 the extent that the municipality by ordinance pledged the
5 revenue received from a distribution pursuant to Section
6 7-1-6.4 NMSA 1978 to the repayment of such bonds, until such
7 time as the bonds are discharged in full or provision has been
8 fully made therefor. If a municipality by ordinance dedicated
9 revenue received from a distribution pursuant to Section
10 7-1-6.4 NMSA 1978 to a purpose other than repayment of bonds,
11 the revenue from the tax rate imposed by this subsection is
12 subject to such dedication; provided that the municipality may
13 change the dedication at any time. If, as of the effective
14 date of this 2017 act, revenue received from a distribution
15 pursuant to Section 7-1-6.4 NMSA 1978 is not dedicated to the
16 repayment of bonds or for any other purpose, the revenue may
17 be used for general purposes.

18 D. On and after January 1, 2019, as determined by
19 the department on or before October 1, 2018, the rates
20 authorized pursuant to Subsections A and C of this section
21 shall be adjusted as follows:

22 (1) the rate authorized pursuant to
23 Subsection A of this section shall be two and four hundred
24 sixty-five thousandths percent, less the difference between
25 one and ninety-eight hundredths percent and a quotient,

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1 rounded up to the nearest one-hundredth percent, of one
2 billion fifty-eight million dollars (\$1,058,000,000) divided
3 by the product of the gross receipts of all persons that
4 engaged in business in the state and were subject to the state
5 sales tax from February 1, 2018 through July 31, 2018
6 multiplied by two and eleven thousandths; and

7 (2) the rate imposed pursuant to Subsection
8 C of this section shall be one and two hundred twenty-five
9 thousandths percent, less the difference between one and
10 ninety-eight hundredths percent and a quotient, rounded up to
11 the nearest one-hundredth percent, of one billion fifty-eight
12 million dollars (\$1,058,000,000) divided by the product of the
13 gross receipts of all persons that engaged in business in the
14 state and were subject to the state sales tax from February 1,
15 2018 through July 31, 2018 multiplied by two and eleven
16 thousandths.

17 ~~[G.]~~ E. The governing body of a municipality may,
18 at the time of enacting an ordinance imposing ~~[the]~~ a tax rate
19 increment authorized in Subsection ~~[A]~~ B of this section,
20 dedicate the revenue for a specific purpose or area of
21 municipal government services, including ~~[but not limited to]~~
22 police protection, fire protection, public transportation or
23 street repair and maintenance. If the governing body proposes
24 to dedicate such revenue, the ordinance and, if any election
25 is held, the ballot shall clearly state the purpose to which

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1 the revenue will be dedicated, and any revenue so dedicated
2 shall be used by the municipality for that purpose unless a
3 subsequent ordinance is adopted to change the purpose to which
4 dedicated or to place the revenue in the general fund of the
5 municipality.

6 ~~[D.]~~ F. An election shall be called on the
7 questions of disapproval or approval of any ordinance enacted
8 pursuant to Subsection ~~[A]~~ B of this section or any ordinance
9 amending such ordinance:

10 (1) if the governing body chooses to provide
11 in the ordinance that it shall not be effective until the
12 ordinance is approved by the majority of the registered voters
13 voting on the question at an election to be held pursuant to
14 the provisions of a home-rule charter or on a date set by the
15 governing body and pursuant to the provisions of the Municipal
16 Election Code governing special elections; or

17 (2) if the ordinance does not contain a
18 mandatory election provision as provided in Paragraph (1) of
19 this subsection, upon the filing of a petition requesting such
20 an election if the petition is filed:

21 (a) pursuant to the requirements of a
22 referendum provision contained in a municipal home-rule
23 charter and signed by the number of registered voters in the
24 municipality equal to the number of registered voters required
25 in its charter to seek a referendum; or

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1 (b) in all other municipalities, with
2 the municipal clerk within thirty days after the adoption of
3 such ordinance and the petition has been signed by a number of
4 registered voters in the municipality equal to at least five
5 percent of the number of the voters in the municipality who
6 were registered to vote in the most recent regular municipal
7 election.

8 [~~E~~] G. The signatures on the petition filed in
9 accordance with Subsection [~~D~~] F of this section shall be
10 verified by the municipal clerk. If the petition is verified
11 by the municipal clerk as containing the required number of
12 signatures of registered voters, the governing body shall
13 adopt an election resolution calling for the holding of a
14 special election on the question of approving or disapproving
15 the ordinance unless the ordinance is repealed before the
16 adoption of the election resolution. An election held
17 pursuant to Subparagraph (a) or (b) of Paragraph (2) of
18 Subsection [~~D~~] F of this section shall be called, conducted
19 and canvassed as provided in the Municipal Election Code for
20 special elections, and the election shall be held within
21 seventy-five days after the date the petition is verified by
22 the municipal clerk or it may be held in conjunction with a
23 regular municipal election if such election occurs within
24 seventy-five days after the date of verification by the
25 municipal clerk.

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1 ~~[F.]~~ H. If at an election called pursuant to
2 Subsection ~~[D]~~ F of this section a majority of the registered
3 voters voting on the question approves the ordinance imposing
4 the tax, the ordinance shall become effective in accordance
5 with the provisions of the Municipal Local Option ~~[Gross~~
6 ~~Receipts Taxes]~~ Sales and Use Tax Act. If at such an election
7 a majority of the registered voters voting on the question
8 disapproves the ordinance, the ordinance imposing the tax
9 shall be deemed repealed and the question of imposing any
10 increment of the municipal ~~[gross receipts]~~ sales tax
11 authorized in this section shall not be considered again by
12 the governing body for a period of one year from the date of
13 the election.

14 ~~[G.]~~ I. Any municipality that has lawfully
15 imposed, by the requirements of the Special Municipal Gross
16 Receipts Tax Act, a rate of at least one-fourth of one percent
17 shall be deemed to have imposed one-fourth of one percent
18 municipal gross receipts tax pursuant to this section. Any
19 rate of tax deemed to be imposed pursuant to this subsection
20 shall continue to be dedicated to the payment of outstanding
21 bonds issued by the municipality that pledged the tax revenues
22 by ordinance until such time as the bonds are fully paid. A
23 municipality may by ordinance change the purpose for any rate
24 of tax deemed to be imposed at any time the revenues are not
25 committed to payment of bonds.

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1 [~~H.~~] J. Any law that imposes or authorizes the
2 imposition of a municipal [~~gross receipts~~] sales tax or that
3 affects the municipal [~~gross receipts~~] sales tax, or any law
4 supplemental thereto or otherwise appertaining thereto, shall
5 not be repealed or amended or otherwise directly or indirectly
6 modified in such a manner as to impair adversely any
7 outstanding revenue bonds that may be secured by a pledge of
8 such municipal [~~gross receipts~~] sales tax unless such
9 outstanding revenue bonds have been discharged in full or
10 provision has been fully made therefor."

11 **SECTION 131.** A new section of the Municipal Local
12 Option Sales and Use Tax Act is enacted to read:

13 "[NEW MATERIAL] MUNICIPAL USE TAX.--

14 A. For the privilege of using tangible personal
15 property in a municipality, there is imposed on the person
16 using the property an excise tax at a rate equal to the
17 combined rates imposed and in effect pursuant to the
18 Supplemental Municipal Sales Tax Act and the Municipal Local
19 Option Sales and Use Tax Act of the value of tangible property
20 that was:

- 21 (1) manufactured by the person using the
- 22 property in the state; or
- 23 (2) acquired inside or outside of this state
- 24 as the result of a transaction with a person located outside
- 25 this state that would have been subject to the state sales tax

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1 had the tangible personal property been acquired from a person
2 with nexus with New Mexico.

3 B. For the purpose of Subsection A of this
4 section, the value of tangible property shall be the adjusted
5 basis of the property for federal income tax purposes
6 determined as of the time of acquisition or introduction into
7 this state or of conversion to use, whichever is later. If no
8 adjusted basis for federal income tax purposes is established
9 for the property, a reasonable value of the property shall be
10 used.

11 C. For the privilege of using a license or
12 franchise in a municipality, there is imposed on the person
13 using the license or franchise an excise tax equal to the tax
14 rate provided in Subsection A of this section against the
15 value of the property in its use in the municipality. For use
16 of a license or franchise to be taxable under this subsection,
17 the property must have been sold, leased or licensed by a
18 person outside this state and the receipts from the sale,
19 lease or licensing of the license or franchise must not have
20 been subject to the state sales tax.

21 D. For the privilege of using services rendered in
22 a municipality, there is imposed on the person using such
23 services an excise tax at the rate provided in Subsection A of
24 this section of the value of the services at the time they
25 were rendered. For use of services to be taxable under this

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1 subsection, the services must have been performed by a person
2 outside this state and receipts from the performance or sale
3 of the services not subject to the state sales tax.

4 E. The governing body of a municipality may
5 dedicate the revenue from the tax imposed pursuant to this
6 section for any municipal purpose. If the governing body
7 proposes to dedicate revenue for a specific purpose, the
8 dedicated revenue shall be used by the municipality for that
9 purpose unless a subsequent ordinance is adopted to change the
10 purpose to which the revenue is dedicated or to place the
11 revenue in the general fund of the municipality.

12 F. Any law that affects the municipal use tax, or
13 any law supplemental or otherwise appertaining thereto, shall
14 not be repealed or amended or otherwise directly or indirectly
15 modified in such a manner as to impair adversely any
16 outstanding revenue bonds that may be secured by a pledge of
17 such municipal use tax unless such outstanding revenue bonds
18 have been discharged in full or provision has been fully made
19 therefor.

20 G. The tax imposed by this section may be cited as
21 the "municipal use tax".

22 SECTION 132. Section 7-19D-10 NMSA 1978 (being Laws
23 1990, Chapter 99, Section 51, as amended) is amended to read:

24 "7-19D-10. MUNICIPAL ENVIRONMENTAL SERVICES [~~GROSS~~
25 ~~RECEIPTS~~] SALES TAX--AUTHORITY TO IMPOSE--ORDINANCE

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1 REQUIREMENTS.--

2 A. Except as otherwise provided in this section,
3 the majority of the members of the governing body of a
4 municipality may enact an ordinance imposing an excise tax on
5 any person engaging in business in the municipality for the
6 privilege of engaging in business. The rate of the tax shall
7 be one-sixteenth [~~of one~~] percent of the gross receipts of the
8 person engaging in business.

9 B. The tax imposed in accordance with Subsection A
10 of this section may be referred to as the "municipal
11 environmental services [~~gross receipts~~] sales tax". The
12 imposition of a municipal environmental services [~~gross~~
13 ~~receipts~~] sales tax is not subject to referendum.

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

20 D. The governing body of a municipality in a class
21 B county with a net taxable value used for rate-setting
22 purposes for the 2008 property tax year of greater than seven
23 hundred fifty million dollars (\$750,000,000) and a population
24 in the entire county according to the most recent federal
25 decennial census of less than twenty-five thousand may enact

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1 an ordinance imposing an excise tax on any person engaging in
2 business in the municipality for the privilege of engaging in
3 business; provided that:

4 (1) the rate of the tax imposed shall not
5 exceed one-half [~~of one~~] percent of the gross receipts of the
6 person engaging in business;

7 (2) the tax is imposed in one-fourth [~~of~~
8 ~~one~~] percent increments; and

9 (3) the population of the municipality
10 imposing the municipal environmental services [~~gross receipts~~]
11 sales tax according to the most recent federal decennial
12 census is:

13 (a) more than seven thousand five
14 hundred but less than seven thousand eight hundred; or

15 (b) more than one thousand five hundred
16 but less than two thousand."

17 **SECTION 133.** Section 7-19D-11 NMSA 1978 (being Laws
18 1991, Chapter 9, Section 3, as amended) is amended to read:

19 "7-19D-11. MUNICIPAL INFRASTRUCTURE [~~GROSS RECEIPTS~~]
20 SALES TAX--AUTHORITY BY MUNICIPALITY TO IMPOSE--ORDINANCE
21 REQUIREMENTS--ELECTION.--

22 A. A majority of the members of the governing body
23 of a municipality may enact an ordinance imposing an excise
24 tax on any person engaging in business in the municipality for
25 the privilege of engaging in business. The rate of the tax

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1 shall not exceed one-fourth [~~of one~~] percent of the gross
2 receipts of the person engaging in business and may be imposed
3 in one-sixteenth [~~of one~~] percent increments by separate
4 ordinances. Any ordinance enacting any increment of the first
5 one-eighth [~~of one~~] percent of the tax is not subject to a
6 referendum of any kind, notwithstanding any requirement of any
7 charter municipality, except that an increment that is imposed
8 after July 1, 1998 for economic development purposes set forth
9 in Paragraph (5) of Subsection C of this section shall be
10 subject to a referendum as provided in Subsection D of this
11 section.

12 B. The tax imposed pursuant to Subsection A of
13 this section may be referred to as the "municipal
14 infrastructure [~~gross receipts~~] sales tax".

15 C. The governing body of a municipality, at the
16 time of enacting any ordinance imposing the rate of the tax
17 authorized in Subsection A of this section, may dedicate the
18 revenue for:

19 (1) payment of special obligation bonds
20 issued pursuant to a revenue bond act;

21 (2) repair, replacement, construction or
22 acquisition of infrastructure improvements, including sanitary
23 sewer lines, storm sewers and other drainage improvements,
24 water, water rights, water lines and utilities, streets,
25 alleys, rights of way, easements, international ports of entry

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1 and land within the municipality or within the
2 extraterritorial zone of the municipality;

3 (3) municipal general purposes;

4 (4) acquiring, constructing, extending,
5 bettering, repairing or otherwise improving or operating or
6 maintaining public transit systems or regional transit systems
7 or authorities; and

8 (5) furthering or implementing economic
9 development plans and projects as defined in the Local
10 Economic Development Act or projects as defined in the
11 Statewide Economic Development Finance Act, and use of not
12 more than the greater of fifty thousand dollars (\$50,000) or
13 ten percent of the revenue collected for promotion and
14 administration of or professional services contracts related
15 to implementation of an economic development plan adopted by
16 the governing body pursuant to the Local Economic Development
17 Act and in accordance with law.

18 D. An ordinance imposing any increment of the
19 municipal infrastructure [~~gross receipts~~] sales tax in excess
20 of the first one-eighth [~~of one~~] percent or any increment
21 imposed after July 1, 1998 for economic development purposes
22 set forth in Paragraph (5) of Subsection C of this section
23 shall not go into effect until after an election is held and a
24 majority of the voters of the municipality voting in the
25 election votes in favor of imposing the tax. The governing

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1 body shall adopt a resolution calling for an election within
2 seventy-five days of the date the ordinance is adopted on the
3 question of imposing the tax. The question shall be submitted
4 to the voters of the municipality as a separate question at a
5 regular municipal election or at a special election called for
6 that purpose by the governing body. A special municipal
7 election shall be called, conducted and canvassed as provided
8 in the Municipal Election Code. If a majority of the voters
9 voting on the question approves the ordinance imposing the
10 municipal infrastructure [~~gross receipts~~] sales tax, then the
11 ordinance shall become effective in accordance with the
12 provisions of the Municipal Local Option [~~Gross Receipts~~
13 ~~Taxes~~] Sales and Use Tax Act. If the question of imposing the
14 municipal infrastructure [~~gross receipts~~] sales tax fails, the
15 governing body shall not again propose the imposition of any
16 increment of the tax in excess of the first one-eighth [~~of~~
17 ~~one~~] percent for a period of one year from the date of the
18 election."

19 SECTION 134. Section 7-19D-12 NMSA 1978 (being Laws
20 2001, Chapter 172, Section 1, as amended) is amended to read:

21 "7-19D-12. MUNICIPAL CAPITAL OUTLAY [~~GROSS RECEIPTS~~]
22 SALES TAX--PURPOSES--REFERENDUM.--

23 A. The majority of the members of the governing
24 body of a municipality may enact an ordinance imposing an
25 excise tax at a rate not to exceed one-fourth [~~of one~~] percent

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1 of the gross receipts of any person engaging in business in
2 the municipality for the privilege of engaging in business.
3 The tax may be imposed in increments of one-sixteenth [~~of one~~]
4 percent not to exceed an aggregate rate of one-fourth [~~of one~~]
5 percent.

6 B. The tax imposed pursuant to Subsection A of
7 this section may be referred to as the "municipal capital
8 outlay [~~gross receipts~~] sales tax".

9 C. The governing body, at the time of enacting an
10 ordinance imposing a rate of tax authorized in Subsection A of
11 this section, may dedicate the revenue for any municipal
12 infrastructure purpose, including:

13 (1) the design, construction, acquisition,
14 improvement, renovation, rehabilitation, equipping or
15 furnishing of public buildings or facilities, including
16 parking facilities, the acquisition of land for the public
17 buildings or facilities and the acquisition or improvement of
18 the grounds surrounding public buildings or facilities;

19 (2) acquisition, construction or improvement
20 of water, wastewater or solid waste systems or facilities and
21 related facilities, including water or sewer lines and storm
22 sewers and other drainage improvements;

23 (3) acquisition, rehabilitation or
24 improvement of firefighting equipment;

25 (4) construction, reconstruction or

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1 improvement of municipal streets, alleys, roads or bridges,
2 including acquisition of rights of way;

3 (5) design, construction, acquisition,
4 improvement or equipping of airport facilities, including
5 acquisition of land, easements or rights of way for airport
6 facilities;

7 (6) acquisition of land for open space,
8 public parks or public recreational facilities and the design,
9 acquisition, construction, improvement or equipping of parks
10 and recreational facilities; and

11 (7) payment of [~~gross receipts~~] sales tax
12 revenue bonds issued pursuant to Chapter 3, Article 31 NMSA
13 1978 for infrastructure purposes.

14 D. An ordinance imposing the municipal capital
15 outlay [~~gross receipts~~] sales tax shall not go into effect
16 until after an election is held on the question of imposing
17 the tax for the purpose for which the revenue is dedicated and
18 a majority of the voters in the municipality voting in the
19 election votes in favor of imposing the tax. The governing
20 body shall adopt a resolution calling for an election within
21 seventy-five days of the date the ordinance is adopted on the
22 question of imposing the tax. The question shall be submitted
23 to the voters of the municipality as a separate question at a
24 general election or at a special election called for that
25 purpose by the governing body. A special election shall be

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1 called, conducted and canvassed in substantially the same
2 manner as provided by law for general elections. If a
3 majority of the voters voting on the question approves the
4 question of imposing the municipal capital outlay [~~gross~~
5 ~~receipts~~] sales tax, then the ordinance shall become effective
6 in accordance with the provisions of the Municipal Local
7 Option [~~Gross Receipts Taxes~~] Sales and Use Tax Act. If the
8 question of imposing the municipal capital outlay [~~gross~~
9 ~~receipts~~] sales tax fails, the governing body shall not again
10 propose the imposition of the tax for a period of one year
11 from the date of the election."

12 SECTION 135. Section 7-19D-14 NMSA 1978 (being Laws
13 2005, Chapter 212, Section 2) is amended to read:

14 "7-19D-14. QUALITY OF LIFE [~~GROSS RECEIPTS~~] SALES TAX--
15 AUTHORITY TO IMPOSE--ORDINANCE REQUIREMENTS--USE OF REVENUE--
16 ELECTION.--

17 A. Prior to January 1, 2016, the majority of the
18 members of the governing body of a municipality may enact an
19 ordinance imposing an excise tax at a rate not to exceed one-
20 fourth percent of the gross receipts of a person engaging in
21 business in the municipality for the privilege of engaging in
22 business. The tax may be imposed in one or more increments of
23 one-sixteenth percent not to exceed an aggregate rate of one-
24 fourth percent. The tax shall be imposed for a period of not
25 more than ten years from the effective date of the ordinance

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1 imposing the tax. Having enacted an ordinance imposing the
2 tax prior to January 1, 2016 pursuant to the provisions of
3 this section, the governing body may enact subsequent
4 ordinances for succeeding periods of not more than ten years;
5 provided that each ordinance meets the requirements of this
6 section and of the Municipal Local Option [~~Gross Receipts~~
7 ~~Taxes~~] Sales and Use Tax Act. The tax imposed pursuant to the
8 provisions of this section may be referred to as the "quality
9 of life [~~gross receipts~~] sales tax".

10 B. The governing body, at the time of enacting an
11 ordinance imposing the quality of life [~~gross receipts~~] sales
12 tax, shall dedicate the revenue to cultural programs and
13 activities provided by a local government and to cultural
14 programs, events and activities provided by contract or
15 operating agreement with nonprofit or publicly owned cultural
16 organizations and institutions.

17 C. An ordinance imposing any increment of the
18 quality of life [~~gross receipts~~] sales tax shall not go into
19 effect until after an election is held and a majority of the
20 voters in the municipality voting in the election votes in
21 favor of imposing the tax. The governing body shall adopt a
22 resolution calling for an election within ninety days of the
23 date the ordinance is adopted on the question of imposing the
24 tax. The question may be submitted to the voters as a
25 separate question at a general election or at a special

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1 election called for that purpose by the governing body. A
2 special election shall be called, conducted and canvassed in
3 substantially the same manner as provided by law for general
4 elections. In any election held, the ballot shall clearly
5 state the purpose to which the revenue will be dedicated
6 pursuant to this section. If a majority of the voters voting
7 on the question approves the ordinance imposing the quality of
8 life [~~gross receipts~~] sales tax, the ordinance shall become
9 effective in accordance with the provisions of the Municipal
10 Local Option [~~Gross Receipts Taxes~~] Sales and Use Tax Act. If
11 the question of imposing the quality of life [~~gross receipts~~]
12 sales tax fails, the governing body shall not again propose
13 the imposition of the tax for a period of one year from the
14 date of the election.

15 D. The quality of life [~~gross receipts~~] sales tax
16 revenue shall be used to meet the following goals: promoting
17 and preserving cultural diversity; enhancing the quality of
18 cultural programs and activities; fostering greater access to
19 cultural opportunities; promoting culture in order to further
20 economic development within the municipality; and supporting
21 programs, events and organizations with direct, identifiable
22 and measurable public benefit to residents of the
23 municipality. It is the objective of the quality of life
24 [~~gross receipts~~] sales tax that the revenue from the tax be
25 used to expand and sustain existing programs and to develop

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1 new programs, events and activities, rather than to replace
2 other funding sources for existing programs, events and
3 activities.

4 E. The governing body of a municipality that
5 imposes the quality of life [~~gross receipts~~] sales tax shall,
6 within sixty days of the election approving the imposition of
7 the tax, appoint a municipal cultural advisory board
8 consisting of between nine and fifteen members. Persons
9 appointed to the board shall be residents of the municipality
10 who are knowledgeable about the activities eligible for
11 quality of life tax funding. The members of the board shall
12 be appointed for fixed terms and shall not be removed during
13 their terms except for malfeasance. The terms of the initial
14 board members shall be staggered so that one-third of the
15 members are appointed for one-year terms, one-third are
16 appointed for two-year terms and one-third are appointed for
17 three-year terms. Subsequent appointments to the board shall
18 be for three-year terms. If a vacancy on the board occurs,
19 the governing body shall appoint a replacement member for the
20 remainder of the unexpired term. A board member shall not
21 serve for more than two consecutive terms.

22 F. The municipal cultural advisory board shall
23 have the responsibility of overseeing the distribution of the
24 quality of life [~~gross receipts~~] sales tax revenue for the
25 goals listed in Subsection D of this section. The board

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1 shall:

2 (1) biennially submit recommendations to the
3 governing body for expenditures of revenue from the quality of
4 life [~~gross receipts~~] sales tax that are allocated pursuant to
5 this section through contracts for services with appropriate
6 organizations and institutions;

7 (2) establish and publicize the necessary
8 qualifications for organizations and institutions to receive
9 quality of life [~~gross receipts~~] sales tax funding; and

10 (3) develop guidelines and procedures for
11 applying for funding through a request for proposals process
12 and the criteria by which contracts will be awarded. The
13 evaluation process shall include a public review component.

14 G. The municipal cultural advisory board shall
15 establish reporting requirements for recipients of the quality
16 of life [~~gross receipts~~] sales tax revenue. The board shall
17 provide to the governing body an annual evaluation of the use
18 of revenue from the quality of life [~~gross receipts~~] sales tax
19 to ensure that it is meeting the goals listed in Subsection D
20 of this section.

21 H. Every four years, the municipal cultural
22 advisory board shall review and revise as necessary:

23 (1) the guidelines and procedures for
24 applying for funding; and

25 (2) the criteria by which applications for

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1 funding will be evaluated.

2 I. As used in this section:

3 (1) "cultural organizations and
4 institutions" means organizations or institutions that have as
5 a primary purpose the advancement or preservation of zoology,
6 museums, library sciences, art, music, theater, dance,
7 literature or the humanities; and

8 (2) "municipality" means an incorporated
9 municipality except for an incorporated municipality with a
10 population in excess of two hundred fifty thousand according
11 to the most recent federal decennial census."

12 SECTION 136. Section 7-19D-15 NMSA 1978 (being Laws
13 2006, Chapter 15, Section 14) is amended to read:

14 "7-19D-15. MUNICIPAL REGIONAL SPACEPORT [~~GROSS~~
15 ~~RECEIPTS~~] SALES TAX--AUTHORITY TO IMPOSE--RATE--ELECTION
16 REQUIRED.--

17 A. A majority of the members of the governing body
18 of a municipality that desires to become a member of a
19 regional spaceport district pursuant to the Regional Spaceport
20 District Act shall impose by ordinance an excise tax at a rate
21 not to exceed one-half percent of the gross receipts of a
22 person engaging in business in the municipality for the
23 privilege of engaging in business. A tax imposed pursuant to
24 this section may be imposed by one or more ordinances, each
25 imposing any number of tax rate increments, but an increment

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1 shall not be less than one-sixteenth percent of the gross
2 receipts of a person engaging in business in the municipality,
3 and the aggregate of all rates shall not exceed one-half
4 percent of the gross receipts of a person engaging in business
5 in the municipality. The tax may be referred to as the
6 "municipal regional spaceport [~~gross receipts~~] sales tax".

7 B. A governing body, at the time of enacting an
8 ordinance imposing a tax authorized in Subsection A of this
9 section, shall dedicate a minimum of seventy-five percent of
10 the revenue to a regional spaceport district for the
11 financing, planning, designing, engineering and construction
12 of a regional spaceport pursuant to the Regional Spaceport
13 District Act and may dedicate no more than twenty-five percent
14 of the revenue for spaceport-related projects as approved by
15 resolution of the governing body of the municipality.

16 C. An ordinance imposing a municipal regional
17 spaceport [~~gross receipts~~] sales tax shall not go into effect
18 until after an election is held and a majority of the voters
19 of the municipality voting in the election votes in favor of
20 imposing the tax. The governing body shall adopt a resolution
21 calling for an election within seventy-five days of the date
22 the ordinance is adopted on the question of imposing the tax.
23 The question shall be submitted to the voters of the
24 municipality as a separate question at a regular municipal
25 election or at a special election called for that purpose by

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1 the governing body. A special municipal election shall be
2 called, conducted and canvassed as provided in the Municipal
3 Election Code. If a majority of the voters voting on the
4 question approves the ordinance imposing the municipal
5 regional spaceport [~~gross receipts~~] sales tax, the ordinance
6 shall become effective in accordance with the provisions of
7 the Municipal Local Option [~~Gross Receipts Taxes~~] Sales and
8 Use Tax Act. If the question of imposing the municipal
9 regional spaceport [~~gross receipts~~] sales tax fails, the
10 governing body shall not again propose the imposition of an
11 increment of the tax for a period of one year from the date of
12 the election.

13 D. The governing body of a municipality imposing
14 the municipal regional spaceport [~~gross receipts~~] sales tax
15 shall transfer a minimum of seventy-five percent of all
16 proceeds from the tax to the regional spaceport district of
17 which it is a member for regional spaceport purposes in
18 accordance with the provisions of the Regional Spaceport
19 District Act. The governing body of a municipality imposing
20 the municipal regional spaceport [~~gross receipts~~] sales tax
21 may retain no more than twenty-five percent of the municipal
22 regional spaceport [~~gross receipts~~] sales tax for spaceport-
23 related projects as approved by resolution of the governing
24 body."

25 SECTION 137. Section 7-19D-16 NMSA 1978 (being Laws

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1 2007, Chapter 148, Section 1) is amended to read:

2 "7-19D-16. MUNICIPAL HIGHER EDUCATION FACILITIES [~~GROSS~~
3 ~~RECEIPTS~~] SALES TAX.--

4 A. The majority of the members of the governing
5 body of an eligible municipality may impose by ordinance an
6 excise tax at a rate not to exceed one-fourth [~~of one~~] percent
7 of the gross receipts of a person engaging in business in the
8 municipality for the privilege of engaging in business. The
9 tax may be imposed in increments of one-sixteenth [~~of one~~]
10 percent not to exceed an aggregate rate of one-fourth [~~of one~~]
11 percent. The tax shall be imposed for a period of not more
12 than twenty years from the effective date of the ordinance
13 imposing the tax.

14 B. The tax imposed pursuant to this section may be
15 referred to as the "municipal higher education facilities
16 [~~gross receipts~~] sales tax".

17 C. The governing body, at the time of enacting an
18 ordinance imposing a rate of tax authorized in Subsection A of
19 this section, shall dedicate the revenue only for:

20 (1) acquisition, construction, renovation or
21 improvement of facilities of a four-year post-secondary public
22 educational institution located in the municipality and
23 acquisition of or improvements to land for those facilities;
24 or

25 (2) payment of municipal higher education

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1 facilities [~~gross receipts~~] sales tax revenue bonds issued
2 pursuant to Chapter 3, Article 31 NMSA 1978.

3 D. An ordinance imposing any increment of the
4 municipal higher education facilities [~~gross receipts~~] sales
5 tax shall not go into effect until after an election is held
6 and a majority of the voters of the municipality voting in the
7 election votes in favor of imposing the tax. The governing
8 body shall adopt a resolution calling for an election on the
9 question of imposing the tax at the next regular municipal
10 election. The question shall be submitted to the voters of
11 the municipality as a separate question. If a majority of the
12 voters voting on the question approves the ordinance imposing
13 the municipal higher education facilities [~~gross receipts~~]
14 sales tax, the ordinance shall become effective in accordance
15 with the provisions of the Municipal Local Option [~~Gross~~
16 ~~Receipts Taxes~~] Sales and Use Tax Act. If the question of
17 imposing the municipal higher education facilities [~~gross~~
18 ~~receipts~~] sales tax fails, the governing body shall not again
19 propose the imposition of any increment of the tax for a
20 period of one year from the date of the election.

21 E. For the purposes of this section, "eligible
22 municipality" means a municipality that has a population
23 greater than fifty thousand according to the most recent
24 federal decennial census and that is located in a class B
25 county having a net taxable value for rate-setting purposes

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1 for the 2006 property tax year or any subsequent year of more
2 than two billion dollars (\$2,000,000,000)."

3 SECTION 138. Section 7-19D-17 NMSA 1978 (being Laws
4 2012, Chapter 58, Section 1) is amended to read:

5 "7-19D-17. FEDERAL WATER PROJECT [~~GROSS RECEIPTS~~] SALES
6 TAX--AUTHORIZATION--USE OF REVENUE--REFERENDUM.--

7 A. A majority of the members of the governing body
8 of a municipality may enact an ordinance imposing an excise
9 tax on any person engaging in business in the municipality for
10 the privilege of engaging in business. The rate of the tax
11 shall not exceed one-fourth percent of the gross receipts of
12 the person engaging in business. An ordinance enacting the
13 tax authorized by this section is subject to a positive
14 referendum.

15 B. The tax imposed pursuant to this section may be
16 referred to as the "federal water project [~~gross receipts~~]
17 sales tax".

18 C. The governing body of a municipality, at the
19 time of enacting an ordinance imposing the rate of the tax
20 authorized in this section, shall dedicate the revenue for the
21 repayment of loan obligations to the federal government for
22 the construction, expansion, operation and maintenance of a
23 water delivery system and for the expansion, operation and
24 maintenance of that water delivery system after the loan
25 obligation to the federal government is retired or repaid.

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1 The revenue from the [~~federal water project gross receipts~~]
2 tax shall not be dedicated to repay revenue bonds or any other
3 form of bonds.

4 D. An ordinance imposing the federal water project
5 [~~gross receipts~~] sales tax shall not go into effect until an
6 election is held and a majority of the voters of the
7 municipality voting in the election votes in favor of imposing
8 the tax. The governing body shall adopt a resolution calling
9 for an election within seventy-five days of the date the
10 ordinance is adopted on the question of imposing the tax. The
11 question shall be submitted to the voters of the municipality
12 as a separate question at a regular municipal election or at a
13 special election called for that purpose by the governing
14 body. A special municipal election shall be called, conducted
15 and canvassed as provided in the Municipal Election Code. If
16 a majority of the voters voting on the question approves the
17 ordinance imposing the federal water project [~~gross receipts~~]
18 sales tax, then the ordinance shall become effective on
19 January 1 or July 1 in accordance with the provisions of the
20 Municipal Local Option [~~Gross Receipts Taxes~~] Sales and Use
21 Tax Act. If the question of imposing the federal water
22 project [~~gross receipts~~] sales tax fails, the governing body
23 shall not again propose the imposition of the tax for a period
24 of one year from the date of the election.

25 E. A municipality that imposed a federal water

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1 project [~~gross receipts~~] sales tax pursuant to this section
2 shall not also impose a municipal capital outlay [~~gross~~
3 ~~receipts~~] sales tax.

4 F. As used in this section, "municipality" means
5 an incorporated municipality that has a population pursuant to
6 the most recent federal decennial census of greater than
7 twenty thousand but less than twenty-five thousand and is
8 located in a class B county."

9 SECTION 139. Section 7-19D-18 NMSA 1978 (being Laws
10 2013, Chapter 160, Section 11) is amended to read:

11 "7-19D-18. MUNICIPAL HOLD HARMLESS [~~GROSS RECEIPTS~~]
12 SALES TAX.--

13 A. The majority of the members of the governing
14 body of any municipality may impose by ordinance an excise tax
15 not to exceed a rate of three-eighths percent of the gross
16 receipts of any person engaging in business in the
17 municipality for the privilege of engaging in business in the
18 municipality. A tax imposed pursuant to this section shall be
19 imposed by the enactment of one or more ordinances, each
20 imposing any number of [~~gross receipts tax rate~~] increments,
21 but the total [~~gross receipts tax~~] rate imposed by all
22 ordinances pursuant to this section shall not exceed an
23 aggregate rate of three-eighths percent of the gross receipts
24 of a person engaging in business. Municipalities may impose
25 increments of one-eighth [~~of one~~] percent.

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1 B. The tax imposed pursuant to Subsection A of
2 this section may be referred to as the "municipal hold
3 harmless [~~gross receipts~~] sales tax". The imposition of a
4 municipal hold harmless [~~gross receipts~~] sales tax is not
5 subject to referendum.

6 C. The governing body of a municipality may, at
7 the time of enacting an ordinance imposing the tax authorized
8 in Subsection A of this section, dedicate the revenue for a
9 specific purpose or area of municipal government services,
10 including [~~but not limited to~~] police protection, fire
11 protection, public transportation or street repair and
12 maintenance. If the governing body proposes to dedicate such
13 revenue, the ordinance and any revenue so dedicated shall be
14 used by the municipality for that purpose unless a subsequent
15 ordinance is adopted to change the purpose to which the
16 revenue is dedicated or to place the revenue in the general
17 fund of the municipality.

18 D. Any law that imposes or authorizes the
19 imposition of a municipal hold harmless [~~gross receipts~~] sales
20 tax or that affects the municipal hold harmless [~~gross~~
21 ~~receipts~~] sales tax, or any law supplemental thereto or
22 otherwise appertaining thereto, shall not be repealed or
23 amended or otherwise directly or indirectly modified in such a
24 manner as to impair adversely any outstanding revenue bonds
25 that may be secured by a pledge of such municipal hold

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1 harmless [~~gross receipts~~] sales tax unless such outstanding
2 revenue bonds have been discharged in full or provision has
3 been fully made therefor."

4 SECTION 140. Section 7-20C-1 NMSA 1978 (being Laws
5 1991, Chapter 176, Section 1) is amended to read:

6 "7-20C-1. SHORT TITLE.--~~[Sections 1 through 15 of this~~
7 ~~act]~~ Chapter 7, Article 20C NMSA 1978 may be cited as the
8 "Local Hospital [~~Gross Receipts~~] Sales Tax Act."

9 SECTION 141. Section 7-20C-2 NMSA 1978 (being Laws
10 1991, Chapter 176, Section 2, as amended) is amended to read:

11 "7-20C-2. DEFINITIONS.--As used in the Local Hospital
12 [~~Gross Receipts~~] Sales Tax Act:

13 A. "county" means:

14 (1) a class B county having a population of
15 less than twenty-five thousand according to the most recent
16 federal decennial census and having a net taxable value for
17 rate-setting purposes for the 1990 property tax year or any
18 subsequent year of more than two hundred fifty million dollars
19 (\$250,000,000);

20 (2) a class B county having a population of
21 less than forty-seven thousand but more than forty-four
22 thousand according to the 1990 federal decennial census and
23 having a net taxable value for rate-setting purposes for the
24 1992 property tax year of more than three hundred million
25 dollars (\$300,000,000) but less than six hundred million

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1 dollars (\$600,000,000);

2 (3) a class B county having a population of
3 less than ten thousand according to the most recent federal
4 decennial census and having a net taxable value for rate-
5 setting purposes for the 1990 property tax year or any
6 subsequent year of more than one hundred million dollars
7 (\$100,000,000);

8 (4) a class B county having a population of
9 less than twenty-five thousand according to the 1990 federal
10 decennial census and having a net taxable value for rate-
11 setting purposes for the 1993 property tax year of more than
12 ninety-one million dollars (\$91,000,000) but less than one
13 hundred twenty-five million dollars (\$125,000,000);

14 (5) a class B county having a population of
15 more than seventeen thousand but less than twenty thousand
16 according to the 1990 federal decennial census and having a
17 net taxable value for rate-setting purposes for the 1993
18 property tax year of more than one hundred fifty-three million
19 dollars (\$153,000,000) but less than one hundred fifty-six
20 million dollars (\$156,000,000);

21 (6) a class B county having a population of
22 more than fifteen thousand according to the 1990 federal
23 decennial census and having a net taxable value for rate-
24 setting purposes for the 1996 property tax year of more than
25 one hundred fifty million dollars (\$150,000,000) but less than

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1 one hundred seventy-five million dollars (\$175,000,000);

2 (7) an H class county;

3 (8) a class A county having a population of
4 less than one hundred fifteen thousand according to the 2000
5 federal decennial census or any subsequent federal decennial
6 census and having a net taxable value for rate-setting
7 purposes for the 2001 property tax year or any subsequent year
8 of more than three billion dollars (\$3,000,000,000); or

9 (9) a class B county having a population of
10 more than three thousand five hundred but less than ten
11 thousand five hundred according to the 2000 federal decennial
12 census or any subsequent federal decennial census and having a
13 net taxable value for rate-setting purposes for the 2005
14 property tax year or any subsequent year of more than one
15 hundred million dollars (\$100,000,000) and less than one
16 hundred sixteen million five hundred thousand dollars
17 (\$116,500,000);

18 B. "department" means the taxation and revenue
19 department, the secretary of taxation and revenue or any
20 employee of the department exercising authority lawfully
21 delegated to that employee by the secretary;

22 C. "governing body" means the board of county
23 commissioners of a county;

24 D. "health care facilities contract" means an
25 agreement between a hospital or health clinic not owned by the

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1 county and a county imposing the tax authorized by the Local
2 Hospital [~~Gross Receipts~~] Sales Tax Act that obligates the
3 county to pay to the hospital revenue generated by the tax
4 authorized in that act as consideration for the agreement by
5 the hospital or health clinic to use the funds only for
6 nonsectarian purposes and to make health care services
7 available for the benefit of the county;

8 E. "hospital facility revenues" means all or a
9 portion of the revenues derived from a lease of a hospital
10 facility acquired, constructed or equipped pursuant to and
11 operated in accordance with the Local Hospital [~~Gross~~
12 ~~Receipts~~] Sales Tax Act;

13 F. "local hospital [~~gross receipts~~] sales tax"
14 means the tax authorized to be imposed under the Local
15 Hospital [~~Gross Receipts~~] Sales Tax Act;

16 G. "person" means an individual or any other legal
17 entity; and

18 H. "state [~~gross receipts~~] sales tax" means the
19 gross receipts tax imposed under the [~~Gross Receipts and~~
20 ~~Compensating~~] Sales and Use Tax Act."

21 SECTION 142. Section 7-20C-3 NMSA 1978 (being Laws
22 1991, Chapter 176, Section 3, as amended) is amended to read:

23 "7-20C-3. LOCAL HOSPITAL [~~GROSS RECEIPTS~~] SALES TAX--
24 AUTHORITY TO IMPOSE--ORDINANCE REQUIREMENTS.--

25 A. A majority of the members elected to the

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1 governing body of a county may enact an ordinance imposing an
2 excise tax on a person engaging in business in the county for
3 the privilege of engaging in business. This tax is to be
4 referred to as the "local hospital [~~gross receipts~~] sales
5 tax". The rate of the tax shall be:

6 (1) one-half percent of the gross receipts
7 of the person engaging in business if the tax is initially
8 imposed before January 1, 1993;

9 (2) one-eighth percent of the gross receipts
10 of the person engaging in business if the tax is initially
11 imposed after January 1, 1993; and

12 (3) a rate not to exceed one-half percent of
13 the gross receipts of the person engaging in business if the
14 tax is imposed after July 1, 1996 in a county described in
15 Paragraph (4), (6), (7) or (8) of Subsection A of Section
16 7-20C-2 NMSA 1978; provided that the tax may be imposed in any
17 number of increments of one-eighth percent not to exceed an
18 aggregate rate of one-half percent of gross receipts.

19 B. The local hospital [~~gross receipts~~] sales tax
20 imposed:

21 (1) initially before January 1, 1993 shall
22 be imposed only once for the period necessary for payment of
23 the principal and interest on revenue bonds issued to
24 accomplish the purpose for which the revenue is dedicated, but
25 the period shall not exceed ten years from the effective date

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1 of the ordinance imposing the tax; or

2 (2) after July 1, 1996 in a county described
3 in Paragraph (4) or (8) of Subsection A of Section 7-20C-2
4 NMSA 1978 shall be imposed for the period necessary for
5 payment of the principal and interest on revenue bonds issued
6 to accomplish the purpose for which the revenue is dedicated,
7 but the period shall not exceed forty years from the effective
8 date of the ordinance imposing the tax; provided, however,
9 that the governing body of a county described in Paragraph (8)
10 of Subsection A of Section 7-20C-2 NMSA 1978 that has enacted
11 an ordinance imposing an increment of the local hospital
12 [~~gross receipts~~] sales tax pursuant to the provisions of this
13 paragraph may, prior to the date of the delayed repeal of the
14 ordinance, enact an ordinance to modify the period of
15 imposition of the tax and modify the purposes for which the
16 revenue from the tax is dedicated, consistent with one or more
17 of the purposes permitted pursuant to Paragraph (6) of
18 Subsection D of this section. The ordinance shall be subject
19 to the election requirement of Subsection E of this section.

20 C. No local hospital [~~gross receipts~~] sales tax
21 authorized in Subsection A of this section shall be imposed
22 initially after January 1, 1993 in a county described in
23 Paragraph (2), (3) or (5) of Subsection A of Section 7-20C-2
24 NMSA 1978 unless:

25 (1) in a county described in Paragraph (2)

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1 of Subsection A of Section 7-20C-2 NMSA 1978, the voters of
2 the county have approved the issuance of general obligation
3 bonds of the county sufficient to pay at least one-half of the
4 costs of the county hospital facility or county twenty-four-
5 hour urgent care or emergency facility for which the local
6 hospital [~~gross receipts~~] sales tax revenues are dedicated,
7 including the costs of all acquisition, renovation and
8 equipping of the facility; or

9 (2) in a county described in Paragraph (3)
10 or (5) of Subsection A of Section 7-20C-2 NMSA 1978, the
11 county will not have in effect at the same time a county
12 hospital emergency [~~gross receipts~~] sales tax and the voters
13 of the county have approved the imposition of a property tax
14 at a rate of one dollar (\$1.00) on each one thousand dollars
15 (\$1,000) of taxable value of property in the county for the
16 purpose of operation and maintenance of a hospital owned by
17 the county and operated and maintained either by the county or
18 by another party pursuant to a lease with the county.

19 D. The governing body of a county enacting an
20 ordinance imposing a local hospital [~~gross receipts~~] sales tax
21 shall dedicate the revenue from the tax as provided in this
22 subsection. In any election held, the ballot shall clearly
23 state the purpose to which the revenue will be dedicated, and
24 the revenue shall be used by the county for that purpose. The
25 revenue shall be dedicated as follows:

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1 (1) prior to January 1, 1993, the governing
2 body, at the time of enacting an ordinance imposing the rate
3 of the tax authorized in Subsection A of this section, shall
4 dedicate the revenue for acquisition of land for and the
5 design, construction, equipping and furnishing of a county
6 hospital facility to be operated by the county or operated and
7 maintained by another party pursuant to a lease with the
8 county;

9 (2) if the governing body of a county
10 described in Paragraph (2), (3) or (5) of Subsection A of
11 Section 7-20C-2 NMSA 1978 is enacting the ordinance imposing
12 the tax after July 1, 1993, the governing body shall dedicate
13 the revenue for acquisition, renovation and equipping of a
14 building for a county hospital facility or a county twenty-
15 four-hour urgent care or emergency facility or for operation
16 and maintenance of that facility, whether operated and
17 maintained by the county or by another party pursuant to a
18 lease or management contract with the county, for the period
19 of time the tax is imposed not to exceed ten years;

20 (3) if the governing body of a county
21 described in Paragraph (4) or (8) of Subsection A of Section
22 7-20C-2 NMSA 1978 is enacting the ordinance imposing the tax
23 after July 1, 1995, the governing body shall dedicate the
24 revenue for acquisition of land or buildings for and the
25 renovation, design, construction, equipping or furnishing of a

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1 county hospital facility or health clinic to be operated by
2 the county or operated and maintained by another party
3 pursuant to a health care facilities contract, lease or
4 management contract with the county; provided, however, that
5 the governing body of a county described in Paragraph (8) of
6 Subsection A of Section 7-20C-2 NMSA 1978 that has imposed an
7 increment of the local hospital [~~gross receipts~~] sales tax
8 prior to January 1, 2009 and dedicated the revenue from that
9 imposition pursuant to the provisions of this paragraph may,
10 prior to the date of the delayed repeal of the ordinance
11 imposing the increment of the tax, enact an ordinance to
12 modify the period of imposition of the tax and modify the
13 purposes for which the revenue from the tax is dedicated,
14 consistent with one or more of the purposes permitted pursuant
15 to Paragraph (6) of this subsection. The ordinance shall be
16 subject to the election requirement of Subsection E of this
17 section;

18 (4) if the governing body of a county
19 described in Paragraph (6) or (9) of Subsection A of Section
20 7-20C-2 NMSA 1978 is enacting the ordinance imposing the tax
21 after July 1, 1997, the governing body shall dedicate the
22 revenue for either or a combination of the following:

23 (a) acquisition of land or buildings
24 for and the design, construction, renovation, equipping or
25 furnishing of a hospital facility or health clinic owned by

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1 the county or a hospital or health clinic with which the
2 county has entered into a health care facilities contract
3 lease or management contract; or

4 (b) operations and maintenance of a
5 hospital or health clinic owned by the county or a hospital or
6 a health clinic with which the county has entered into a
7 health care facilities contract;

8 (5) if the governing body of a county
9 described in Paragraph (7) of Subsection A of Section 7-20C-2
10 NMSA 1978 is enacting the ordinance imposing the tax after
11 January 1, 2002, the governing body shall dedicate the revenue
12 for acquisition, lease, renovation or equipping of a hospital
13 facility or for operation and maintenance of that facility,
14 whether operated and maintained by the county or by another
15 party pursuant to a health care facilities contract, lease or
16 management contract with the county; and

17 (6) if the governing body of a county
18 described in Paragraph (8) of Subsection A of Section 7-20C-2
19 NMSA 1978 is enacting the ordinance imposing one or more
20 increments of the tax after January 1, 2009, the governing
21 body shall dedicate the revenue for either or both of the
22 following:

23 (a) payment of the principal and
24 interest on revenue bonds, including refunding bonds, issued
25 for acquisition of land or buildings for and the renovation,

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1 design, construction, equipping or furnishing of hospital
2 facilities or health care clinic facilities to be operated by
3 the county or operated and maintained by another party
4 pursuant to a health care facilities contract, lease or
5 management contract with the county; and

6 (b) use as matching funds for state or
7 federal programs benefiting the facilities.

8 E. The ordinance shall not go into effect until
9 after an election is held and a simple majority of the
10 qualified electors of the county voting in the election [~~vote~~]
11 votes in favor of imposing the local hospital [~~gross receipts~~]
12 sales tax and, in the case of a county described in Paragraph
13 (3) or (5) of Subsection A of Section 7-20C-2 NMSA 1978, also
14 [~~vote~~] votes in favor of a property tax at a rate of one
15 dollar (\$1.00) for each one thousand dollars (\$1,000) of
16 taxable value of property in the county. The governing body
17 shall adopt a resolution calling for an election within
18 seventy-five days of the date the ordinance is adopted on the
19 question of imposing the tax. The question may be submitted
20 to the qualified electors and voted on as a separate question
21 in a general election or in any special election called for
22 that purpose by the governing body. A special election on the
23 question shall be called, held, conducted and canvassed in
24 substantially the same manner as provided by law for general
25 elections. If the question of imposing a local hospital

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1 ~~[gross receipts]~~ sales tax fails or if the question of
2 imposing both a local hospital ~~[gross receipts]~~ sales tax and
3 a property tax fails, the governing body shall not again
4 propose a local hospital ~~[gross receipts]~~ sales tax for a
5 period of one year after the election. A certified copy of
6 any ordinance imposing a local hospital ~~[gross receipts]~~ sales
7 tax shall be mailed to the department within five days after
8 the ordinance is adopted in an election called for that
9 purpose.

10 F. An ordinance enacted pursuant to the provisions
11 of Subsection A of this section shall include an effective
12 date of either July 1 or January 1, whichever date occurs
13 first after the expiration of at least three months from the
14 date the ordinance is approved by the electorate.

15 G. An ordinance repealed under the provisions of
16 the Local Hospital ~~[Gross Receipts]~~ Sales Tax Act shall be
17 repealed effective on either July 1 or January 1.

18 H. As used in this section, "taxable value of
19 property" means the sum of:

20 (1) the net taxable value, as that term is
21 defined in the Property Tax Code, of property subject to
22 taxation under the Property Tax Code;

23 (2) the assessed value of products, as those
24 terms are defined in the Oil and Gas Ad Valorem Production Tax
25 Act;

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1 (3) the assessed value of equipment, as
2 those terms are defined in the Oil and Gas Production
3 Equipment Ad Valorem Tax Act; and

4 (4) the taxable value of copper mineral
5 property, as those terms are defined in the Copper Production
6 Ad Valorem Tax Act, subject to taxation under the Copper
7 Production Ad Valorem Tax Act."

8 SECTION 143. Section 7-20C-4 NMSA 1978 (being Laws
9 1991, Chapter 176, Section 4) is amended to read:

10 "7-20C-4. ORDINANCE SHALL CONFORM TO CERTAIN PROVISIONS
11 OF THE [~~GROSS RECEIPTS AND COMPENSATING~~] SALES AND USE TAX ACT
12 AND REQUIREMENTS OF THE DEPARTMENT.--

13 A. Any ordinance imposing the local hospital
14 [~~gross receipts~~] sales tax shall adopt by reference the same
15 definitions and the same provisions relating to exemptions and
16 deductions as are contained in the [~~Gross Receipts and~~
17 ~~Compensating~~] Sales and Use Tax Act then in effect and as it
18 may be amended from time to time.

19 B. The governing body of any county imposing the
20 tax shall adopt the model ordinances furnished to the county
21 by the department."

22 SECTION 144. Section 7-20C-5 NMSA 1978 (being Laws
23 1991, Chapter 176, Section 5, as amended) is amended to read:

24 "7-20C-5. SPECIFIC EXEMPTIONS.--No local hospital
25 [~~gross receipts~~] sales tax shall be imposed on the gross

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1 receipts arising from transporting persons or property for
2 hire by railroad, motor vehicle, air transportation or any
3 other means from one point within the county to another point
4 outside the county."

5 SECTION 145. Section 7-20C-6 NMSA 1978 (being Laws
6 1991, Chapter 176, Section 6, as amended) is amended to read:

7 "7-20C-6. COLLECTION BY DEPARTMENT--TRANSFER OF
8 PROCEEDS--DEDUCTIONS.--

9 A. The department shall collect the local hospital
10 [~~gross receipts~~] sales tax in the same manner and at the same
11 time it collects the state [~~gross receipts~~] sales tax.

12 B. The department shall withhold an administrative
13 fee pursuant to Section 7-1-6.41 NMSA 1978. The department
14 shall transfer to each county for which it is collecting such
15 tax the amount of the tax collected less the administrative
16 fee withheld and less any disbursements for tax credits,
17 refunds and the payment of interest applicable to the tax.
18 Transfer of the tax to a county shall be made within the month
19 following the month in which the tax is collected."

20 SECTION 146. Section 7-20C-7 NMSA 1978 (being Laws
21 1991, Chapter 176, Section 7) is amended to read:

22 "7-20C-7. INTERPRETATION OF ACT--ADMINISTRATION AND
23 ENFORCEMENT OF TAX.--

24 A. The department shall interpret the provisions
25 of the Local Hospital [~~Gross Receipts~~] Sales Tax Act.

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1 B. The department shall administer and enforce the
2 collection of the local hospital [~~gross receipts~~] sales tax,
3 and the Tax Administration Act applies to the administration
4 and enforcement of the tax."

5 **SECTION 147.** Section 7-20C-8 NMSA 1978 (being Laws
6 1991, Chapter 176, Section 8) is amended to read:

7 "7-20C-8. DISTRIBUTION.--The net receipts from the
8 local hospital [~~gross receipts~~] sales tax shall be
9 administered by the governing body and disbursed by the county
10 treasurer subject to [~~the~~] approval by the governing body in
11 accordance with the provisions of the Local Hospital [~~Gross~~
12 ~~Receipts~~] Sales Tax Act."

13 **SECTION 148.** Section 7-20C-9 NMSA 1978 (being Laws
14 1991, Chapter 176, Section 9, as amended) is amended to read:

15 "7-20C-9. LOCAL HOSPITAL REVENUE BONDS--AUTHORITY TO
16 ISSUE--PLEDGE OF REVENUES.--

17 A. A county, other than a county described in
18 Paragraph (2) of Subsection A of Section 7-20C-2 NMSA 1978,
19 may issue local hospital revenue bonds pursuant to the Local
20 Hospital [~~Gross Receipts~~] Sales Tax Act for the purpose of
21 acquiring land for and designing, constructing, equipping and
22 furnishing a county hospital facility or health clinic to be
23 operated by the county or by another party pursuant to a lease
24 or management contract with the county, or a hospital facility
25 or health clinic with [~~whom~~] which the county has entered into

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1 a health care facilities contract.

2 B. The county issuing the local hospital revenue
3 bonds pursuant to the Local Hospital [~~Gross Receipts~~] Sales
4 Tax Act shall pledge irrevocably all [~~of~~] the net receipts
5 derived from the imposition of the local hospital [~~gross~~
6 ~~receipts~~] sales tax and may pledge irrevocably any combination
7 of hospital facility revenues and any other revenues as
8 necessary for the payment of principal and interest on the
9 revenue bonds."

10 SECTION 149. Section 7-20C-9.1 NMSA 1978 (being Laws
11 1993, Chapter 306, Section 4) is amended to read:

12 "7-20C-9.1. NEW MEXICO FINANCE AUTHORITY--REVENUE
13 BONDS.--

14 A. For a county described in Paragraph (2) of
15 Subsection A of Section 7-20C-2 NMSA 1978, the provisions of
16 this section shall govern the financing of the acquisition,
17 renovation or equipping of a building for a county hospital
18 facility or a county twenty-four-hour urgent care or emergency
19 facility.

20 B. Upon approval of the voters pursuant to Section
21 7-20C-3 NMSA 1978, the county shall determine if the issuance
22 of revenue bonds is necessary to finance that portion of the
23 local hospital facility that will not otherwise be financed
24 with general obligation bonds and local revenues. Upon a
25 determination that the issuance of revenue bonds is necessary,

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1 the county shall enter into an agreement with the New Mexico
2 finance authority for issuance and sale of New Mexico finance
3 authority revenue bonds for the purpose of the acquisition,
4 renovation or equipping of a county hospital facility or
5 twenty-four-hour urgent care or emergency care facility in
6 that county and for transfer of local hospital [~~gross~~
7 ~~receipts~~] sales tax proceeds to the authority in the amount
8 necessary for that purpose.

9 C. Local hospital [~~gross receipts~~] sales tax
10 proceeds transferred to the New Mexico finance authority shall
11 be pledged irrevocably for the payment of principal, interest,
12 [~~any~~] premiums and [~~the~~] expenses related to issuance and sale
13 of the bonds and shall be deposited into a special bond fund
14 or account of the authority. To the extent such revenues are
15 not needed to meet current debt service requirements,
16 including any reserve fund requirements, the authority shall
17 transfer such excess to the county to be used for the purpose
18 for which the local hospital [~~gross receipts~~] sales tax is
19 dedicated. The legislature shall not repeal, amend or
20 otherwise modify any law that affects or impairs any revenue
21 bonds of the New Mexico finance authority secured by a pledge
22 of local hospital [~~gross receipts~~] sales tax revenues."

23 SECTION 150. Section 7-20C-10 NMSA 1978 (being Laws
24 1991, Chapter 176, Section 10) is amended to read:

25 "7-20C-10. ORDINANCE AUTHORIZING REVENUE BONDS.--At a

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1 regular or special meeting called for the purpose of issuing
2 revenue bonds as authorized pursuant to the Local Hospital
3 [~~Gross Receipts~~] Sales Tax Act, the governing body may adopt
4 an ordinance that:

5 A. declares the necessity for issuing revenue
6 bonds;

7 B. authorizes the issuance of revenue bonds by an
8 affirmative vote of a majority of the governing body; and

9 C. designates the source of the pledged revenues."

10 SECTION 151. Section 7-20C-12 NMSA 1978 (being Laws
11 1991, Chapter 176, Section 12) is amended to read:

12 "7-20C-12. LOCAL HOSPITAL REVENUE BONDS NOT GENERAL
13 COUNTY OBLIGATIONS.--Revenue bonds issued by a county under
14 the authority of the Local Hospital [~~Gross Receipts~~] Sales Tax
15 Act shall not be the general obligation of the county within
16 the meaning of Article 9, Sections 10 and 13 of the
17 constitution of New Mexico. The bonds shall be payable solely
18 out of all or a portion of the net revenues derived from the
19 imposition of the local hospital [~~gross receipts~~] sales tax.
20 Revenue bonds and interest coupons issued under authority of
21 that act shall never constitute an indebtedness of the county
22 within the meaning of any state constitutional provision or
23 statutory limitation and shall never constitute or give rise
24 to a pecuniary liability of the county or a charge against its
25 general credit or taxing powers, and this fact shall be

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1 plainly stated on the face of each bond."

2 SECTION 152. Section 7-20C-13 NMSA 1978 (being Laws
3 1991, Chapter 176, Section 13) is amended to read:

4 "7-20C-13. REVENUE BONDS--EXEMPTION FROM TAXATION.--The
5 local hospital revenue bonds issued under authority of the
6 Local Hospital [~~Gross Receipts~~] Sales Tax Act and the income
7 from the bonds shall be exempt from all taxation by the state
8 or any political subdivision of the state."

9 SECTION 153. Section 7-20C-15 NMSA 1978 (being Laws
10 1991, Chapter 176, Section 15) is amended to read:

11 "7-20C-15. NO NOTICE OR PUBLICATION REQUIRED.--No
12 notice, consent or approval by any governmental body or public
13 officer shall be required as a prerequisite to the sale or
14 issuance of any local hospital revenue bonds under the
15 authority of the Local Hospital [~~Gross Receipts~~] Sales Tax
16 Act, except as provided in that act."

17 SECTION 154. Section 7-20C-16 NMSA 1978 (being Laws
18 1996, Chapter 18, Section 3) is amended to read:

19 "7-20C-16. REVENUE BONDS--REFUNDING AUTHORIZATION.--

20 A. Any county having issued revenue bonds as
21 authorized in the Local Hospital [~~Gross Receipts~~] Sales Tax
22 Act may issue refunding revenue bonds pursuant to an ordinance
23 adopted by majority vote of the governing body for the purpose
24 of refinancing, paying and discharging all or any part of
25 [~~such~~] the outstanding revenue bonds of any one or more or all

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1 outstanding issues:

2 (1) for the acceleration, deceleration or
3 other modification of the payment of [~~such~~] the obligations,
4 including without limitation [~~any~~] capitalization of [~~any~~]
5 interest thereon in arrears or about to become due for any
6 period not exceeding one year from the date of the refunding
7 bonds;

8 (2) for the purpose of reducing interest
9 costs or effecting other economies;

10 (3) for the purpose of modifying or
11 eliminating restrictive contractual limitations pertaining to
12 the issuance of additional bonds, otherwise concerning the
13 outstanding bonds or to any facilities relating thereto; or

14 (4) for any combination of such purposes.

15 B. To pay the principal and interest on refunding
16 bonds, the county may pledge irrevocably revenues authorized
17 to be pledged to revenue bonds issued pursuant to the Local
18 Hospital [~~Gross Receipts~~] Sales Tax Act.

19 C. Bonds for refunding and bonds for any purpose
20 permitted by the Local Hospital [~~Gross Receipts~~] Sales Tax Act
21 may be issued separately or issued in combination in one
22 series or more."

23 SECTION 155. Section 7-20C-17 NMSA 1978 (being Laws
24 1996, Chapter 18, Section 4) is amended to read:

25 "7-20C-17. REFUNDING BONDS--ESCROW--DETAIL.--

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1 A. Refunding bonds issued pursuant to the
2 provisions of the Local Hospital [~~Gross Receipts~~] Sales Tax
3 Act shall be authorized by ordinance. Any revenue bonds that
4 are refunded [~~under the~~] pursuant to provisions of this
5 section shall be paid at maturity or on any permitted prior
6 redemption date in the amounts, at the time and places and, if
7 called prior to maturity, in accordance with any applicable
8 notice provisions, all as provided in the proceedings
9 authorizing the issuance of the refunded bonds or otherwise
10 appertaining thereto, except for any such bond that is
11 voluntarily surrendered for exchange or payment by the holder
12 or owner.

13 B. Provision shall be made for paying the bonds
14 refunded at the time or places provided in Subsection A of
15 this section. The principal amount of the refunding bonds may
16 exceed, be less than or be the same as the principal amount of
17 the bonds being refunded as long as provision is [~~duly and~~]
18 sufficiently made for the payment of the refunded bonds.

19 C. The proceeds of refunding bonds, including any
20 accrued interest and premium appertaining to the sale of
21 refunding bonds, shall either be immediately applied to the
22 retirement of the bonds being refunded or be placed in escrow
23 in a commercial bank or trust company that possesses and is
24 exercising trust powers and that is a member of the federal
25 deposit insurance corporation, to be applied to the payment of

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1 the principal of, interest on and any prior redemption premium
2 due in connection with the bonds being refunded; provided that
3 [~~such~~] refunding bond proceeds, including any accrued interest
4 and any premium appertaining to a sale of refunding bonds, may
5 be applied to the establishment and maintenance of a reserve
6 fund and to the payment of expenses incidental to the
7 refunding and the issuance of the refunding bonds, the
8 interest on the refunding bonds and the principal of the
9 refunding bonds or both interest and principal as the county
10 may determine. Nothing in this section requires the
11 establishment of an escrow if the refunded bonds become due
12 and payable within one year from the date of the refunding
13 bonds and if the amounts necessary to retire the refunded
14 bonds within that time are deposited with the paying agent for
15 the refunded bonds. [~~Any such~~] The escrow shall not
16 necessarily be limited to proceeds of refunding bonds but may
17 include other money available to retire the refunded bonds.
18 Any proceeds in escrow pending such use may be invested in
19 bills, certificates of indebtedness, notes or bonds that are
20 direct obligations of, or the principal and interest of which
21 obligations are unconditionally guaranteed by, the United
22 States of America or in certificates of deposit of banks that
23 are members of the federal deposit insurance corporation, the
24 par value of which certificates of deposit is collateralized
25 by a pledge of obligations of, or the payment of which is

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1 unconditionally guaranteed by, the United States of America,
2 the par value of which obligations is at least seventy-five
3 percent of the par value of the certificates of deposit. Such
4 proceeds and investments in escrow, together with any interest
5 or other income to be derived from any such investment, shall
6 be in an amount at all times sufficient as to principal,
7 interest, any prior redemption premium due and any charges of
8 the escrow agent payable therefrom to pay the bonds being
9 refunded as they become due at their respective maturities or
10 due at any designated prior redemption date [~~or dates~~] in
11 connection with which the county shall exercise a prior
12 redemption option. [~~Any~~] A purchaser of any refunding bond
13 issued pursuant to the provisions of the Local Hospital [~~Gross~~
14 ~~Receipts~~] Sales Tax Act is in no manner responsible for the
15 application of the proceeds thereof by the county or any of
16 its officers, agents or employees.

17 D. Refunding bonds may be sold at a public or
18 negotiated sale and may bear such additional terms and
19 provisions as may be determined by the county, subject to the
20 limitations in the Local Hospital [~~Gross Receipts~~] Sales Tax
21 Act. The terms, provisions and authorization of the refunding
22 bonds are not subject to the provisions of any other statute,
23 provided that the Public Securities Limitation of Action Act
24 shall be fully applicable to the issuance of refunding bonds."

25 SECTION 156. Section 7-20E-1 NMSA 1978 (being Laws

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1 1993, Chapter 354, Section 1) is amended to read:

2 "7-20E-1. SHORT TITLE.--Chapter 7, Article 20E NMSA
3 1978 may be cited as the "County Local Option [~~Gross Receipts~~
4 ~~Taxes~~] Sales and Use Tax Act"."

5 SECTION 157. Section 7-20E-2 NMSA 1978 (being Laws
6 1993, Chapter 354, Section 2, as amended by Laws 1994, Chapter
7 93, Section 1 and also by Laws 1994, Chapter 97, Section 1) is
8 amended to read:

9 "7-20E-2. DEFINITIONS.--As used in the County Local
10 Option [~~Gross Receipts Taxes~~] Sales and Use Tax Act:

11 A. "county" means, unless specifically defined
12 otherwise in the County Local Option [~~Gross Receipts Taxes~~]
13 Sales and Use Tax Act, a county, including an H class county;

14 B. "county area" means that portion of a county
15 located outside the boundaries of any municipality, except
16 that for H class counties, "county area" means the entire
17 county;

18 C. "department" means the taxation and revenue
19 department, the secretary of taxation and revenue or any
20 employee of the department exercising authority lawfully
21 delegated to that employee by the secretary;

22 D. "governing body" means the county commission of
23 the county or the county council of an H class county;

24 E. "person" means an individual or any other legal
25 entity; and

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1 F. "state [~~gross receipts~~] sales tax" means the
2 [~~gross receipts~~] state sales tax imposed under the [~~Gross~~
3 ~~Receipts and Compensating~~] Sales and Use Tax Act."

4 SECTION 158. Section 7-20E-3 NMSA 1978 (being Laws
5 1993, Chapter 354, Section 3, as amended) is amended to read:

6 "7-20E-3. OPTIONAL REFERENDUM SELECTION--EFFECTIVE DATE
7 OF ORDINANCE.--

8 A. The governing body of a county imposing a tax
9 or an increment of tax authorized by the County [~~Local Option~~
10 ~~Gross Receipts Taxes~~] Sales Tax Act [~~or any other county local~~
11 ~~option gross receipts tax act~~] that is subject to optional
12 referendum selection shall select, when enacting the ordinance
13 imposing the tax, one of the following referendum options:

14 (1) the ordinance imposing the tax or
15 increment of tax shall go into effect on July 1 or January 1
16 in accordance with the provisions of the County Local Option
17 [~~Gross Receipts Taxes~~] Sales and Use Tax Act, but an election
18 may be called in the county on the question of approving or
19 disapproving that ordinance as follows:

20 (a) an election shall be called when:
21 1) in a county having a referendum provision in its charter, a
22 petition requesting such an election is filed pursuant to the
23 requirements of that provision in the charter and signed by
24 the number of registered voters in the county equal to the
25 number of registered voters required in its charter to seek a

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1 referendum; and 2) in all other counties, a petition
2 requesting such an election is filed with the county clerk
3 within sixty days of enactment of the ordinance by the
4 governing body and the petition has been signed by a number of
5 registered voters in the county equal to at least five percent
6 of the number of the voters in the county who were registered
7 to vote in the most recent general election;

8 (b) the signatures on the petition
9 requesting an election shall be verified by the county clerk.
10 If the petition is verified by the county clerk as containing
11 the required number of signatures of registered voters, the
12 governing body shall adopt a resolution calling an election on
13 the question of approving or disapproving the ordinance. The
14 election shall be held within sixty days after the date the
15 petition is verified by the county clerk, or it may be held in
16 conjunction with a general election if that election occurs
17 within sixty days after the date of the verification. The
18 election shall be called, held, conducted and canvassed in
19 substantially the same manner as provided by law for general
20 elections; and

21 (c) if a majority of the registered
22 voters voting on the question approves the ordinance, the
23 ordinance shall go into effect on July 1 or January 1 in
24 accordance with the provisions of the County Local Option
25 [~~Gross Receipts Taxes~~] Sales and Use Tax Act. If at such an

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1 election a majority of the registered voters voting on the
2 question disapproves the ordinance, the ordinance imposing the
3 tax shall be deemed repealed and the question of imposing the
4 tax or increment of tax shall not be considered again by the
5 governing body for a period of one year from the date of the
6 election; or

7 (2) the ordinance imposing the tax or
8 increment of tax shall not go into effect until after an
9 election is held and a simple majority of the registered
10 voters of the county voting on the question votes in favor of
11 imposing the tax or increment of tax. The governing body
12 shall adopt a resolution calling for an election within
13 seventy-five days of the date the ordinance is adopted on the
14 question of imposing the tax or increment of tax. Such
15 question may be submitted to the voters and voted upon as a
16 separate question at any general election or at any special
17 election called for that purpose by the governing body. The
18 election upon the question shall be called, held, conducted
19 and canvassed in substantially the same manner as may be
20 provided by law for general elections. If the question of
21 imposing the tax or increment of tax fails, the governing body
22 shall not again propose the tax or increment of tax for a
23 period of one year after the election.

24 B. An ordinance imposing, amending or repealing a
25 tax or an increment of tax authorized by the County Local

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1 Option [~~Gross Receipts Taxes~~] Sales and Use Tax Act shall be
2 effective on July 1 or January 1, whichever date occurs first
3 after the expiration of at least three months from the date
4 the adopted ordinance is mailed or delivered to the
5 department. The ordinance shall include that effective date."

6 SECTION 159. Section 7-20E-4 NMSA 1978 (being Laws
7 1993, Chapter 354, Section 4) is amended to read:

8 "7-20E-4. ORDINANCE SHALL CONFORM TO CERTAIN PROVISIONS
9 OF THE [~~GROSS RECEIPTS AND COMPENSATING~~] SALES AND USE TAX ACT
10 AND REQUIREMENTS OF THE DEPARTMENT.--

11 A. An ordinance imposing a tax [~~under~~] pursuant to
12 the provisions of the County Local Option [~~Gross Receipts~~
13 ~~Taxes~~] Sales and Use Tax Act shall adopt by reference the same
14 definitions and the same provisions relating to exemptions and
15 deductions as are contained in the [~~Gross Receipts and~~
16 ~~Compensating~~] Sales and Use Tax Act then in effect and as it
17 may be amended from time to time.

18 B. The governing body of any county imposing a tax
19 [~~under~~] authorized by the County Local Option [~~Gross Receipts~~
20 ~~Taxes~~] Sales and Use Tax Act shall impose the tax by adopting
21 the model ordinance with respect to the tax furnished to the
22 county by the department. An ordinance that does not conform
23 substantially to the model ordinance of the department is not
24 valid."

25 SECTION 160. Section 7-20E-5 NMSA 1978 (being Laws

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1 1993, Chapter 354, Section 5, as amended) is amended to read:

2 "7-20E-5. SPECIFIC EXEMPTIONS.--No tax authorized under
3 the provisions of the County Local Option [~~Gross Receipts~~
4 ~~Taxes~~] Sales and Use Tax Act shall be imposed on the gross
5 receipts arising from transporting persons or property for
6 hire by railroad, motor vehicle, air transportation or any
7 other means from one point within the county to another point
8 outside the county."

9 SECTION 161. Section 7-20E-6 NMSA 1978 (being Laws
10 1993, Chapter 354, Section 6) is amended to read:

11 "7-20E-6. COPY OF ORDINANCE TO BE SUBMITTED TO
12 DEPARTMENT.--A certified copy of any ordinance imposing or
13 repealing a tax or an increment of a tax authorized [~~under~~] by
14 the County Local Option [~~Gross Receipts Taxes~~] Sales and Use
15 Tax Act or changing the tax rate imposed shall be mailed or
16 delivered to the department within five days after the later
17 of the date the ordinance is adopted or the date the results
18 of any election held with respect to the ordinance are
19 certified to be in favor of the ordinance."

20 SECTION 162. Section 7-20E-7 NMSA 1978 (being Laws
21 1993, Chapter 354, Section 7, as amended) is amended to read:

22 "7-20E-7. COLLECTION BY DEPARTMENT--TRANSFER OF
23 PROCEEDS--DEDUCTIONS.--

24 A. The department shall collect each tax imposed
25 pursuant to the provisions of the County Local Option [~~Gross~~

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1 ~~Receipts Taxes~~] Sales and Use Tax Act in the same manner and
2 at the same time it collects the state [~~gross receipts tax~~]
3 sales and use taxes.

4 B. The department shall withhold an administrative
5 fee pursuant to Section 7-1-6.41 NMSA 1978. The department
6 shall transfer to each county for which it is collecting a tax
7 pursuant to the provisions of the County Local Option [~~Gross~~
8 ~~Receipts Taxes~~] Sales and Use Tax Act the amount of each tax
9 collected for that county, less the administrative fee
10 withheld and less any disbursements for tax credits, refunds
11 and the payment of interest applicable to the tax. The
12 transfer to the county shall be made within the month
13 following the month in which the tax is collected."

14 SECTION 163. Section 7-20E-8 NMSA 1978 (being Laws
15 1993, Chapter 354, Section 8) is amended to read:

16 "7-20E-8. INTERPRETATION OF ACT--ADMINISTRATION AND
17 ENFORCEMENT OF ACT.--

18 A. The department shall interpret the provisions
19 of the County Local Option [~~Gross Receipts Taxes~~] Sales and
20 Use Tax Act.

21 B. The department shall administer and enforce the
22 collection of each tax authorized [~~under~~] by the provisions of
23 the County Local Option [~~Gross Receipts Taxes~~] Sales and Use
24 Tax Act, and the Tax Administration Act applies to the
25 administration and enforcement of each tax."

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1 SECTION 164. Section 7-20E-9 NMSA 1978 (being Laws
2 1983, Chapter 213, Section 30, as amended) is amended to read:

3 "7-20E-9. COUNTY [~~GROSS RECEIPTS~~] SALES TAX--AUTHORITY
4 TO IMPOSE RATE--COUNTY HEALTH CARE ASSISTANCE FUND
5 REQUIREMENTS.--

6 A. [~~Except as provided in Subsection E of this~~
7 ~~section~~] A majority of the members of the governing body of a
8 county may enact an ordinance imposing an excise tax not to
9 exceed a rate of seven-sixteenths percent of the gross
10 receipts of any person engaging in business in the county for
11 the privilege of engaging in business in the county. An
12 ordinance imposing an excise tax pursuant to this subsection
13 shall impose the tax in three independent increments of one-
14 eighth percent and one independent increment of one-sixteenth
15 percent, which shall be separately denominated as "the first
16 one-eighth increment", "the second one-eighth increment", "the
17 third one-eighth increment" and "the one-sixteenth increment",
18 respectively, not to exceed an aggregate amount of seven-
19 sixteenths percent.

20 B. The tax authorized by this section is to be
21 referred to as the "county [~~gross receipts~~] sales tax".

22 C. A class A county with a county hospital
23 operated and maintained pursuant to a lease or operating
24 agreement with a state educational institution named in
25 Article 12, Section 11 of the constitution of New Mexico

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1 enacting the second one-eighth increment of county [~~gross~~
2 ~~receipts~~] sales tax shall provide, each year that the tax is
3 in effect, not less than one million dollars (\$1,000,000) in
4 funds, and that amount shall be dedicated to the support of
5 indigent patients who are residents of that county. Funds for
6 indigent care shall be made available each month of each year
7 the tax is in effect in an amount not less than eighty-three
8 thousand three hundred thirty-three dollars thirty-three cents
9 (\$83,333.33). The interest from the investment of county
10 funds for indigent care may be used for other assistance to
11 indigent persons, not to exceed twenty thousand dollars
12 (\$20,000) for all other assistance in any year.

13 D. A county, except a class A county with a county
14 hospital operated and maintained pursuant to a lease or
15 operating agreement with a state educational institution named
16 in Article 12, Section 11 of the constitution of New Mexico,
17 imposing the second one-eighth increment of county [~~gross~~
18 ~~receipts~~] sales tax shall be required to dedicate the entire
19 amount of revenue produced by the imposition of the second
20 one-eighth increment, for the support of indigent patients who
21 are residents of that county. The revenue produced by the
22 imposition of the third one-eighth increment and the one-
23 sixteenth increment may be used for general purposes. Any
24 county that has imposed the second one-eighth increment or the
25 third one-eighth increment, or both, on January 1, 1996 for

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1 support of indigent patients in the county or, after January
2 1, 1996, imposes the second one-eighth increment or imposes
3 the third one-eighth increment and dedicates one-half of that
4 increment for county indigent patient purposes shall deposit
5 the revenue dedicated for county indigent purposes that is
6 transferred to the county in the county health care assistance
7 fund, and such revenues shall be expended pursuant to the
8 Indigent Hospital and County Health Care Act.

9 ~~[E. Until June 30, 2017, in addition to the~~
10 ~~increments authorized pursuant to Subsection A of this~~
11 ~~section, the majority of the members of the governing body of~~
12 ~~a county, except a class A county with a hospital that is~~
13 ~~operated and maintained pursuant to a lease or operating~~
14 ~~agreement with a state educational institution named in~~
15 ~~Article 12, Section 11 of the constitution of New Mexico, may~~
16 ~~enact an ordinance imposing an excise tax of one-sixteenth~~
17 ~~percent or one-twelfth percent of the gross receipts of any~~
18 ~~person engaging in business in the county for the privilege of~~
19 ~~engaging in business in the county.]"~~

20 SECTION 165. Section 7-20E-10 NMSA 1978 (being Laws
21 1983, Chapter 213, Section 32, as amended) is amended to read:

22 "7-20E-10. COUNTY [~~GROSS RECEIPTS~~] SALES TAX--
23 REFERENDUM REQUIREMENTS.--

24 A. An ordinance enacting the first or third
25 one-eighth increment or the one-sixteenth increment of county

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1 ~~[gross receipts]~~ sales tax pursuant to Section 7-20E-9 NMSA
2 1978 shall be subject to optional referendum selection by the
3 governing body, pursuant to Subsection A of Section 7-20E-3
4 NMSA 1978.

5 B. Imposition by any county of the second
6 one-eighth increment of county ~~[gross receipts]~~ sales tax
7 shall not be subject to a referendum of any kind unless
8 prescribed by the county charter or the governing body of the
9 county."

10 SECTION 166. Section 7-20E-11 NMSA 1978 (being Laws
11 1983, Chapter 213, Section 35, as amended) is amended to read:

12 "7-20E-11. COUNTY ~~[GROSS RECEIPTS]~~ SALES TAX--USE OF
13 PROCEEDS FROM FIRST ONE-EIGHTH INCREMENT.--

14 A. Each county shall establish a reserve fund to
15 be known as the "county reserve fund". From the net receipts
16 from the county ~~[gross receipts]~~ sales tax attributable to the
17 first one-eighth increment imposed pursuant to Subsection A of
18 Section 7-20E-9 NMSA 1978, one-fourth of the net receipts each
19 month shall be deposited in the county reserve fund. The
20 balance of the monthly net receipts shall be placed in either
21 the general fund or road fund, or both, of the county. Except
22 as provided in Subsections B through D of this section, the
23 portions of the net receipts deposited in the county reserve
24 fund shall remain on deposit in that fund until the sixteenth
25 day of the month following the end of the state fiscal year in

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1 which the deposits were made, at which time the amount
2 deposited from net receipts for the previous fiscal year shall
3 be placed in either the general fund or road fund, or both, of
4 the county.

5 B. If the actual amount of the distribution to a
6 county in any state fiscal year of federal in lieu of taxes
7 payments ~~[under]~~ made pursuant to the provisions of Sections
8 6901 through 6906 of Title 31 of the United States Code, as
9 amended or renumbered, is less than the actual distribution to
10 that county in the seventy-first state fiscal year or is no
11 longer available to that county, the county may transfer from
12 its reserve fund to its general fund or road fund, or both, an
13 amount equal to the difference between the actual federal in
14 lieu of taxes payments received in the seventy-first fiscal
15 year and the payments received in the year in which the
16 reduction occurred. The local government division of the
17 department of finance and administration shall certify the
18 amount to be transferred from the reserve fund.

19 C. If the actual amount of the distribution to a
20 county in any state fiscal year of national forest reserves
21 receipts ~~[under]~~ made pursuant to the provisions of Section
22 500 of Title 16 of the United States Code, as amended or
23 renumbered, is less than the actual amount distributed to that
24 county in the seventy-first state fiscal year, the county may
25 transfer from its reserve fund to its general fund or road

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1 fund, or both, an amount equal to the difference between the
2 actual national forest reserves receipts distributed to the
3 county in the seventy-first fiscal year and the receipts
4 distributed in the year in which the reduction occurred. The
5 local government division of the department of finance and
6 administration shall certify the amount to be transferred from
7 the reserve fund.

8 D. If the actual amount of any quarterly
9 distribution to a county in any state fiscal year of federal
10 revenue sharing entitlement payments made [~~under~~] pursuant to
11 the provisions of Sections 6701 through 6724 of Title 31 of
12 the United States Code, as amended or renumbered, is less than
13 the actual quarterly amount distributed to that county in the
14 first federal quarter of the federal 1982-83 fiscal year, the
15 county may transfer from its reserve fund to its general fund
16 or road fund, or both, an amount equal to the difference
17 between the actual federal revenue sharing quarterly
18 entitlement payment distributed to the county in the first
19 federal quarter of the federal 1982-83 fiscal year and the
20 entitlement payment distributed to the county in the quarter
21 in which the reduction occurred. The local government
22 division of the department of finance and administration shall
23 certify the amount to be transferred from the reserve fund."

24 SECTION 167. A new section of the County Local Option
25 Sales and Use Tax Act is enacted to read:

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1 "NEW MATERIAL] COUNTY USE TAX.--

2 A. For the privilege of using tangible personal
3 property in a county, there is imposed on the person using the
4 property an excise tax at a rate equal to the combined rates
5 imposed and in effect pursuant to the Local Hospital Sales Tax
6 Act, the County Local Option Sales and Use Tax Act and the
7 County Correctional Facility Sales Tax Act of the value of
8 tangible property that was:

9 (1) manufactured by the person using the
10 property in the state; or

11 (2) acquired inside or outside of this state
12 as the result of a transaction with a person located outside
13 this state that would have been subject to the state sales tax
14 had the tangible personal property been acquired from a person
15 with nexus with New Mexico.

16 B. For the purpose of Subsection A of this
17 section, the value of tangible property shall be the adjusted
18 basis of the property for federal income tax purposes
19 determined as of the time of acquisition or introduction into
20 this state or of conversion to use, whichever is later. If no
21 adjusted basis for federal income tax purposes is established
22 for the property, a reasonable value of the property shall be
23 used.

24 C. For the privilege of using a license or
25 franchise in a county, there is imposed on the person using

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1 the license or franchise an excise tax equal to the tax rate
2 provided in Subsection A of this section against the value of
3 the property in its use in the county. For use of a license
4 or franchise to be taxable under this subsection, the property
5 must have been sold, leased or licensed by a person outside
6 this state and the receipts from the sale, lease or licensing
7 of the license or franchise must not have been subject to the
8 state sales tax.

9 D. For the privilege of using services rendered in
10 a county, there is imposed on the person using such services
11 an excise tax at the rate provided in Subsection A of this
12 section of the value of the services at the time they were
13 rendered. For use of services to be taxable under this
14 subsection, the services must have been performed by a person
15 outside this state and receipts from the performance or sale
16 of the services not subject to the state sales tax.

17 E. The governing body of a county may dedicate the
18 revenue from the tax imposed pursuant to this section for any
19 county purpose. If the governing body proposes to dedicate
20 revenue for a specific purpose, the dedicated revenue shall be
21 used by the county for that purpose unless a subsequent
22 ordinance is adopted to change the purpose to which the
23 revenue is dedicated or to place the revenue in the general
24 fund of the county.

25 F. Any law that affects the county use tax, or any

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1 law supplemental or otherwise appertaining thereto, shall not
2 be repealed or amended or otherwise directly or indirectly
3 modified in such a manner as to impair adversely any
4 outstanding revenue bonds that may be secured by a pledge of
5 such county use tax unless such outstanding revenue bonds have
6 been discharged in full or provision has been fully made
7 therefor.

8 G. The tax imposed by this section may be cited as
9 the "county use tax".

10 SECTION 168. Section 7-20E-12 NMSA 1978 (being Laws
11 1989, Chapter 239, Section 1, as amended) is amended to read:

12 "7-20E-12. COUNTY EMERGENCY [~~GROSS RECEIPTS~~] SALES
13 TAX--AUTHORITY TO IMPOSE [IN LIEU OF PROPERTY TAX].--

14 A. The majority of the members of the governing
15 body of any county may enact an ordinance [~~or ordinances~~]
16 imposing an excise tax not to exceed a rate of three-eighths
17 [~~of one~~] percent of the gross receipts of any person engaging
18 in business in the county for the privilege of engaging in
19 business in the county. Any ordinance imposing an excise tax
20 pursuant to this section shall impose the tax in any number of
21 increments of one-eighth percent not to exceed an aggregate
22 amount of three-eighths [~~of one~~] percent. Any ordinance
23 adopted [~~under~~] pursuant to provisions of this section shall
24 be in effect only for the twelve-month period beginning with
25 the effective date of the ordinance and shall expire on the

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1 date one year after its effective date.

2 B. The tax imposed by this section may be referred
3 to as the "county emergency [~~gross receipts~~] sales tax".

4 C. The tax authorized by this section may be
5 imposed only in a property tax year for which the property
6 taxes not admitted to be due in the aggregate claims for
7 refund filed under the provisions of Section 7-38-40 NMSA 1978
8 for property taxes imposed in the county [~~under~~] pursuant to
9 the provisions of Paragraph (1) of Subsection B of Section
10 7-37-7 NMSA 1978 for that property tax year are more than ten
11 percent of property taxes imposed in the county under the
12 cited provisions for that property tax year.

13 D. As used in this section, "county" means a class
14 B county of the state with:

15 (1) a population of not less than thirty
16 thousand and not more than thirty thousand seven hundred
17 according to the most recent federal decennial census and a
18 net taxable value for rate-setting purposes for the 1988
19 property tax year or any subsequent year of more than ninety-
20 two million dollars (\$92,000,000) but less than one hundred
21 twenty-five million dollars (\$125,000,000);

22 (2) a population of not less than fifty-six
23 thousand and not more than fifty-six thousand seven hundred
24 according to the most recent federal decennial census and a
25 net taxable value for rate-setting purposes for the 1988

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1 property tax year or any subsequent year of more than five
2 hundred million dollars (\$500,000,000) but less than five
3 hundred fifty million dollars (\$550,000,000); and

4 (3) a population of not less than eighty-one
5 thousand and not more than eighty-one thousand seven hundred
6 according to the most recent federal decennial census and a
7 net taxable value for rate-setting purposes for the 1988
8 property tax year or any subsequent year of more than one
9 billion five hundred million dollars (\$1,500,000,000) but less
10 than two billion dollars (\$2,000,000,000).

11 E. The governing body prior to the month in which
12 the proceeds of this tax will first be distributed may request
13 the department to make an advance distribution. Upon
14 concurrence of the department of finance and administration,
15 the department shall make the advance distribution. An
16 advance distribution is an amount equal to the product of the
17 net receipts with respect to the [~~gross receipts~~] sales tax
18 reported from business locations in the county for the month
19 multiplied by a fraction the numerator of which is the rate
20 imposed by the county under this section and the denominator
21 of which is the rate imposed for the month by Section 7-9-4
22 NMSA 1978. The aggregate amount of advance distributions made
23 to the county shall be recovered by the department by reducing
24 the monthly amount transferable to the county as a result of
25 the imposition of a tax [~~under~~] pursuant to provisions of this

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1 section by one-twelfth of the aggregate amount of advance
2 distributions made."

3 SECTION 169. Section 7-20E-12.1 NMSA 1978 (being Laws
4 1994, Chapter 14, Section 1, as amended) is amended to read:

5 "7-20E-12.1. COUNTY HOSPITAL EMERGENCY [~~GROSS RECEIPTS~~]
6 SALES TAX--AUTHORITY TO IMPOSE--USE OF PROCEEDS.--

7 A. A majority of the members of a governing body
8 may enact an ordinance imposing an excise tax on a person
9 engaging in business in the county for the privilege of
10 engaging in business. The rate of the tax shall be one-fourth
11 [~~of one~~] percent of the gross receipts of the person engaging
12 in business. The tax shall be imposed for a period of not
13 more than two years from the effective date of the ordinance
14 imposing the tax. The tax may be imposed for an additional
15 period not to exceed three years from the date of the
16 ordinance imposing the tax for that period. On or after July
17 1, 1997:

18 (1) in a county described in Paragraph (1)
19 of Subsection D of this section, the tax may be imposed for
20 the period necessary for payment of bonds or a loan for
21 acquisition of land or buildings for and the design,
22 construction, equipping, remodeling or improvement of a county
23 hospital facility, but the period shall not exceed twenty
24 years from the effective date of the ordinance imposing the
25 tax for that period; provided, however, that a majority of the

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1 members of a governing body that has enacted an ordinance
2 imposing the tax pursuant to the provisions of this paragraph
3 may, prior to the date of the delayed repeal of the ordinance,
4 enact an ordinance to extend the period of imposition of the
5 previously imposed tax for an additional twenty years and
6 modify the purposes for which the revenue from the tax is
7 dedicated, consistent with one or more of the purposes
8 permitted pursuant to this paragraph; and

9 (2) in a county described in Paragraph (2)
10 of Subsection D of this section, the tax may be imposed for
11 the period necessary for payment of bonds or a loan for
12 acquisition, equipping, remodeling or improvement of a county
13 health facility, but the period shall not exceed twenty years
14 from the effective date of the ordinance imposing the tax for
15 that period.

16 B. The tax imposed by this section may be referred
17 to as the "county hospital emergency [~~gross receipts~~] sales
18 tax".

19 C. At the time of enacting the ordinance imposing
20 the tax authorized in this section:

21 (1) if the effective date of the tax is
22 prior to July 1, 1997, the governing body shall dedicate the
23 revenue for current operations and maintenance of a hospital
24 owned by the county or a hospital with which the county has
25 entered into a health care facilities contract; provided that

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1 a majority of the members of a governing body may enact an
2 ordinance to change the purposes for which the revenue from a
3 previously imposed tax is dedicated and to dedicate that
4 revenue during the remainder of the tax imposition period to
5 payment of bonds or a loan for acquisition of land or
6 buildings for, and the design, construction, equipping,
7 remodeling or improvement of, a county hospital facility; and

8 (2) if the effective date of the tax is on
9 or after July 1, 1997:

10 (a) the governing body of a county
11 described in Paragraph (1) of Subsection D of this section
12 shall dedicate the revenue for the period of time the tax is
13 imposed to payment of a bond or loan for acquisition,
14 equipping, remodeling and improvement of a county hospital
15 facility; provided, however, that a majority of the members of
16 a governing body that has imposed the tax and dedicated the
17 revenue from that imposition pursuant to the provisions of
18 this paragraph may, prior to the date of the delayed repeal of
19 the ordinance imposing the tax, enact an ordinance to extend
20 the period of imposition of the tax as provided in Paragraph
21 (1) of Subsection A of this section and modify the purposes
22 for which the revenue from the previously imposed tax is
23 dedicated, and dedicate that revenue to payment of bonds or a
24 loan for acquisition of land or buildings for, and the design,
25 construction, equipping, remodeling or improvement of, a

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1 county hospital facility; and

2 (b) the governing body of a county
3 described in Paragraph (2) of Subsection D of this section
4 shall dedicate the revenue for the period of time the tax is
5 imposed to payment of a bond or loan for acquisition,
6 equipping, remodeling and improvement of a county health
7 facility.

8 D. As used in this section, "county" means:

9 (1) a class B county with a population of
10 less than ten thousand according to the 1990 federal decennial
11 census and with a net taxable value for rate-setting purposes
12 for the 1993 property tax year in excess of one hundred
13 million dollars (\$100,000,000); or

14 (2) a class B county with a population of
15 less than ten thousand according to the 1990 federal decennial
16 census and with a net taxable value for rate-setting purposes
17 for the 1997 property tax year of more than one hundred
18 million dollars (\$100,000,000) but less than one hundred
19 twenty million dollars (\$120,000,000)."

20 SECTION 170. Section 7-20E-13 NMSA 1978 (being Laws
21 1987, Chapter 45, Section 3, as amended) is amended to read:

22 "7-20E-13. SPECIAL COUNTY HOSPITAL [~~GROSS RECEIPTS~~]
23 SALES TAX--AUTHORITY TO IMPOSE--ORDINANCE REQUIREMENTS.--

24 A. The majority of the members of the governing
25 body may enact an ordinance imposing an excise tax on any

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1 person engaging in business in the county for the privilege of
2 engaging in business. The rate of the tax shall be one-eighth
3 [~~of one~~] percent of the gross receipts of the person engaging
4 in business. The tax shall be imposed for a period of not
5 more than five years from the effective date of the ordinance
6 imposing the tax. Having once enacted an ordinance under this
7 section, the governing body may enact subsequent ordinances
8 for succeeding periods of not more than five years; provided
9 that each such ordinance meets the requirements of the County
10 Local Option [~~Gross Receipts Taxes~~] Sales and Use Tax Act with
11 respect to the tax imposed by this section.

12 B. The tax imposed by this section may be referred
13 to as the "special county hospital [~~gross receipts~~] sales
14 tax".

15 C. For the purposes of this section, "county"
16 means:

17 (1) a county:

18 (a) having a population of more than
19 ten thousand but less than ten thousand six hundred, according
20 to the last federal decennial census or any subsequent
21 decennial census, and having a net taxable value for rate-
22 setting purposes for the 1986 property tax year or any
23 subsequent year of more than eighty-two million dollars
24 (\$82,000,000) but less than eighty-two million three hundred
25 thousand dollars (\$82,300,000);

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1 (b) that has imposed a rate of one
2 dollar fifty cents (\$1.50) to each one thousand dollars
3 (\$1,000) of net taxable value of property as defined in the
4 Property Tax Code for property taxation purposes in the county
5 and to each one thousand dollars (\$1,000) of the assessed
6 value of products severed and sold in the school district as
7 determined under the Oil and Gas Ad Valorem Production Tax Act
8 and the Oil and Gas Production Equipment Ad Valorem Tax Act or
9 has made an appropriation of funds or has imposed another tax
10 that produces an amount not less than the revenue that would
11 be produced by applying a rate of one dollar fifty cents
12 (\$1.50) to each one thousand dollars (\$1,000) of net taxable
13 value of property as defined in the Property Tax Code for
14 property taxation purposes in the school district and to each
15 one thousand dollars (\$1,000) of the assessed value of
16 products severed and sold in the school district as determined
17 under the Oil and Gas Ad Valorem Production Tax Act and the
18 Oil and Gas Production Equipment Ad Valorem Tax Act. The
19 proceeds of any tax imposed or appropriation made shall be
20 dedicated for current operations and maintenance of a hospital
21 owned and operated by the county or operated and maintained by
22 another party pursuant to a lease with the county; and

23 (c) having qualified at any time under
24 this definition shall continue to be qualified as a county and
25 authorized to implement the provisions of this section; and

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1 (2) a class B county having a population of
2 more than seventeen thousand five hundred but less than
3 nineteen thousand according to the 1990 federal decennial
4 census and having a net taxable value for property tax rate-
5 setting purposes of under three hundred million dollars
6 (\$300,000,000).

7 D. The governing body of a county described in
8 Paragraph (1) of Subsection C of this section shall, at the
9 time of enacting an ordinance imposing the rate of the tax
10 authorized in Subsection A of this section, dedicate the
11 revenue for current operations and maintenance of a hospital
12 owned and operated by the county or operated and maintained by
13 another party pursuant to a lease with the county, and the use
14 of these proceeds shall be for the care and maintenance of
15 sick and indigent persons and shall be an expenditure for a
16 public purpose. In any election held, the ballot shall
17 clearly state the purpose to which the revenue will be
18 dedicated, and the revenue shall be used by the county for
19 that purpose.

20 E. The governing body of a county described in
21 Paragraph (2) of Subsection C of this section shall, at the
22 time of enacting an ordinance imposing the rate of the tax
23 authorized in Subsection A of this section, dedicate the
24 revenue for county ambulance transport costs or for operation
25 of a rural health clinic. In any election held, the ballot

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1 shall clearly state the purposes to which the revenue will be
2 dedicated, and the revenue shall be used by the county for
3 those purposes.

4 F. Any ordinance enacted under the provisions of
5 Subsection A of this section shall include an effective date
6 of either July 1 or January 1 in accordance with the
7 provisions of the County Local Option [~~Gross Receipts Taxes~~
8 Sales and Use Tax Act.

9 G. The ordinance shall not go into effect until
10 after an election is held and a simple majority of the
11 qualified electors of the county voting in the election votes
12 in favor of imposing the special county hospital [~~gross~~
13 ~~receipts~~] sales tax. The governing body shall adopt a
14 resolution calling for an election within seventy-five days of
15 the date the ordinance is adopted on the question of imposing
16 the tax. The question may be submitted to the qualified
17 electors and voted upon as a separate question in a general
18 election or in any special election called for that purpose by
19 the governing body. A special election upon the question
20 shall be called, held, conducted and canvassed in
21 substantially the same manner as provided by law for general
22 elections. If the question of imposing a special county
23 hospital [~~gross receipts~~] sales tax fails, the governing body
24 shall not again propose a special county hospital [~~gross~~
25 ~~receipts~~] sales tax for a period of one year after the

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1 election. A certified copy of any ordinance imposing a
2 special county hospital [~~gross receipts~~] sales tax shall be
3 mailed to the department within five days after the ordinance
4 is adopted in any election called for that purpose.

5 H. A single election may be held on the question
6 of imposing a special county hospital [~~gross receipts~~] sales
7 tax as authorized in this section, on the question of imposing
8 a special county hospital gasoline tax as authorized in the
9 Special County Hospital Gasoline Tax Act and on the question
10 of imposing a mill levy pursuant to the Hospital Funding Act."

11 SECTION 171. Section 7-20E-14 NMSA 1978 (being Laws
12 1987, Chapter 45, Section 8, as amended) is amended to read:

13 "7-20E-14. SPECIAL COUNTY HOSPITAL [~~GROSS RECEIPTS~~]
14 SALES TAX--USE OF PROCEEDS.--The funds provided through the
15 special county hospital [~~gross receipts~~] sales tax shall be
16 administered by the governing body of the county. In a county
17 described in Paragraph (1) of Subsection C of Section 7-20E-13
18 NMSA 1978, the funds shall be disbursed by the county
19 treasurer to a hospital within the county, subject to the
20 approval by the governing body of a budget or plan for use of
21 the funds submitted by that hospital's governing board."

22 SECTION 172. Section 7-20E-15 NMSA 1978 (being Laws
23 1979, Chapter 398, Section 3, as amended) is amended to read:

24 "7-20E-15. COUNTY FIRE PROTECTION [~~EXCISE~~] SALES
25 TAX--AUTHORITY TO IMPOSE--ORDINANCE REQUIREMENTS.--

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1 A. The majority of the members of the governing
2 body may enact an ordinance imposing an excise tax on any
3 person engaging in business in the county area for the
4 privilege of engaging in business. The rate of the tax shall
5 be one-fourth percent or one-eighth percent of the gross
6 receipts of the person engaging in business.

7 B. This tax is to be referred to as the "county
8 fire protection [~~excise~~] sales tax".

9 C. The governing body of a county shall, at the
10 time of enacting an ordinance imposing the rate of the tax
11 authorized in Subsection A of this section, dedicate the
12 revenue for the purpose of financing the operational expenses,
13 ambulance services or capital outlay costs of independent fire
14 districts or ambulance services provided by the county. In
15 any election held, the ballot shall clearly state the purpose
16 to which the revenue will be dedicated and shall be used by
17 the county for that purpose.

18 D. Any ordinance enacted under the provisions of
19 Subsection A of this section shall include an effective date
20 of either July 1 or January 1 in accordance with the
21 provisions of the County Local Option [~~Gross Receipts Taxes~~]
22 Sales and Use Tax Act.

23 E. The ordinance shall not go into effect until
24 after an election is held and a simple majority of the
25 qualified electors of the county area voting in the election

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1 votes in favor of imposing the county fire protection [~~excise~~]
2 sales tax. The governing body shall adopt a resolution
3 calling for an election within seventy-five days of the date
4 the ordinance is adopted on the question of imposing the tax.
5 Such question may be submitted to the qualified electors and
6 voted upon as a separate question at any special election
7 called for that purpose by the governing body. The election
8 upon the question shall be called, held, conducted and
9 canvassed in substantially the same manner as provided by law
10 for general elections. If the question of imposing a county
11 fire protection [~~excise~~] sales tax fails, the governing body
12 shall not again propose a county fire protection [~~excise~~]
13 sales tax for a period of one year after the election."

14 SECTION 173. Section 7-20E-16 NMSA 1978 (being Laws
15 1979, Chapter 398, Section 8, as amended) is amended to read:

16 "7-20E-16. COUNTY FIRE PROTECTION [~~EXCISE~~] SALES TAX--
17 USE OF PROCEEDS--BUDGET LIMITATION.--

18 A. The money provided through passage of the
19 county fire protection [~~excise~~] sales tax shall be disbursed
20 and allotted through the governing body to the county fire
21 districts within the county; provided that no part of any
22 distribution shall be used to pay any salary, compensation or
23 remuneration to any employee of the state, the county or the
24 independent fire district.

25 B. The governing body of any county adopting a

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1 county fire protection [~~excise~~] sales tax shall not reduce the
2 level of funding of any independent fire district more than
3 ten percent from the approved budget of such fire district for
4 the prior year. The department of finance and administration
5 shall not approve the budget of any county [~~which~~] that
6 violates the provisions of this subsection."

7 SECTION 174. Section 7-20E-17 NMSA 1978 (being Laws
8 1990, Chapter 99, Section 58, as amended) is amended to read:

9 "7-20E-17. COUNTY ENVIRONMENTAL SERVICES [~~GROSS~~
10 ~~RECEIPTS~~] SALES TAX--AUTHORITY TO IMPOSE RATE--USE OF FUNDS.--

11 A. The majority of the members of the governing
12 body of any county may enact an ordinance imposing an excise
13 tax at a rate of one-eighth [~~of one~~] percent of the gross
14 receipts of any person engaging in business in the county area
15 for the privilege of engaging in business.

16 B. This tax is to be referred to as the "county
17 environmental services [~~gross receipts~~] sales tax".

18 C. Imposition by any county of the county
19 environmental services [~~gross receipts~~] sales tax shall not be
20 subject to a referendum of any kind unless prescribed by the
21 county charter.

22 D. Any county, at the time of enacting an
23 ordinance imposing a county environmental services [~~gross~~
24 ~~receipts~~] sales tax, shall dedicate the entire amount of
25 revenue produced by the tax for the acquisition, construction,

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1 operation and maintenance of solid waste facilities, water
2 facilities, wastewater facilities, sewer systems and related
3 facilities.

4 E. Any ordinance enacted [~~under~~] pursuant to the
5 provisions of Subsection A of this section shall include an
6 effective date of either July 1 or January 1 in accordance
7 with the provisions of the County Local Option [~~Gross Receipts~~
8 ~~Taxes~~] Sales and Use Tax Act."

9 SECTION 175. Section 7-20E-18 NMSA 1978 (being Laws
10 1991, Chapter 212, Section 7, as amended) is amended to read:

11 "7-20E-18. COUNTY HEALTH CARE [~~GROSS RECEIPTS~~] SALES
12 TAX--AUTHORITY TO IMPOSE RATE.--

13 A. The majority of the members of the governing
14 body of any county may enact an ordinance imposing an excise
15 tax at a rate of one-sixteenth percent of the gross receipts
16 of any person engaging in business in the county for the
17 privilege of engaging in business in the county. Any
18 ordinance imposing an excise tax pursuant to this section
19 shall not be subject to a referendum. The governing body of a
20 county shall, at the time of enacting an ordinance imposing
21 the tax, dedicate the revenue to the county-supported medicaid
22 fund. This tax is to be referred to as the "county health
23 care [~~gross receipts~~] sales tax".

24 B. In addition to the imposition of the county
25 health care [~~gross receipts~~] sales tax authorized by

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1 Subsection A of this section, the majority of the members of
2 the governing body of a county having a population of more
3 than five hundred thousand persons according to the most
4 recent federal decennial census may enact an ordinance
5 imposing an additional one-sixteenth percent increment of
6 county health care [~~gross receipts~~] sales tax; provided that
7 the imposition of the additional increment shall be for a
8 period that ends no later than June 30, 2009. To continue an
9 increment after June 30, 2009 or beyond any five-year period
10 for which the increment has been imposed, the members of the
11 governing body shall review the need for the increment and if
12 the majority of the members vote in favor of continuing the
13 increment imposed pursuant to this subsection, the increment
14 shall be imposed for an additional period of five years. The
15 governing body of the county shall, at the time of enacting an
16 ordinance imposing the additional increment of county health
17 care [~~gross receipts~~] sales tax, dedicate the revenue to the
18 support of indigent patients.

19 C. Any ordinance enacted pursuant to the
20 provisions of Subsection A or B of this section shall include
21 an effective date of either July 1 or January 1 in accordance
22 with the provisions of the County Local Option [~~Gross Receipts~~
23 ~~Taxes~~] Sales and Use Tax Act."

24 SECTION 176. Section 7-20E-19 NMSA 1978 (being Laws
25 1998, Chapter 90, Section 7, as amended) is amended to read:

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1 "7-20E-19. COUNTY INFRASTRUCTURE [~~GROSS RECEIPTS~~] SALES
2 TAX--AUTHORITY TO IMPOSE RATE--USE OF FUNDS--ELECTION.--

3 A. The majority of the members of the governing
4 body of a county may enact an ordinance imposing an excise tax
5 at a rate not to exceed one-eighth [~~of one~~] percent of the
6 gross receipts of any person engaging in business in the
7 county area for the privilege of engaging in business. The
8 tax may be imposed in increments of one-sixteenth [~~of one~~]
9 percent not to exceed an aggregate rate of one-eighth [~~of one~~]
10 percent.

11 B. The tax imposed pursuant to Subsection A of
12 this section may be referred to as the "county infrastructure
13 [~~gross receipts~~] sales tax".

14 C. The governing body, at the time of enacting an
15 ordinance imposing a rate of tax authorized in Subsection A of
16 this section, may dedicate the revenue for:

- 17 (1) county general purposes;
- 18 (2) payment of [~~gross receipts~~] sales tax
19 revenue bonds issued pursuant to Chapter 4, Article 62 NMSA
20 1978;
- 21 (3) repair, replacement, construction or
22 acquisition of any county infrastructure improvements;
- 23 (4) acquisition, construction, operation or
24 maintenance of solid waste facilities, water facilities,
25 wastewater facilities, sewer systems and related facilities;

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1 (5) acquiring, constructing, extending,
2 bettering, repairing or otherwise improving or operating or
3 maintaining public transit systems or regional transit systems
4 or authorities;

5 (6) planning, design, construction,
6 equipping, maintenance or operation of a county jail or
7 juvenile detention facility; planning, assessment, design or
8 operation of a regional system of juvenile services, including
9 secure detention and nonsecure alternatives, that serves
10 multiple contiguous counties; planning, design, construction,
11 maintenance or operation of multipurpose regional adult jails
12 or juvenile detention facilities; housing of county prisoners
13 or juvenile offenders in any county jail or detention
14 facility; or substance abuse, mental health or other programs
15 for county prisoners or other inmates in county jails or for
16 juvenile offenders in county or regional detention facilities;
17 and

18 (7) furthering or implementing economic
19 development plans and projects as defined in the Local
20 Economic Development Act or projects as defined in the
21 Statewide Economic Development Finance Act, and use of not
22 more than the greater of fifty thousand dollars (\$50,000) or
23 ten percent of the revenue collected for promotion and
24 administration of or professional services contracts related
25 to implementation of an economic development plan adopted by

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1 the governing body pursuant to the Local Economic Development
2 Act and in accordance with law.

3 D. An ordinance imposing the county infrastructure
4 [~~gross receipts~~] sales tax shall not go into effect until
5 after an election is held and a majority of the voters in the
6 county area voting in the election votes in favor of imposing
7 the tax. The governing body shall adopt a resolution calling
8 for an election within seventy-five days of the date the
9 ordinance is adopted on the question of imposing the tax. The
10 question shall be submitted to the voters of the county area
11 as a separate question at a general election or at a special
12 election called for that purpose by the governing body. A
13 special election shall be called, conducted and canvassed in
14 substantially the same manner as provided by law for general
15 elections. If a majority of the voters voting on the question
16 approves the ordinance imposing the county infrastructure
17 [~~gross receipts~~] sales tax, then the ordinance shall become
18 effective in accordance with the provisions of the County
19 Local Option [~~Gross Receipts Taxes~~] Sales and Use Tax Act. If
20 the question of imposing the county infrastructure [~~gross~~
21 ~~receipts~~] sales tax fails, the governing body shall not again
22 propose the imposition of the tax for a period of one year
23 from the date of the election."

24 SECTION 177. Section 7-20E-20 NMSA 1978 (being Laws
25 2001, Chapter 328, Section 1, as amended) is amended to read:

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1 "7-20E-20. COUNTY EDUCATION [~~GROSS RECEIPTS~~] SALES
2 TAX--AUTHORITY TO IMPOSE--RATE--ELECTION--USE OF REVENUE.--

3 A. Upon submission of a resolution to the
4 governing body pursuant to Subsection D of this section, the
5 governing body of a county shall enact an ordinance imposing
6 or reimposing an excise tax at a rate of one-half [~~of one~~]
7 percent on any person engaging in business in the county for
8 the privilege of engaging in business in the county. The tax
9 imposed pursuant to this section may be referred to as the
10 "county education [~~gross receipts~~] sales tax".

11 B. The governing body, at the time of enacting an
12 ordinance imposing a county education [~~gross receipts~~] sales
13 tax pursuant to this section shall dedicate the revenue only
14 for the payment of county education [~~gross receipts~~] sales tax
15 bonds for public school capital projects and off-campus
16 instruction program capital projects, if any, in the county.
17 The tax shall be imposed for the period necessary for payment
18 of the principal and interest on the county education [~~gross~~
19 ~~receipts~~] sales tax revenue bonds issued to accomplish the
20 purpose for which the revenue is dedicated, but the period
21 shall not exceed ten years from the effective date of the
22 ordinance imposing the tax.

23 C. The governing body may reimpose a county
24 education [~~gross receipts~~] sales tax to be effective upon
25 termination of a previously imposed county education [~~gross~~

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1 ~~receipts]~~ sales tax by following the procedures set forth in
2 this section.

3 D. Upon a finding of need, the boards of every
4 school district in a county that is either located wholly
5 within the exterior boundaries of the county or that has a
6 student membership no more than ten percent of whom reside
7 outside the exterior boundaries of the county may enter into a
8 joint agreement to submit a resolution to the governing body
9 of the county requiring the governing body to impose a county
10 education [~~gross receipts]~~ sales tax and to issue county
11 education [~~gross receipts]~~ sales tax revenue bonds for funding
12 public school capital projects and, if applicable, off-campus
13 instruction program capital projects. The boards [~~must~~] shall
14 agree to provide at least one-fourth of the bond proceeds for
15 capital projects for an off-campus instruction program, if one
16 of the school districts in the county has established such a
17 program. The remaining revenues shall be distributed
18 proportionately to each school district for public school
19 capital outlay projects, including capital projects at charter
20 schools and state-chartered charter schools within the school
21 district, based on the ratio that the population of each
22 school district, according to the 2010 federal decennial
23 census, bears to the population of all of the school districts
24 in the county that are parties to the agreement.

25 E. An ordinance imposing the county education

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1 ~~[gross receipts]~~ sales tax shall not go into effect until
2 after an election is held and a majority of the voters in the
3 county voting in the election votes in favor of imposing the
4 tax. The governing body shall adopt a resolution calling for
5 an election within sixty days of the date the ordinance is
6 adopted on the question of imposing the tax. The question
7 shall be submitted to the voters of the county as a separate
8 question at a general election or at a special election called
9 for that purpose by the governing body. A special election
10 shall be called, conducted and canvassed in substantially the
11 same manner as provided by law for general elections. If a
12 majority of the voters voting on the question approves the
13 ordinance imposing the county education ~~[gross receipts]~~ sales
14 tax, then the ordinance shall become effective in accordance
15 with the provisions of the County Local Option ~~[Gross Receipts~~
16 ~~Taxes]~~ Sales and Use Tax Act. If the question of imposing the
17 county education ~~[gross receipts]~~ sales tax fails, a
18 resolution from the boards of school districts in the county
19 may not again be proposed to the governing body requesting
20 imposition of the tax for a period of one year from the date
21 of the election.

22 F. The proceeds from county education ~~[gross~~
23 ~~receipts]~~ sales tax revenue bonds shall be administered by the
24 governing body and disbursed by the county treasurer to the
25 respective school districts in the amounts and for the

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1 purposes authorized in this section and as set out in the
2 resolution submitted by the boards to the governing body.

3 G. As used in this section:

4 (1) "board" means the governing body of a
5 school district;

6 (2) "capital projects" means the designing,
7 constructing and equipping of new buildings; the remodeling,
8 renovating or making additions to and equipping existing
9 buildings; or the improving or equipping of the grounds
10 surrounding buildings;

11 (3) "county" means:

12 (a) a class B county with a population
13 of less than twenty-five thousand according to the 1990
14 federal decennial census and a net taxable value for property
15 tax purposes for the 1999 property tax year of more than five
16 hundred million dollars (\$500,000,000);

17 (b) a county that has imposed a local
18 hospital gross receipts tax pursuant to the Local Hospital
19 Gross Receipts Tax Act, which tax will expire on December 31,
20 2001; and

21 (c) a county that has previously
22 imposed a county education [~~gross receipts~~] sales tax; and

23 (4) "off-campus instruction program" means a
24 program established by a school district pursuant to the Off-
25 Campus Instruction Act."

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1 SECTION 178. Section 7-20E-21 NMSA 1978 (being Laws
2 2001, Chapter 172, Section 2, as amended) is amended to read:

3 "7-20E-21. COUNTY CAPITAL OUTLAY [~~GROSS RECEIPTS~~] SALES
4 TAX--PURPOSES--REFERENDUM.--

5 A. The majority of the members of the governing
6 body of a county may enact an ordinance imposing an excise tax
7 at a rate not to exceed one-fourth [~~of one~~] percent of the
8 gross receipts of any person engaging in business in the
9 county for the privilege of engaging in business. The tax may
10 be imposed in increments of one-sixteenth [~~of one~~] percent not
11 to exceed an aggregate rate of one-fourth [~~of one~~] percent.

12 B. The tax imposed pursuant to Subsection A of
13 this section may be referred to as the "county capital outlay
14 [~~gross receipts~~] sales tax".

15 C. The governing body, at the time of enacting an
16 ordinance imposing a rate of tax authorized in Subsection A of
17 this section, may dedicate the revenue for any county
18 infrastructure purpose, including:

19 (1) the design, construction, acquisition,
20 improvement, renovation, rehabilitation, equipping or
21 furnishing of public buildings or facilities, including
22 parking facilities, the acquisition of land for the public
23 buildings or facilities and the acquisition or improvement of
24 the grounds surrounding public buildings or facilities;

25 (2) acquisition, construction or improvement

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1 of water, wastewater or solid waste systems or facilities and
2 related facilities, including water or sewer lines and storm
3 sewers and other drainage improvements;

4 (3) design, construction, acquisition,
5 improvement or equipping of a county jail, juvenile detention
6 facility or other county correctional facility or multipurpose
7 regional adult jail or juvenile detention facility;

8 (4) construction, reconstruction or
9 improvement of roads, streets or bridges, including
10 acquisition of rights of way;

11 (5) design, construction, acquisition,
12 improvement or equipping of airport facilities, including
13 acquisition of land, easements or rights of way for airport
14 facilities;

15 (6) acquisition of land for open space,
16 public parks or public recreational facilities and the design,
17 acquisition, construction, improvement or equipping of parks
18 and recreational facilities; and

19 (7) payment of [~~gross receipts~~] sales tax
20 revenue bonds issued pursuant to Chapter 4, Article 62 NMSA
21 1978 for infrastructure purposes.

22 D. An ordinance imposing the county capital outlay
23 [~~gross receipts~~] sales tax shall not go into effect until
24 after an election is held on the question of imposing the tax
25 for the purpose for which the revenue is dedicated and a

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1 majority of the voters in the county voting in the election
2 votes in favor of imposing the tax. The governing body shall
3 adopt a resolution calling for an election within seventy-five
4 days of the date the ordinance is adopted on the question of
5 imposing the tax. The question shall be submitted to the
6 voters of the county as a separate question at a general
7 election or at a special election called for that purpose by
8 the governing body. A special election shall be called,
9 conducted and canvassed in substantially the same manner as
10 provided by law for general elections. If a majority of the
11 voters voting on the question approves the question of
12 imposing the county capital outlay [~~gross receipts~~] sales tax,
13 then the ordinance shall become effective in accordance with
14 the provisions of the County Local Option [~~Gross Receipts~~
15 ~~Taxes~~] Sales and Use Tax Act. If the question of imposing the
16 county capital outlay [~~gross receipts~~] sales tax fails, the
17 governing body shall not again propose the imposition of the
18 tax for a period of one year from the date of the election."

19 SECTION 179. Section 7-20E-22 NMSA 1978 (being Laws
20 2002, Chapter 14, Section 1, as amended) is amended to read:

21 "7-20E-22. COUNTY EMERGENCY COMMUNICATIONS AND
22 EMERGENCY MEDICAL AND BEHAVIORAL HEALTH SERVICES SALES TAX--
23 AUTHORITY TO IMPOSE COUNTYWIDE OR ONLY IN THE COUNTY AREA--
24 ORDINANCE REQUIREMENTS--USE OF REVENUE--ELECTION.--

25 A. The majority of the members of the governing

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1 body of an eligible county that does not have in effect a tax
2 imposed pursuant to Subsection B of this section may enact an
3 ordinance imposing an excise tax at a rate not to exceed one-
4 fourth percent of the gross receipts of a person engaging in
5 business in the county for the privilege of engaging in
6 business. The tax imposed by this subsection may be referred
7 to as the "countywide emergency communications and emergency
8 medical and behavioral health services sales tax".

9 B. The majority of the members of the governing
10 body of an eligible county that does not have in effect a tax
11 imposed pursuant to Subsection A of this section may enact an
12 ordinance imposing an excise tax at a rate not to exceed one-
13 fourth percent of the gross receipts of a person engaging in
14 business in the county area for the privilege of engaging in
15 business. The tax imposed by this subsection may be referred
16 to as the "county area emergency communications and emergency
17 medical and behavioral health services sales tax".

18 C. The taxes authorized in Subsections A and B of
19 this section may be imposed in one or more increments of one-
20 sixteenth percent not to exceed an aggregate rate of one-
21 fourth percent.

22 D. The governing body, at the time of enacting an
23 ordinance imposing a rate of tax authorized in Subsection A or
24 B of this section, shall dedicate the revenue to one or more
25 of the following purposes:

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1 (1) operation of an emergency communications
2 center that has been determined by the local government
3 division of the department of finance and administration to be
4 a consolidated public safety answering point. That operation
5 may include the purchase of emergency communications equipment
6 for the center;

7 (2) operation of emergency medical services
8 provided by the county; or

9 (3) provision of behavioral health services,
10 including alcohol abuse and substance abuse treatment.

11 E. An ordinance imposing any increment of the
12 countywide emergency communications and emergency medical and
13 behavioral health services sales tax or the county area
14 emergency communications and emergency medical and behavioral
15 health services sales tax shall not go into effect until after
16 an election is held and a majority of the voters voting in the
17 election votes in favor of imposing the tax. In the case of
18 an ordinance imposing an increment of the countywide emergency
19 communications and emergency medical and behavioral health
20 services sales tax, the election shall be conducted
21 countywide. In the case of an ordinance imposing the county
22 area emergency communications and emergency medical and
23 behavioral health services sales tax, the election shall be
24 conducted only in the county area. The governing body shall
25 adopt a resolution calling for an election within seventy-five

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1 days of the date the ordinance is adopted on the question of
2 imposing the tax. The question may be submitted to the voters
3 as a separate question at a general election or at a special
4 election called for that purpose by the governing body. A
5 special election shall be called, conducted and canvassed in
6 substantially the same manner as provided by law for general
7 elections. In any election held, the ballot shall clearly
8 state the purpose to which the revenue will be dedicated
9 pursuant to Subsection D of this section. If a majority of
10 the voters voting on the question approves the imposition of
11 the countywide emergency communications and emergency medical
12 and behavioral health services sales tax or the county area
13 emergency communications and emergency medical and behavioral
14 health services sales tax, the ordinance shall become
15 effective in accordance with the provisions of the County
16 Local Option [~~Gross Receipts Taxes~~] Sales and Use Tax Act. If
17 the question of imposing the tax fails, the governing body
18 shall not again propose the imposition of any increment of
19 either tax for a period of one year from the date of the
20 election.

21 F. For the purposes of this section, "eligible
22 county" means:

23 (1) a county that operates or, pursuant to a
24 joint powers agreement, is served by an emergency
25 communications center that has been determined by the local

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1 government division of the department of finance and
2 administration to be a consolidated public safety answering
3 point; or

4 (2) in the case of a county imposing the tax
5 for the purposes provided in Paragraph (3) of Subsection D of
6 this section, a county that operates or contracts for the
7 operation of a behavioral health services facility providing
8 alcohol abuse, substance abuse and inpatient and outpatient
9 behavioral health treatment."

10 SECTION 180. Section 7-20E-23 NMSA 1978 (being Laws
11 2004, Chapter 17, Section 2, as amended) is amended to read:

12 "7-20E-23. COUNTY REGIONAL TRANSIT [~~GROSS RECEIPTS~~]
13 SALES TAX--AUTHORITY TO IMPOSE--RATE--ELECTION REQUIRED.--

14 A. Upon a request by resolution of the board of
15 directors of a regional transit district, a majority of the
16 members of the governing body of each county that is within
17 the district shall impose by identical ordinances an excise
18 tax at the rate specified in the resolution, but not to exceed
19 one-half percent of the gross receipts of any person engaging
20 in business in the district for the privilege of engaging in
21 business. A tax imposed pursuant to this section may be
22 imposed by one or more ordinances, each imposing any number of
23 tax rate increments, but an increment shall not be less than
24 one-sixteenth percent of the gross receipts of any person
25 engaging in business in the district and the aggregate of all

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1 rates shall not exceed one-half percent of the gross receipts
2 of any person engaging in business in the district. The tax
3 may be referred to as the "county regional transit [~~gross~~
4 ~~receipts~~] sales tax".

5 B. Each governing body, at the time of enacting an
6 ordinance imposing the tax authorized in Subsection A of this
7 section, shall dedicate the revenue for the purposes
8 authorized by the Regional Transit District Act.

9 C. An ordinance imposing a county regional transit
10 [~~gross receipts~~] sales tax shall not go into effect until
11 after a joint election is held by all counties within the
12 district and a majority of the voters of the district voting
13 in the election votes in favor of imposing the tax. Each
14 governing body shall adopt an ordinance calling for a joint
15 election within seventy-five days of the date the resolution
16 is adopted on the question of imposing the tax. The question
17 shall be submitted to the voters of the district as a separate
18 question at a general election or at a joint special election
19 called for that purpose by each governing body. A joint
20 special election shall be called, conducted and canvassed
21 substantially in the same manner as provided by law for
22 general elections. If a majority of the voters in the
23 district voting on the question approves the ordinance
24 imposing the county regional transit [~~gross receipts~~] sales
25 tax, the ordinance shall become effective in accordance with

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1 the provisions of the County Local Option [~~Gross Receipts~~
2 ~~Taxes~~] Sales and Use Tax Act. If the question of imposing the
3 county regional transit [~~gross receipts~~] sales tax fails, the
4 governing bodies shall not again propose the imposition of any
5 increment of the tax for a period of one year from the date of
6 the election.

7 D. The governing body of a county imposing a
8 county regional transit [~~gross receipts~~] sales tax shall
9 transfer all proceeds from the tax to the regional transit
10 district for the purposes specified in the ordinance and in
11 accordance with the provisions of the Regional Transit
12 District Act.

13 E. As used in this section, "county that is within
14 the district" means a county within which lies any portion of
15 a regional transit district."

16 **SECTION 181.** Section 7-20E-24 NMSA 1978 (being Laws
17 2005, Chapter 212, Section 1) is amended to read:

18 "7-20E-24. QUALITY OF LIFE [~~GROSS RECEIPTS~~] SALES TAX--
19 AUTHORITY TO IMPOSE--ORDINANCE REQUIREMENTS--USE OF REVENUE--
20 ELECTION.--

21 A. Prior to January 1, 2016, the majority of the
22 members of the governing body of a county may enact an
23 ordinance imposing an excise tax at a rate not to exceed one-
24 fourth percent of the gross receipts of a person engaging in
25 business in the county area for the privilege of engaging in

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1 business. The tax may be imposed in one or more increments of
2 one-sixteenth percent not to exceed an aggregate rate of one-
3 fourth percent. The tax shall be imposed for a period of not
4 more than ten years from the effective date of the ordinance
5 imposing the tax. Having enacted an ordinance imposing the
6 tax prior to January 1, 2016 pursuant to the provisions of
7 this section, the governing body may enact subsequent
8 ordinances for succeeding periods of not more than ten years;
9 provided that each ordinance meets the requirements of this
10 section and of the County Local Option [~~Gross Receipts Taxes~~]
11 Sales and Use Tax Act. The tax imposed pursuant to the
12 provisions of this section may be referred to as the "quality
13 of life [~~gross receipts~~] sales tax".

14 B. The governing body, at the time of enacting an
15 ordinance imposing the quality of life [~~gross receipts~~] sales
16 tax, shall dedicate the revenue to cultural programs and
17 activities provided by a local government and to cultural
18 programs, events and activities provided by contract or
19 operating agreement with nonprofit or publicly owned cultural
20 organizations and institutions.

21 C. The governing body of a class A county with a
22 population of more than two hundred fifty thousand according
23 to the most recent federal decennial census, when dedicating
24 revenue pursuant to Subsection B of this section, shall
25 specify that:

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1 (1) the revenue [~~may~~] shall not be used for
2 capital expenditures, endowments or fundraising;

3 (2) at least one percent but not more than
4 three percent of the revenue shall be used for public
5 education on the use of the revenue;

6 (3) at least three percent but not more than
7 five percent of the revenue shall be dedicated to
8 administration of the revenue; and

9 (4) at least one percent but not more than
10 three percent of the revenue shall be used for implementation
11 of the goals of the cultural plan for the county and the
12 largest municipality located within the exterior boundaries of
13 the county.

14 D. An ordinance imposing any increment of the
15 quality of life [~~gross receipts~~] sales tax shall not go into
16 effect until after an election is held and a majority of the
17 voters in the county voting in the election [~~vote~~] votes in
18 favor of imposing the tax. The governing body shall adopt a
19 resolution calling for an election within ninety days of the
20 date the ordinance is adopted on the question of imposing the
21 tax. The question may be submitted to the voters as a
22 separate question at a general election or at a special
23 election called for that purpose by the governing body. A
24 special election shall be called, conducted and canvassed in
25 substantially the same manner as provided by law for general

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1 elections. In any election held, the ballot shall clearly
2 state the purpose to which the revenue will be dedicated
3 pursuant to this section. If a majority of the voters voting
4 on the question approves the ordinance imposing the quality of
5 life [~~gross receipts~~] sales tax, the ordinance shall become
6 effective in accordance with the provisions of the County
7 Local Option [~~Gross Receipts Taxes~~] Sales and Use Tax Act. If
8 the question of imposing the quality of life [~~gross receipts~~]
9 sales tax fails, the governing body shall not again propose
10 the imposition of the tax for a period of one year from the
11 date of the election.

12 E. The quality of life [~~gross receipts~~] sales tax
13 revenue shall be used to meet the following goals: promoting
14 and preserving cultural diversity; enhancing the quality of
15 cultural programs and activities; fostering greater access to
16 cultural opportunities; promoting culture in order to further
17 economic development within the county; and supporting
18 programs, events and organizations with direct, identifiable
19 and measurable public benefit to residents of the county. It
20 is the objective of the quality of life [~~gross receipts~~] sales
21 tax that the revenue from the tax be used to expand and
22 sustain existing programs and to develop new programs, events
23 and activities, rather than to replace other funding sources
24 for existing programs, events and activities.

25 F. The governing body of a county that imposes the

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1 quality of life [~~gross receipts~~] sales tax shall, within sixty
2 days of the election approving the imposition of the tax,
3 appoint a county cultural advisory board consisting of between
4 nine and fifteen members. Persons appointed to the board
5 shall be residents of the county who are knowledgeable about
6 the activities eligible for quality of life tax funding. At
7 least one member of the board shall be appointed by the
8 governing body of the most populous municipality within the
9 county. The members of the board shall be appointed for fixed
10 terms and shall not be removed during their terms except for
11 malfeasance. The terms of the initial board members shall be
12 staggered so that one-third of the members are appointed for
13 one-year terms, one-third are appointed for two-year terms and
14 one-third are appointed for three-year terms. Subsequent
15 appointments to the board shall be for three-year terms. If a
16 vacancy on the board occurs, the governing body shall appoint
17 a replacement member for the remainder of the unexpired term.
18 A board member shall not serve for more than two consecutive
19 terms.

20 G. The county cultural advisory board shall have
21 the responsibility of overseeing the distribution of the
22 quality of life [~~gross receipts~~] sales tax revenue for the
23 goals listed in Subsection E of this section. The board
24 shall:

25 (1) biennially submit recommendations to the

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1 governing body for expenditures of revenue from the quality of
2 life [~~gross receipts~~] sales tax that are allocated pursuant to
3 this section through contracts for services with appropriate
4 organizations and institutions;

5 (2) establish and publicize the necessary
6 qualifications for organizations and institutions to receive
7 quality of life [~~gross receipts~~] sales tax funding; and

8 (3) develop guidelines and procedures for
9 applying for funding through a request for proposals process
10 and the criteria by which contracts will be awarded. The
11 evaluation process shall include a public review component.

12 H. The cultural advisory board shall establish
13 reporting requirements for recipients of the quality of life
14 [~~gross receipts~~] sales tax revenue. The board shall provide
15 to the governing body an annual evaluation of the use of
16 revenue from the quality of life [~~gross receipts~~] sales tax to
17 ensure that it is meeting the goals listed in Subsection E of
18 this section.

19 I. If the quality of life [~~gross receipts~~] sales
20 tax is enacted in a class A county with a population of more
21 than two hundred fifty thousand according to the most recent
22 federal decennial census, the net revenue from the tax
23 remaining after distributions pursuant to Subsection C of this
24 section shall be distributed as follows subject to the
25 recommendations of the county cultural advisory board pursuant

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1 to Subsection G of this section:

2 (1) for the purpose of enhancing cultural
3 programs and activities, sixty-five percent to a municipality
4 for cultural programs and activities within the exterior
5 boundaries of the county and five percent to the county for
6 cultural programs and activities within the unincorporated
7 areas of the county; provided that:

8 (a) the funds are distributed according
9 to a plan that takes into consideration progress indicators
10 that include current budgets, fiscal responsibility and
11 attendance;

12 (b) educational institutions serving
13 kindergarten through twelfth grade are not eligible for
14 distributions pursuant to this paragraph; and

15 (c) a portion of the funds may be
16 expended by the municipality pursuant to an operating
17 agreement with an organization that operates a facility owned
18 by the municipality;

19 (2) for the purpose of providing cultural
20 programs and services to the residents of the county, sixteen
21 percent may be distributed through contracts for services with
22 private nonprofit organizations with an annual operating
23 budget of more than one hundred thousand dollars (\$100,000)
24 and two percent may be distributed through contracts for
25 services with private nonprofit organizations with an annual

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1 operating budget of one hundred thousand dollars (\$100,000) or
2 less. To be eligible for a distribution pursuant to this
3 paragraph, an organization shall have:

4 (a) been granted for the prior three
5 consecutive years exemption from the federal income tax by the
6 United States commissioner of [~~the~~] internal revenue as an
7 organization described in Section 501(c)(3) of the Internal
8 Revenue Code of 1986, as that section may be amended or
9 renumbered;

10 (b) as its primary purpose cultural
11 programs; and

12 (c) its principal office located within
13 the exterior boundaries of the county; and

14 (3) for the purpose of providing cultural
15 programs to residents of the county, twelve percent to:

16 (a) organizations that have a strong
17 cultural program but do not have culture as their primary
18 purpose; or

19 (b) foundations that are affiliated
20 with state or federally owned institutions and that do not
21 otherwise qualify for funding pursuant to this section but
22 that offer cultural programs to the general public.

23 J. Every four years, the cultural advisory board
24 shall review and revise as necessary:

25 (1) the guidelines and procedures for

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1 applying for funding;

2 (2) the criteria by which applications for
3 funding will be evaluated; and

4 (3) the percentages specified in Paragraph
5 (1) of Subsection I of this section for distribution of net
6 revenue to municipally owned or county-owned institutions.

7 K. As used in this section:

8 (1) "county area" means that portion of a
9 county located outside the boundaries of any municipality,
10 except that for H class counties and class A counties with a
11 population in excess of two hundred fifty thousand, according
12 to the most recent federal decennial census, "county area"
13 means the entire county; and

14 (2) "cultural organizations and
15 institutions" means organizations and institutions that have
16 as a primary purpose the advancement or preservation of
17 zoology, museums, library sciences, art, music, theater,
18 dance, literature or the humanities."

19 **SECTION 182.** Section 7-20E-25 NMSA 1978 (being Laws
20 2006, Chapter 15, Section 15) is amended to read:

21 "7-20E-25. COUNTY REGIONAL SPACEPORT [~~GROSS RECEIPTS~~]
22 SALES TAX--AUTHORITY TO IMPOSE--RATE--ELECTION REQUIRED.--

23 A. A majority of the members of the governing body
24 of a county that desires to become a member of a regional
25 spaceport district pursuant to the Regional Spaceport District

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1 Act shall impose by ordinance an excise tax at a rate not to
2 exceed one-half percent of the gross receipts of a person
3 engaging in business in the district area of the county for
4 the privilege of engaging in business. A tax imposed pursuant
5 to this section may be imposed by one or more ordinances, each
6 imposing any number of tax rate increments, but an increment
7 shall not be less than one-sixteenth percent of the gross
8 receipts of a person engaging in business in the district area
9 of the county, and the aggregate of all rates shall not exceed
10 one-half percent of the gross receipts of a person engaging in
11 business in the district area of the county. The tax may be
12 referred to as the "county regional spaceport [~~gross receipts~~
13 sales tax".

14 B. A governing body, at the time of enacting an
15 ordinance imposing the tax authorized in Subsection A of this
16 section, shall dedicate a minimum of seventy-five percent of
17 the proceeds of the revenue to the regional spaceport district
18 for the financing, planning, designing and engineering and
19 construction of a spaceport or for projects or services of the
20 district pursuant to the Regional Spaceport District Act and
21 may dedicate no more than twenty-five percent of the revenue
22 for spaceport-related projects as approved by resolution of
23 the governing body of the county.

24 C. An ordinance imposing a county regional
25 spaceport [~~gross receipts~~] sales tax shall not go into effect

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1 until after an election is held and a majority of the voters
2 of the district area of the county voting in the election
3 votes in favor of imposing the tax. The governing body shall
4 adopt an ordinance calling for an election within seventy-five
5 days of the date the resolution is adopted on the question of
6 imposing the tax. The question shall be submitted to the
7 voters of the district area of the county as a separate
8 question at a general election or at a special election called
9 for that purpose by the governing body. A special election
10 shall be called, conducted and canvassed substantially in the
11 same manner as provided by law for general elections. If a
12 majority of the voters voting on the question approves the
13 ordinance imposing the county regional spaceport [~~gross~~
14 ~~receipts~~] sales tax, the ordinance shall become effective in
15 accordance with the provisions of the County Local Option
16 [~~Gross Receipts Taxes~~] Sales and Use Tax Act. If the question
17 of imposing the county regional spaceport [~~gross receipts~~]
18 sales tax fails, the governing body shall not again propose
19 the imposition of an increment of the tax for a period of one
20 year from the date of the election.

21 D. The governing body of a county imposing a
22 county regional spaceport [~~gross receipts~~] sales tax shall
23 transfer a minimum of seventy-five percent of all proceeds
24 from the tax to the regional spaceport district of which it is
25 a member for the purposes in accordance with the provisions of

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1 the Regional Spaceport District Act. The governing body of a
2 county imposing a county regional spaceport [~~gross receipts~~
3 sales tax may retain no more than twenty-five percent of the
4 county regional spaceport [~~gross receipts~~] sales tax for
5 spaceport-related projects as approved by the resolution of
6 the governing body of the county.

7 E. As used in this section, "district area of the
8 county" means that portion of a county that is outside the
9 boundaries of a municipality and that is within the boundaries
10 of a regional spaceport district of which the county is a
11 member; provided that if no municipality within the county has
12 imposed a municipal regional spaceport [~~gross receipts~~] sales
13 tax, "district area of the county" may mean the area within
14 the boundaries of the county that is within the boundaries of
15 a regional spaceport district of which the county is a
16 member."

17 SECTION 183. Section 7-20E-26 NMSA 1978 (being Laws
18 2007, Chapter 346, Section 1) is amended to read:

19 "7-20E-26. WATER AND SANITATION [~~GROSS RECEIPTS~~] SALES
20 TAX--AUTHORITY TO IMPOSE--RATE--ELECTION--USE OF REVENUE.--

21 A. An excise tax imposed by a governing body
22 pursuant to this section may be referred to as the "water and
23 sanitation [~~gross receipts~~] sales tax". The water and
24 sanitation [~~gross receipts~~] sales tax shall be imposed by a
25 governing body as set forth in this section, contingent upon a

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1 majority of the voters voting in an election on the question
2 of whether to impose a water and sanitation [~~gross receipts~~]
3 sales tax voting in favor of the imposition.

4 B. Upon receipt of a resolution adopted and
5 submitted by the board of directors of a water and sanitation
6 district that requests the governing body to impose a water
7 and sanitation [~~gross receipts~~] sales tax on behalf of the
8 water and sanitation district, a governing body shall enact an
9 ordinance imposing a water and sanitation [~~gross receipts~~]
10 sales tax in that water and sanitation district. The
11 ordinance shall impose the tax at a rate of one-fourth percent
12 on a person engaging in business within the area of the county
13 located within the water and sanitation district for the
14 privilege of engaging in business within that water and
15 sanitation district within the county.

16 C. The governing body, at the time of enacting an
17 ordinance imposing a water and sanitation [~~gross receipts~~]
18 sales tax authorized pursuant to Subsection A of this section,
19 shall dedicate the revenue only for the operation of the water
20 and sanitation district for which the tax is imposed. The tax
21 shall be imposed for six years from the date on which the
22 water and sanitation [~~gross receipts~~] sales tax goes into
23 effect.

24 D. Within sixty days of the date the ordinance is
25 adopted by the governing body, the governing body shall adopt

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1 a resolution calling for an election on the question of
2 whether to impose a water and sanitation [~~gross receipts~~
3 sales tax. The question shall be submitted to the voters of
4 the water and sanitation district requesting the county to
5 impose the tax. A special election shall be called, conducted
6 and canvassed in substantially the same manner as provided by
7 law for general elections. If a majority of the voters voting
8 on the question approves the ordinance imposing the water and
9 sanitation [~~gross receipts~~] sales tax, then the ordinance
10 shall become effective in accordance with the provisions of
11 the County Local Option [~~Gross Receipts Taxes~~] Sales and Use
12 Tax Act on either January 1 or July 1 following the election
13 approving the imposition of the tax. If the question of
14 imposing the water and sanitation [~~gross receipts~~] sales tax
15 fails, a resolution from the board of directors of the water
16 and sanitation district initiating the request to the county
17 to impose a water and sanitation [~~gross receipts~~] sales tax
18 may not again be submitted to the governing body for a period
19 of one year from the date of the election.

20 E. The proceeds from the water and sanitation
21 [~~gross receipts~~] sales tax shall be administered by the
22 governing body and disbursed by the county treasurer to the
23 appropriate water and sanitation district in amounts and for
24 the purposes authorized in this section and as set out in the
25 resolution submitted by the board of directors to the

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1 governing body. An agreement shall be entered into between
2 the water and sanitation district and the governing body that
3 sets out the responsibilities of both parties regarding
4 administration, distribution and use of the revenue from the
5 water and sanitation [~~gross receipts~~] sales tax."

6 SECTION 184. Section 7-20E-27 NMSA 1978 (being Laws
7 2010, Chapter 31, Section 1) is amended to read:

8 "7-20E-27. COUNTY BUSINESS RETENTION [~~GROSS RECEIPTS~~]
9 SALES TAX--IMPOSITION--RATE.--

10 A. A majority of the members of a governing body
11 may enact an ordinance imposing an excise tax on a person
12 engaging in business in the county for the privilege of
13 engaging in business in the county to provide funds to retain
14 local businesses in the county. The maximum rate of the tax
15 shall be one-fourth percent of the gross receipts of the
16 person engaging in business. The tax may be imposed in its
17 entirety or in increments of one-sixteenth percent not to
18 exceed an aggregate rate of one-fourth percent.

19 B. The tax imposed pursuant to this section may be
20 referred to as the "county business retention [~~gross receipts~~]
21 sales tax".

22 C. An ordinance imposing the county business
23 retention [~~gross receipts~~] sales tax shall not go into effect
24 until after an election is held and a majority of the voters
25 in the county voting in the election [~~vote~~] votes in favor of

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1 imposing the tax. The governing body shall adopt a resolution
2 calling for an election within seventy-five days of the date
3 the ordinance is adopted on the question of imposing the tax.
4 The question may be submitted to the voters of the county as a
5 separate question at a general election or at a special
6 election called for that purpose by the governing body. A
7 special election shall be called, conducted and canvassed in
8 substantially the same manner as provided by law for general
9 elections. If a majority of the voters voting on the question
10 approves the ordinance imposing the county business retention
11 [~~gross receipts~~] sales tax, then the ordinance shall become
12 effective in accordance with the provisions of the County
13 Local Option [~~Gross Receipts Taxes~~] Sales and Use Tax Act. If
14 the question of imposing the county business retention [~~gross~~
15 ~~receipts~~] sales tax fails, the governing body shall not again
16 propose the imposition of the tax for a period of one year
17 from the date of the election.

18 D. The governing body shall include in the
19 ordinance that:

20 (1) an amount not to exceed seven hundred
21 fifty thousand dollars (\$750,000) of the money from the county
22 business retention [~~gross receipts~~] sales tax shall be
23 distributed to the state to reduce the impact to the general
24 fund of gaming tax lost to the state from the county from
25 reduced gaming tax revenue due to decreased economic activity

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1 in the county; and

2 (2) the remainder of the revenue from the
3 county business retention [~~gross receipts~~] sales tax shall be
4 distributed back to the county for use for promotion or
5 administration of the county, instructional or general
6 purposes for a public post-secondary educational institution
7 in the county, capital outlay to expand or relocate a public
8 post-secondary educational institution in the county or
9 funding professional services contracts related to
10 implementing an economic development plan adopted by the
11 governing body that shall be updated on an annual basis during
12 the period in which the tax is imposed.

13 E. The county shall notify the department within
14 thirty days of adopting an ordinance and inform the department
15 of the date on which the tax will be imposed for collection
16 purposes.

17 F. The governing body of a county that has imposed
18 a county business retention [~~gross receipts~~] sales tax
19 pursuant to this section may adopt by a majority vote an
20 ordinance repealing that tax as of either July 1 or January 1,
21 as stated in the ordinance. If the county business retention
22 [~~gross receipts~~] sales tax is repealed, the governing body
23 shall notify the department within thirty days of the repeal
24 and of the date on which the repeal becomes effective.

25 G. An ordinance enacted pursuant to the provisions

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1 of this section shall include an effective date of either July
2 1 or January 1 as required by the County Local Option [~~Gross~~
3 ~~Receipts Taxes~~] Sales and Use Tax Act.

4 H. A county business retention [~~gross receipts~~]
5 sales tax imposed pursuant to this section shall be in effect
6 for no more than five years from the effective date of the tax
7 as stated in the county ordinance.

8 I. As used in this section, "county" means a
9 county containing gaming operator licensees that are
10 racetracks."

11 SECTION 185. Section 7-20E-28 NMSA 1978 (being Laws
12 2013, Chapter 160, Section 12) is amended to read:

13 "7-20E-28. COUNTY HOLD HARMLESS [~~GROSS RECEIPTS~~] SALES
14 TAX.--

15 A. The majority of the members of the governing
16 body of any county may impose by ordinance an excise tax not
17 to exceed a rate of three-eighths percent of the gross
18 receipts of any person engaging in business in the county for
19 the privilege of engaging in business in the county. A tax
20 imposed pursuant to this section shall be imposed by the
21 enactment of one or more ordinances, each imposing any number
22 of [~~gross receipts tax rate~~] increments, but the total [~~gross~~
23 ~~receipts tax~~] rate imposed by all ordinances pursuant to this
24 section shall not exceed an aggregate rate of three-eighths
25 percent of the gross receipts of a person engaging in

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1 business. Counties may impose increments of one-eighth [~~of~~
2 ~~one~~] percent.

3 B. The tax imposed pursuant to Subsection A of
4 this section may be referred to as the "county hold harmless
5 [~~gross receipts~~] sales tax". The imposition of a county hold
6 harmless [~~gross receipts~~] sales tax is not subject to
7 referendum.

8 C. The governing body of a county may, at the time
9 of enacting an ordinance imposing the tax authorized in
10 Subsection A of this section, dedicate the revenue for a
11 specific purpose or area of county government services,
12 including [~~but not limited to~~] police protection, fire
13 protection, public transportation or street repair and
14 maintenance. If the governing body proposes to dedicate such
15 revenue, the ordinance and any revenue so dedicated shall be
16 used by the county for that purpose unless a subsequent
17 ordinance is adopted to change the purpose to which the
18 revenue is dedicated or to place the revenue in the general
19 fund of the county.

20 D. Any law that imposes or authorizes the
21 imposition of a county hold harmless [~~gross receipts~~] sales
22 tax or that affects the county hold harmless [~~gross receipts~~]
23 sales tax, or any law supplemental thereto or otherwise
24 appertaining thereto, shall not be repealed or amended or
25 otherwise directly or indirectly modified in such a manner as

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1 to impair adversely any outstanding revenue bonds that may be
2 secured by a pledge of such county hold harmless [~~gross~~
3 ~~receipts~~] sales tax unless such outstanding revenue bonds have
4 been discharged in full or provision has been fully made
5 therefor."

6 SECTION 186. Section 7-20F-1 NMSA 1978 (being Laws
7 1993, Chapter 303, Section 1) is amended to read:

8 "7-20F-1. SHORT TITLE.--~~[Sections 3 through 14 of this~~
9 ~~act]~~ Chapter 7, Article 20F NMSA 1978 may be cited as the
10 "County Correctional Facility [~~Gross Receipts~~] Sales Tax
11 Act".

12 SECTION 187. Section 7-20F-2 NMSA 1978 (being Laws
13 1993, Chapter 303, Section 2, as amended) is amended to read:

14 "7-20F-2. DEFINITIONS.--As used in the County
15 Correctional Facility [~~Gross Receipts~~] Sales Tax Act:

16 A. "county" means a county of New Mexico;

17 B. "county board" means the board of county
18 commissioners of a county;

19 C. "department" means the taxation and revenue
20 department, the secretary of taxation and revenue or any
21 employee of the department exercising authority lawfully
22 delegated to that employee by the secretary;

23 D. "judicial-correctional facility" means a
24 facility for housing and use by judicial and corrections
25 agencies, including housing for persons confined in county

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1 correctional facilities; however, none of the facilities are
2 required to be located on the same or contiguous parcels of
3 land;

4 E. "municipality" means any incorporated city,
5 town or village, whether incorporated under general act,
6 special act or special charter;

7 F. "person" means an individual or any other legal
8 entity;

9 G. "pledged revenues" means the revenue, net
10 income or net revenues authorized to be pledged to the payment
11 of revenue bonds issued pursuant to the provisions of the
12 County Correctional Facility [~~Gross Receipts~~] Sales Tax Act;

13 H. "refunding bond" means a refunding revenue bond
14 issued pursuant to the provisions of the County Correctional
15 Facility [~~Gross Receipts~~] Sales Tax Act to refund revenue
16 bonds issued pursuant to the provisions of that act; and

17 I. "revenue bond" means a county correctional
18 facility [~~gross receipts~~] sales tax revenue bond."

19 SECTION 188. Section 7-20F-3 NMSA 1978 (being Laws
20 1993, Chapter 303, Section 3, as amended) is amended to read:

21 "7-20F-3. COUNTY CORRECTIONAL FACILITY [~~GROSS RECEIPTS~~]
22 SALES TAX--AUTHORITY TO IMPOSE--RATE--ORDINANCE REQUIREMENTS--
23 REFERENDUM.--

24 A. The majority of the members elected to the
25 county board may enact an ordinance imposing on a countywide

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1 basis an excise tax not to exceed a rate of one-eighth percent
2 of the gross receipts of any person engaging in business in
3 the county, including all municipalities within the county.

4 B. The tax imposed pursuant to Subsection A of
5 this section may be referred to as the "county correctional
6 facility [~~gross receipts~~] sales tax".

7 C. Any ordinance imposing a county correctional
8 facility [~~gross receipts~~] sales tax pursuant to this section
9 shall:

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

13 (2) specify that the imposition of the tax
14 will begin on either July 1 or January 1, whichever occurs
15 first after the expiration of at least three months from the
16 date that the department is notified personally or by mail by
17 the county of adoption of the ordinance; and

18 (3) dedicate the revenue from the county
19 correctional facility [~~gross receipts~~] sales tax:

20 (a) for the purpose of operating,
21 maintaining, constructing, purchasing, furnishing, equipping,
22 rehabilitating, expanding or improving a judicial-correctional
23 or a county correctional facility or the grounds of a
24 judicial-correctional or county correctional facility,
25 including acquiring and improving parking lots, landscaping or

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1 any combination of the foregoing;

2 (b) for the purpose of transporting or
3 extraditing prisoners; or

4 (c) to payment of principal and
5 interest on revenue bonds or refunding bonds issued pursuant
6 to the provisions of the County Correctional Facility [~~Gross~~
7 ~~Receipts~~] Sales Tax Act.

8 D. An ordinance imposing a county correctional
9 facility [~~gross receipts~~] sales tax pursuant to this section
10 shall be subject to optional referendum selection by the
11 governing body, as provided in Subsection A of Section 7-20E-3
12 NMSA 1978.

13 E. If the county has pledged the revenue from
14 imposition of the county correctional [~~facilities gross~~
15 ~~receipts~~] facility sales tax to the repayment of bonds or
16 other indebtedness, revenue produced by the imposition of a
17 county correctional facility [~~gross receipts~~] sales tax that
18 is in excess of the annual principal and interest due on bonds
19 secured by a pledge of the county correctional facility [~~gross~~
20 ~~receipts~~] sales tax may be accumulated in a debt service
21 reserve account until an amount equal to the maximum amount
22 permitted pursuant to the provisions of the United States
23 treasury regulations is accumulated in the debt service
24 reserve account. After the debt service reserve account
25 requirements have been met, the excess revenue shall be

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1 accumulated in an extraordinary mandatory redemption fund and
2 annually used to redeem the bonds prior to their stated
3 maturity date.

4 F. If the county has pledged the revenue from
5 imposition of the county correctional [~~facilities gross~~
6 ~~receipts~~] facility sales tax to the repayment of bonds or
7 other indebtedness, when all outstanding bonds have been paid,
8 whether from the debt service reserve, the redemption fund or
9 maturity, the ordinance shall be repealed if the county
10 correctional facility [~~gross receipts~~] sales tax revenue is no
11 longer required for the purposes for which it may be used
12 pursuant to the provisions of the County Correctional Facility
13 [~~Gross Receipts~~] Sales Tax Act.

14 G. The repeal of an ordinance imposing a county
15 correctional facility [~~gross receipts~~] sales tax shall state
16 that the repeal shall be effective on January 1 or July 1,
17 whichever occurs first following the date the department is
18 notified personally or by mail by the county of the repeal."

19 SECTION 189. Section 7-20F-4 NMSA 1978 (being Laws
20 1993, Chapter 303, Section 4) is amended to read:

21 "7-20F-4. ORDINANCE SHALL CONFORM TO CERTAIN PROVISIONS
22 OF THE [~~GROSS RECEIPTS AND COMPENSATING~~] SALES AND USE TAX ACT
23 AND REQUIREMENTS OF THE DEPARTMENT.--

24 A. Any ordinance imposing the county correctional
25 facility [~~gross receipts~~] sales tax shall adopt by reference

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1 the same definitions and the same provisions relating to
2 exemptions and deductions as are contained in the [~~Gross~~
3 ~~Receipts and Compensating~~] Sales and Use Tax Act then in
4 effect and as it may be amended from time to time.

5 B. The governing body of any county imposing the
6 county correctional facility [~~gross receipts~~] sales tax shall
7 adopt the model ordinances furnished to the county by the
8 department."

9 SECTION 190. Section 7-20F-5 NMSA 1978 (being Laws
10 1993, Chapter 303, Section 5) is amended to read:

11 "7-20F-5. COLLECTION BY DEPARTMENT--TRANSFER OF
12 PROCEEDS--DEDUCTIONS.--

13 A. The department shall collect the county
14 correctional facility [~~gross receipts~~] sales tax in the same
15 manner and at the same time it collects the state [~~gross~~
16 ~~receipts~~] sales tax.

17 B. The department shall remit to each county for
18 which it is collecting a county correctional facility [~~gross~~
19 ~~receipts~~] sales tax the amount of the tax collected, less any
20 disbursement for tax credits, refunds and the payment of
21 interest applicable to the county correctional facility [~~gross~~
22 ~~receipts~~] sales tax. Transfer of the tax to a county shall be
23 made within the month following the month in which the tax is
24 collected."

25 SECTION 191. Section 7-20F-6 NMSA 1978 (being Laws

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1 1993, Chapter 303, Section 6, as amended) is amended to read:

2 "7-20F-6. SPECIFIC EXEMPTIONS.--No county correctional
3 facility [~~gross receipts~~] sales tax shall be imposed on the
4 gross receipts arising from transporting persons or property
5 for hire by railroad, motor vehicle, air transportation or any
6 other means from one point within the county to another point
7 outside the county."

8 SECTION 192. Section 7-20F-7 NMSA 1978 (being Laws
9 1993, Chapter 303, Section 7) is amended to read:

10 "7-20F-7. REVENUE BONDS--AUTHORITY TO ISSUE--ORDINANCE
11 AUTHORIZING ISSUE--PLEDGE OF REVENUE.--

12 A. In addition to any other law authorizing a
13 county to issue revenue bonds, a county may issue revenue
14 bonds pursuant to the County Correctional Facility [~~Gross~~
15 ~~Receipts~~] Sales Tax Act for the purposes specified in that
16 act. Revenue bonds issued pursuant to the County Correctional
17 Facility [~~Gross Receipts~~] Sales Tax Act may be referred to as
18 "county correctional facility [~~gross receipts~~] sales tax
19 revenue bonds".

20 B. A county board, by majority vote, may adopt an
21 ordinance providing for issuance of revenue bonds pursuant to
22 the provisions of the County Correctional Facility [~~Gross~~
23 ~~Receipts~~] Sales Tax Act, the principal and interest of which
24 shall be paid from the revenue derived by the county from the
25 county correctional facility [~~gross receipts~~] sales tax and

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1 any other revenue that the county may dedicate to the payment
2 of the revenue bonds.

3 C. Revenue bonds or refunding revenue bonds issued
4 as authorized pursuant to the County Correctional Facility
5 [~~Gross Receipts~~] Sales Tax Act are:

6 (1) not general obligations of the county;
7 and

8 (2) collectible only from the county
9 correctional facility [~~gross receipts~~] sales tax and, if
10 authorized, other properly pledged revenues, and each bond
11 shall be payable solely from the properly pledged revenues,
12 and the bondholders shall not look to any other county fund
13 for the payment of the interest and principal of the bonds."

14 SECTION 193. Section 7-20F-8 NMSA 1978 (being Laws
15 1993, Chapter 303, Section 8) is amended to read:

16 "7-20F-8. REVENUE BONDS--EXECUTION--NONREPEALABLE--
17 ISSUANCE TIME LIMITATION.--

18 A. The revenue bonds authorized pursuant to the
19 County Correctional Facility [~~Gross Receipts~~] Sales Tax Act
20 shall be executed by the [~~chairman~~] chair of the county board
21 and either the county treasurer or the county clerk and may be
22 authenticated by any public or private transfer agent or
23 registrar, or its successor, named or otherwise designated by
24 the governing body. The bonds may be executed as provided
25 under the Uniform Facsimile Signature of Public Officials Act,

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1 and the coupons, if any, shall bear the facsimile signature of
2 the county treasurer.

3 B. Any law that authorizes the pledge of any or
4 all of the pledged revenues to the payment of any revenue
5 bonds issued pursuant to the County Correctional Facility
6 [~~Gross Receipts~~] Sales Tax Act or that affects the pledged
7 revenues, or any law supplemental thereto or otherwise
8 appertaining thereto, shall not be repealed or amended or
9 otherwise directly or indirectly modified in such a manner as
10 to impair adversely any such outstanding revenue bonds, unless
11 such outstanding revenue bonds have been discharged in full or
12 provision for full discharge has been made.

13 C. Except for the purpose of refunding previous
14 revenue bond issues, no county shall sell revenue bonds
15 payable from pledged revenues after the expiration of two
16 years from the date of the ordinance authorizing the issuance
17 of the bonds. However, any period of time during which a
18 particular revenue bond issue is in litigation shall not be
19 counted in determining the expiration date of that issue."

20 SECTION 194. Section 7-20F-9 NMSA 1978 (being Laws
21 1993, Chapter 303, Section 9) is amended to read:

22 "7-20F-9. REVENUE BONDS--PURPOSE OF ISSUE--USE OF
23 PROCEEDS.--

24 A. Revenue bonds may be issued pursuant to the
25 provisions of the County Correctional Facility [~~Gross~~

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1 ~~Receipts]~~ Sales Tax Act for the purposes of constructing,
2 purchasing, furnishing, equipping, rehabilitating, expanding
3 or improving a judicial-correctional facility or the grounds
4 of a judicial-correctional facility, including [~~but not~~
5 ~~limited to~~] acquiring and improving parking lots, landscaping
6 or any combination of the foregoing.

7 B. No county shall divert, use or expend any money
8 received from the issuance of bonds for any purpose other than
9 the purpose for which the bonds were issued."

10 SECTION 195. Section 7-20F-10 NMSA 1978 (being Laws
11 1993, Chapter 303, Section 10, as amended) is amended to read:

12 "7-20F-10. REVENUE BONDS--TERMS.--Revenue bonds issued
13 pursuant to provisions of the County Correctional Facility
14 [~~Gross Receipts~~] Sales Tax Act:

15 A. may have interest, appreciated principal value
16 or any part thereof payable at intervals or at maturity as may
17 be determined by the county board in the ordinance;

18 B. shall be subject to a prior redemption at the
19 county's option at such time or times and upon such terms and
20 conditions without the payment of premiums;

21 C. may mature at any time or times not exceeding
22 twenty-five years after the date of issuance;

23 D. may be serial in form and maturity or may
24 consist of one bond payable at one time or in installments or
25 may be in such other form as may be determined by the county

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1 board;

2 E. shall be sold for cash at above or below par
3 and at a price that results in a net effective interest rate
4 that does not exceed the maximum permitted by the Public
5 Securities Act; and

6 F. may be sold at public or negotiated sale."

7 SECTION 196. Section 7-20F-11 NMSA 1978 (being Laws
8 1993, Chapter 303, Section 11) is amended to read:

9 "7-20F-11. REVENUE BONDS--REFUNDING AUTHORIZATION.--

10 A. Any county having issued revenue bonds as
11 authorized in the County Correctional Facility [~~Gross~~
12 ~~Receipts~~] Sales Tax Act may issue refunding revenue bonds
13 pursuant to an ordinance adopted by majority vote of the
14 county board for the purpose of refinancing, paying and
15 discharging all or any part of such outstanding revenue bonds
16 of any one or more or all outstanding issues:

17 (1) for the acceleration, deceleration or
18 other modification of the payment of such obligations,
19 including without limitation any capitalization of any
20 interest thereon in arrears or about to become due for any
21 period not exceeding one year from the date of the refunding
22 bonds;

23 (2) for the purpose of reducing interest
24 costs or effecting other economies;

25 (3) for the purpose of modifying or

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1 eliminating restrictive contractual limitations pertaining to
2 the issuance of additional bonds, otherwise concerning the
3 outstanding bonds or to any facilities relating thereto; or

4 (4) for any combination of such purposes.

5 B. To pay the principal and interest on refunding
6 bonds, the county may pledge irrevocably the pledged revenues
7 from the revenue bonds originally issued pursuant to the
8 County Correctional Facility [~~Gross Receipts~~] Sales Tax Act.

9 C. Bonds for refunding and bonds for any purpose
10 permitted by the County Correctional Facility [~~Gross Receipts~~]
11 Sales Tax Act may be issued separately or issued in
12 combination in one series or more."

13 SECTION 197. Section 7-20F-12 NMSA 1978 (being Laws
14 1993, Chapter 303, Section 12) is amended to read:

15 "7-20F-12. REFUNDING BONDS--ESCROW--DETAIL.--

16 A. Refunding bonds issued pursuant to the
17 provisions of the County Correctional Facility [~~Gross~~
18 ~~Receipts~~] Sales Tax Act shall be authorized by ordinance. Any
19 revenue bonds that are refunded [~~under~~] pursuant to the
20 provisions of this section shall be paid at maturity or on any
21 permitted prior redemption date in the amounts, at the time
22 and places and, if called prior to maturity, in accordance
23 with any applicable notice provisions, all as provided in the
24 proceedings authorizing the issuance of the refunded bonds or
25 otherwise appertaining thereto, except for any such bond that

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1 is voluntarily surrendered for exchange or payment by the
2 holder or owner.

3 B. Provision shall be made for paying the bonds
4 refunded at the time or times provided in Subsection A of this
5 section. The principal amount of the refunding bonds may
6 exceed the principal amount of the refunded bonds and may also
7 be less than or the same as the principal amount of the bonds
8 being refunded so long as provision is duly and sufficiently
9 made for the payment of the refunded bonds.

10 C. The proceeds of refunding bonds, including any
11 accrued interest and premium appertaining to the sale of
12 refunding bonds, shall either be immediately applied to the
13 retirement of the bonds being refunded or be placed in escrow
14 in a commercial bank or trust company that possesses and is
15 exercising trust powers and that is a member of the federal
16 deposit insurance corporation, to be applied to the payment of
17 the principal of, interest on and any prior redemption premium
18 due in connection with the bonds being refunded; provided that
19 such refunding bond proceeds, including any accrued interest
20 and any premium appertaining to a sale of refunding bonds, may
21 be applied to the establishment and maintenance of a reserve
22 fund and to the payment of expenses incidental to the
23 refunding and the issuance of the refunding bonds, the
24 interest on the refunding bonds and the principal of the
25 refunding bonds or both interest and principal as the county

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1 may determine. Nothing in this section requires the
2 establishment of an escrow if the refunded bonds become due
3 and payable within one year from the date of the refunding
4 bonds and if the amounts necessary to retire the refunded
5 bonds within that time are deposited with the paying agent for
6 the refunded bonds. Any such escrow shall not necessarily be
7 limited to proceeds of refunding bonds but may include other
8 money available to retire the refunded bonds. Any proceeds in
9 escrow pending such use may be invested or reinvested in
10 bills, certificates of indebtedness, notes or bonds that are
11 direct obligations of or the principal and interest of which
12 obligations are unconditionally guaranteed by the United
13 States of America or in certificates of deposit of banks that
14 are members of the federal deposit insurance corporation, the
15 par value of which certificates of deposit is collateralized
16 by a pledge of obligations of or the payment of which is
17 unconditionally guaranteed by the United States of America,
18 the par value of which obligations is at least seventy-five
19 percent of the par value of the certificates of deposit. Such
20 proceeds and investments in escrow together with any interest
21 or other income to be derived from any such investment shall
22 be in an amount at all times sufficient as to principal,
23 interest, any prior redemption premium due and any charges of
24 the escrow agent payable therefrom to pay the bonds being
25 refunded as they become due at their respective maturities or

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1 due at any designated prior redemption date or dates in
2 connection with which the county shall exercise a prior
3 redemption option. Any purchaser of any refunding bond issued
4 pursuant to the provisions of the County Correctional Facility
5 [~~Gross Receipts~~] Sales Tax Act is in no manner responsible for
6 the application of the proceeds thereof by the county or any
7 of its officers, agents or employees.

8 D. Refunding bonds may be sold at a public or
9 private sale and may bear such additional terms and provisions
10 as may be determined by the county subject to the limitations
11 in the County Correctional Facility [~~Gross Receipts~~] Sales Tax
12 Act. Refunding bonds are not subject to the provisions of any
13 other statute."

14 SECTION 198. Section 9-6-5.2 NMSA 1978 (being Laws
15 2011, Chapter 106, Section 5) is amended to read:

16 "9-6-5.2. FAILURE TO TIMELY SUBMIT AUDIT REPORTS OR
17 FINANCIAL REPORTS--ENFORCEMENT POWERS OF SECRETARY.--

18 A. Upon notification by the state auditor pursuant
19 to Subsection G of Section 12-6-3 NMSA 1978 that a state
20 agency, state institution, municipality or county has failed
21 to submit an audit report as required by the Audit Act, the
22 secretary of finance and administration shall order the
23 agency, institution, municipality or county to submit monthly
24 financial reports to the department of finance and
25 administration until all past-due audit reports have been

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1 submitted to the state auditor and the secretary is satisfied
2 that the agency, institution, municipality or county is in
3 compliance with all financial and audit requirements.

4 B. If, ninety days after an order has been issued
5 pursuant to Subsection A of this section to a state agency or
6 state institution subject to periodic allotments, the agency
7 or institution has not submitted all past-due reports or has
8 not otherwise made progress, satisfactory to the state
9 auditor, toward compliance with the Audit Act, the secretary
10 may direct the state budget division to temporarily withhold
11 periodic allotments to the agency or institution pursuant to
12 Section 6-3-6 NMSA 1978. The amounts withheld and the period
13 of time for which the allotments are to be withheld shall be
14 determined by the secretary subject to the following
15 guidelines:

16 (1) the initial amount withheld shall not
17 exceed five percent of the allotment and shall be for a period
18 of no more than three months;

19 (2) every three months, the secretary shall
20 determine if the agency or institution has submitted all past-
21 due audit reports or has otherwise made progress, satisfactory
22 to the state auditor, toward compliance with the Audit Act.

23 If the secretary determines that past-due reports have not
24 been submitted and that there has been inadequate progress,
25 the secretary may direct that the amount being currently

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1 withheld be increased by an additional amount, up to another
2 five percent of the allotment, for an additional period of up
3 to three months; and

4 (3) upon a determination that all past-due
5 audit reports have been submitted or that the agency or
6 institution is otherwise making progress, satisfactory to the
7 state auditor, toward compliance with the Audit Act, the
8 secretary shall direct that all withheld amounts be
9 distributed to the agency or institution and that future
10 allotments shall be made in full.

11 C. If, ninety days after an order has been issued
12 pursuant to Subsection A of this section to a municipality or
13 county, the municipality or county has not submitted all past-
14 due reports or has not otherwise made progress, satisfactory
15 to the state auditor, toward compliance with the Audit Act,
16 the secretary may direct the secretary of taxation and revenue
17 to temporarily withhold distributions to the municipality or
18 county pursuant to Section 7-1-6.15 NMSA 1978. The amounts
19 withheld, the source of the amounts and the period of time for
20 which the distributions are to be withheld shall be determined
21 by the secretary of finance and administration subject to the
22 following guidelines:

23 (1) transfers to a county or municipality of
24 receipts from any local option [~~gross receipts~~] sales tax or
25 from a tax imposed pursuant to the Local Liquor Excise Tax Act

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1 shall not be withheld;

2 (2) the source and amount of a withheld
3 distribution shall be determined in a manner that will not:

4 (a) impair any outstanding bonds or
5 other obligations of the municipality or county; or

6 (b) interrupt a redirected distribution
7 to the New Mexico finance authority pursuant to an ordinance
8 or a resolution passed by the county or municipality and a
9 written agreement of the municipality or county and the New
10 Mexico finance authority;

11 (3) the initial amount withheld shall not
12 exceed five percent of the amount that would otherwise be
13 distributed to the municipality or county pursuant to the Tax
14 Administration Act and shall be for a period of no more than
15 three months;

16 (4) every three months, the secretary of
17 finance and administration shall determine if the municipality
18 or county has submitted all past-due audit reports or has
19 otherwise made progress, satisfactory to the state auditor,
20 toward compliance with the Audit Act. If the secretary
21 determines that past-due reports have not been submitted and
22 that there has been inadequate progress, the secretary may
23 direct that the amount being currently withheld be increased
24 by an additional amount, up to another five percent of the
25 amount that would otherwise be distributed, for an additional

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1 period of up to three months; and

2 (5) upon a determination that all past-due
3 audit reports have been submitted or that the municipality or
4 county is otherwise making progress, satisfactory to the state
5 auditor, toward compliance with the Audit Act, the secretary
6 shall direct that all withheld amounts be distributed to the
7 municipality or county and that future distributions shall be
8 made in full.

9 D. After receiving notice from the local
10 government division of the department of finance and
11 administration required by Subsection G of Section 6-6-2 NMSA
12 1978 that a municipality or county has failed to submit two
13 consecutive financial reports pursuant to Subsection F of that
14 section, the secretary may direct the secretary of taxation
15 and revenue to temporarily withhold distributions to the
16 municipality or county pursuant to Section 7-1-6.15 NMSA 1978.
17 The amounts withheld, the source of the amounts and the period
18 of time for which the distributions are to be withheld shall
19 be determined by the secretary of finance and administration
20 subject to the following guidelines:

21 (1) transfers to a county or municipality of
22 receipts from any local option [~~gross receipts~~] sales tax or
23 from a tax imposed pursuant to the Local Liquor Excise Tax Act
24 shall not be withheld;

25 (2) the source and amount of a withheld

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1 distribution shall be determined in a manner that will not:

2 (a) impair any outstanding bonds or
3 other obligations of the municipality or county; or

4 (b) interrupt a redirected distribution
5 to the New Mexico finance authority pursuant to an ordinance
6 or a resolution passed by the county or municipality and a
7 written agreement of the municipality or county and the New
8 Mexico finance authority;

9 (3) the initial amount withheld shall not
10 exceed five percent of the amount that would otherwise be
11 distributed to the municipality or county pursuant to the Tax
12 Administration Act and shall be for a period of no more than
13 three months;

14 (4) every three months, the secretary of
15 finance and administration shall determine if the municipality
16 or county has submitted all past-due financial reports or has
17 otherwise made progress, satisfactory to the local government
18 division, toward compliance with the law. If the secretary
19 determines that past-due reports have not been submitted and
20 that there has been inadequate progress, the secretary may
21 direct that the amount being currently withheld be increased
22 by an additional amount, up to another five percent of the
23 amount that would otherwise be distributed, for an additional
24 period of up to three months; and

25 (5) upon a determination that all past-due

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1 financial reports have been submitted or that the municipality
2 or county is otherwise making progress, satisfactory to the
3 local government division, toward compliance with the law, the
4 secretary shall direct that all withheld amounts be
5 distributed to the municipality or county and that future
6 distributions shall be made in full."

7 SECTION 199. Section 27-5-6.2 NMSA 1978 (being Laws
8 2014, Chapter 79, Section 16) is amended to read:

9 "27-5-6.2. TRANSFER TO SAFETY NET CARE POOL FUND.--

10 A. A county shall [~~by ordinance to be effective~~
11 ~~July 1, 2014~~] dedicate to the safety net care pool fund an
12 amount equal to a [~~gross receipts~~] county sales tax rate of
13 one-twelfth percent applied to the taxable gross receipts
14 reported during the prior fiscal year by persons engaging in
15 business in the county. For purposes of this [~~subsection~~]
16 section, a county may use public funds from any existing
17 authorized revenue source of the county.

18 B. A county [~~enacting an ordinance pursuant to~~
19 ~~Subsection A of this section~~] shall transfer the dedicated
20 amounts to the safety net care pool fund by the last day of
21 March, June, September and December of each year an amount
22 equal to one-fourth of the county's payment to the safety net
23 care pool fund."

24 SECTION 200. Section 27-10-4 NMSA 1978 (being Laws
25 1991, Chapter 212, Section 4, as amended) is amended to read:

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1 "27-10-4. ALTERNATIVE REVENUE SOURCE TO IMPOSITION OF
2 COUNTY HEALTH CARE [~~GROSS RECEIPTS~~] SALES TAX TRANSFER TO
3 COUNTY-SUPPORTED MEDICAID FUND.--

4 A. In the event a county does not enact an
5 ordinance imposing a county health care [~~gross receipts~~] sales
6 tax pursuant to Section 7-20D-3 NMSA 1978, the county shall by
7 ordinance [~~to be effective July 1, 1993~~] dedicate to the
8 county-supported medicaid fund an amount equal to a [~~gross~~
9 ~~receipts~~] county sales tax rate of one-sixteenth of one
10 percent applied to the taxable gross receipts reported during
11 the prior fiscal year by persons engaging in business in the
12 county. For purposes of this subsection, a county may use
13 funds from any existing authorized revenue source of the
14 county.

15 B. For each county that has in effect an ordinance
16 enacted pursuant to Subsection A of this section on July 1 of
17 each year, the taxation and revenue department shall certify
18 to the county [~~by September 15, 1993 and~~] by September 15 of
19 each [~~subsequent~~] fiscal year the amount of gross receipts
20 reported for the county [~~for purposes of the gross receipts~~
21 ~~tax~~] during the prior fiscal year. Upon certification by the
22 taxation and revenue department, [any] a county [~~enacting an~~
23 ~~ordinance pursuant to Subsection A of this section~~] shall
24 transfer one-fourth of the dedication to the county-supported
25 medicaid fund by the last day of March, June, September and

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1 December of each year [~~an amount equal to a rate of one sixty-~~
2 ~~fourth of one percent applied to the certified amount~~].

3 C. The requirements of an ordinance enacted
4 pursuant to this section may be terminated for a county only
5 on the effective date of an ordinance enacted by the county
6 imposing the county health care [~~gross receipts~~] sales tax;
7 provided that if the effective date of the ordinance imposing
8 the tax is January 1, the termination does not apply to the
9 payments required for September and December of that year."

10 SECTION 201. Section 47-14-18 NMSA 1978 (being Laws
11 2009, Chapter 214, Section 18, as amended) is amended to read:

12 "47-14-18. PAYMENT--LIMITS--DISCLOSURE [~~NONTAXABLE~~
13 ~~TRANSACTION CERTIFICATE~~].--

14 A. The fees paid to an appraiser for completion of
15 the appraisal shall not include a fee for management of the
16 appraisal process or any activity other than the performance
17 of the appraisal.

18 B. An appraisal management company shall
19 separately state the fees paid to an appraiser for appraisal
20 services and the fees charged by the appraisal management
21 company for services associated with the management of the
22 appraisal process, including procurement of the appraiser's
23 services to the client, borrower and any other payor.

24 C. Appraisers shall not be prohibited by the
25 appraisal management company, client or other third party from

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1 disclosing the fee paid to the appraiser for the performance
2 of the appraisal in the appraisal report.

3 D. As used in this section, "payor" means any
4 person or entity who is responsible for making payment for the
5 appraisal.

6 E. An appraisal management company shall, except
7 in cases of breach of contract or substandard performance of
8 services, make payment to an independent appraiser for the
9 completion of an appraisal or valuation assignment within
10 sixty days of the date on which the independent appraiser
11 transmits or otherwise provides the completed appraisal or
12 valuation study to the appraisal management company or its
13 assignee.

14 ~~[F. An appraisal management company shall provide~~
15 ~~an appraiser with the appropriate nontaxable transaction~~
16 ~~certificate pursuant to Section 7-9-48 NMSA 1978.]"~~

17 SECTION 202. Section 58-31-3 NMSA 1978 (being Laws
18 2005, Chapter 128, Section 3, as amended) is amended to read:

19 "58-31-3. DEFINITIONS.--As used in the Spaceport
20 Development Act:

21 A. "authority" means the spaceport authority;

22 B. "project" means any land, building or other
23 improvements acquired as part of a spaceport or associated
24 with a spaceport or to aid commerce in connection with a
25 spaceport and all real and personal property deemed necessary

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1 in connection with the spaceport;

2 C. "revenue" means municipal [~~regional spaceport~~
3 ~~gross receipts tax~~] and county regional spaceport [~~gross~~
4 ~~receipts~~] sales tax revenue received from a regional spaceport
5 district, revenue generated by a project and any other legally
6 available funds of the authority;

7 D. "space vehicle" means a vehicle capable of
8 being flown in space or launching a payload into space; and

9 E. "spaceport" means a facility in New Mexico at
10 which space vehicles may be launched or landed, including all
11 facilities and support infrastructure related to launch,
12 landing or payload processing."

13 SECTION 203. Section 58-31-5 NMSA 1978 (being Laws
14 2005, Chapter 128, Section 5, as amended) is amended to read:

15 "58-31-5. AUTHORITY POWERS AND DUTIES.--

16 A. The authority shall:

17 (1) hire an executive director, who shall
18 employ the necessary professional, technical and clerical
19 staff to enable the authority to function efficiently and
20 shall direct the affairs and business of the authority,
21 subject to the direction of the authority;

22 (2) be located within fifty miles of a
23 southwest regional spaceport;

24 (3) advise the governor, the governor's
25 staff and the New Mexico finance authority oversight committee

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1 on methods, proposals, programs and initiatives involving a
2 southwest regional spaceport that may further stimulate space-
3 related business and employment opportunities in New Mexico;

4 (4) initiate, develop, acquire, own,
5 construct, maintain and lease space-related projects;

6 (5) make and execute all contracts and other
7 instruments necessary or convenient to the exercise of its
8 powers and duties;

9 (6) create programs to expand high-
10 technology economic opportunities within New Mexico;

11 (7) create avenues of communication among
12 federal government agencies, the space industry, users of
13 space launch services and academia concerning space business;

14 (8) promote legislation that will further
15 the goals of the authority and development of space business;

16 (9) oversee and fund production of
17 promotional literature related to the authority's goals;

18 (10) identify science and technology trends
19 that are significant to space enterprise and the state and act
20 as a clearinghouse for space enterprise issues and
21 information;

22 (11) coordinate and expedite the involvement
23 of the state executive branch's space-related development
24 efforts; and

25 (12) perform environmental, transportation,

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1 communication, land use and other technical studies necessary
2 or advisable for projects and programs or to secure licensing
3 by appropriate United States agencies.

4 B. The authority may:

5 (1) advise and cooperate with
6 municipalities, counties, state agencies and organizations,
7 appropriate federal agencies and organizations and other
8 interested persons and groups;

9 (2) solicit and accept federal, state, local
10 and private grants of funds or property and financial or other
11 aid for the purpose of carrying out the provisions of the
12 Spaceport Development Act;

13 (3) adopt rules governing the manner in
14 which its business is transacted and the manner in which the
15 powers of the authority are exercised and its duties
16 performed;

17 (4) operate spaceport facilities, including
18 acquisition of real property necessary for spaceport
19 facilities and the filing of necessary documents with
20 appropriate agencies;

21 (5) construct, purchase, accept donations of
22 or lease projects located within the state;

23 (6) sell, lease or otherwise dispose of a
24 project upon terms and conditions acceptable to the authority
25 and in the best interests of the state;

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1 (7) issue revenue bonds and borrow money for
2 the purpose of defraying the cost of acquiring a project by
3 purchase or construction and of securing the payment of the
4 bonds or repayment of a loan;

5 (8) enter into contracts with regional
6 spaceport districts and issue bonds on behalf of regional
7 spaceport districts for the purpose of financing the purchase,
8 construction, renovation, equipping or furnishing of a
9 regional spaceport or a spaceport-related project;

10 (9) refinance a project;

11 (10) contract with any competent private or
12 public organization or individual to assist in the fulfillment
13 of its duties;

14 (11) fix, alter, charge and collect tolls,
15 fees or rentals and impose any other charges for the use of or
16 for services rendered by any authority facility, program or
17 service; and

18 (12) contract with regional spaceport
19 districts to receive revenue from a municipal [~~spaceport gross~~
20 ~~receipts tax and~~] or county regional spaceport [~~gross~~
21 ~~receipts~~] sales tax [~~revenues~~].

22 C. The authority shall not:

23 (1) incur debt as a general obligation of
24 the state or pledge the full faith and credit of the state to
25 repay debt; or

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1 (2) expend funds or incur debt for the
2 improvement, maintenance, repair or addition to property
3 unless it is owned by the authority, the state or a political
4 subdivision of the state."

5 **SECTION 204.** Section 58-31-6 NMSA 1978 (being Laws
6 2005, Chapter 128, Section 6, as amended) is amended to read:

7 "58-31-6. SPACEPORT AUTHORITY--BONDING AUTHORITY--POWER
8 TO ISSUE REVENUE BONDS.--

9 A. The authority may issue revenue bonds on its
10 own behalf or on behalf of a regional spaceport district, for
11 regional spaceport purposes and spaceport-related projects.
12 Revenue bonds so issued may be considered appropriate
13 investments for the severance tax permanent fund or collateral
14 for the deposit of public funds if the bonds are rated not
15 less than "A" by a national rating service and both the
16 principal and interest of the bonds are fully and
17 unconditionally guaranteed by a lease agreement executed by an
18 agency of the United States government or by a corporation
19 organized and operating within the United States, that
20 corporation or the long-term debt of that corporation being
21 rated not less than "A" by a national rating service. All
22 bonds issued by the authority are legal and authorized
23 investments for banks, trust companies, savings and loan
24 associations and insurance companies.

25 B. The authority may pay from the bond proceeds

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1 all expenses, premiums and commissions that the authority
2 deems necessary or advantageous in connection with the
3 authorization, sale and issuance of the bonds.

4 C. Authority revenue bonds:

5 (1) may have interest or appreciated
6 principal value or any part thereof payable at intervals
7 determined by the authority;

8 (2) may be subject to prior redemption or
9 mandatory redemption at the authority's option at the time and
10 upon such terms and conditions with or without the payment of
11 a premium as may be provided by resolution of the authority;

12 (3) may mature at any time not exceeding
13 twenty years after the date of issuance if secured by revenue
14 from ~~[the]~~ a county or municipal regional spaceport ~~[gross~~
15 ~~receipts]~~ sales tax or thirty years if secured by revenue from
16 other sources;

17 (4) may be serial in form and maturity; may
18 consist of one or more bonds payable at one time or in
19 installments; or may be in such other form as determined by
20 the authority;

21 (5) may be in registered or bearer form or
22 in book-entry form through facilities of a securities
23 depository either as to principal or interest or both;

24 (6) shall be sold for cash at, above or
25 below par and at a price that results in a net effective

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1 interest rate that conforms to the Public Securities Act; and
2 (7) may be sold at public or negotiated
3 sale.

4 D. Subject to the approval of the state board of
5 finance, the authority may enter into other financial
6 arrangements if it determines that the arrangements will
7 assist the authority."

8 SECTION 205. Section 59A-6-2 NMSA 1978 (being Laws
9 1984, Chapter 127, Section 102, as amended) is amended to
10 read:

11 "59A-6-2. PREMIUM TAX--HEALTH INSURANCE PREMIUM
12 SURTAX.--

13 A. The premium tax provided for in this section
14 shall apply as to the following taxpayers:

15 (1) each insurer authorized to transact
16 insurance in New Mexico;

17 (2) each insurer formerly authorized to
18 transact insurance in New Mexico and receiving premiums on
19 policies remaining in force in New Mexico, except that this
20 provision shall not apply as to an insurer that withdrew from
21 New Mexico prior to March 26, 1955;

22 (3) each plan operating under provisions of
23 Chapter 59A, Articles 46 through 49 NMSA 1978;

24 (4) each property bondsman, as that person
25 is defined in Section 59A-51-2 NMSA 1978, as to any

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1 consideration received as security or surety for a bail bond
2 in connection with a judicial proceeding, which consideration
3 shall be considered "gross premiums" for the purposes of this
4 section; and

5 (5) each unauthorized insurer that has
6 assumed a contract or policy of insurance directly or
7 indirectly from an authorized or formerly authorized insurer
8 and is receiving premiums on such policies remaining in force
9 in New Mexico, except that this provision shall not apply if a
10 ceding insurer continues to pay the tax provided in this
11 section as to such policy or contract.

12 B. Each such taxpayer shall pay in accordance with
13 this subsection a premium tax of three and three-thousandths
14 percent of the gross premiums and membership and policy fees
15 received or written by it, as reported in Schedule T and
16 supporting schedules of its annual financial statement on
17 insurance or contracts covering risks within this state during
18 the preceding calendar year, less all return premiums,
19 including dividends paid or credited to policyholders or
20 contract holders and premiums received for reinsurance on New
21 Mexico risks.

22 C. In addition to the premium tax imposed pursuant
23 to Subsection B of this section, each taxpayer described in
24 Subsection A of this section that transacts health insurance
25 in New Mexico or is a plan described in Chapter 59A, Article

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1 46 or 47 NMSA 1978 shall pay a health insurance premium surtax
2 of [~~one~~] two percent of the gross health insurance premiums
3 and membership and policy fees received by it on hospital and
4 medical expense incurred insurance or contracts; nonprofit
5 health care service plan contracts, excluding dental or vision
6 only contracts; and health maintenance organization subscriber
7 contracts covering health risks within this state during the
8 preceding calendar year, less all return health insurance
9 premiums, including dividends paid or credited to
10 policyholders or contract holders and health insurance
11 premiums received for reinsurance on New Mexico risks. Except
12 as provided in this section, all references in the Insurance
13 Code to the premium tax shall include both the premium tax and
14 the health insurance premium surtax.

15 D. For each calendar quarter, an estimated payment
16 of the premium tax and the health insurance premium surtax
17 shall be made on April 15, July 15, October 15 and the
18 following January 15. The estimated payments shall be equal
19 to at least one-fourth of the payment made during the previous
20 calendar year or one-fifth of the actual payment due for the
21 current calendar year, whichever is greater. The final
22 adjustment for payments due for the prior year shall be made
23 with the return, which shall be filed on April 15 of each
24 year, at which time all taxes for that year are due.

25 Dividends paid or credited to policyholders or contract

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1 holders and refunds, savings, savings coupons and similar
2 returns or credits applied or credited to payment of premiums
3 for existing, new or additional insurance shall, in the amount
4 so used, constitute premiums subject to tax under this section
5 for the year in which so applied or credited.

6 E. Exempted from the taxes imposed by this section
7 are:

8 (1) premiums attributable to insurance or
9 contracts purchased by the state or a political subdivision
10 for the state's or political subdivision's active or retired
11 employees; and

12 (2) payments received by a health
13 maintenance organization from the federal secretary of health
14 and human services pursuant to a contract issued under the
15 provisions of 42 U.S.C. Section 1395 mm(g)."

16 **SECTION 206.** Section 59A-6-6 NMSA 1978 (being Laws
17 1984, Chapter 127, Section 106, as amended) is amended to
18 read:

19 "59A-6-6. PREEMPTION AND IN LIEU PROVISION.--The state
20 government of New Mexico preempts the field of taxation of
21 insurers, nonprofit health care plans, health maintenance
22 organizations, prepaid dental plans, prearranged funeral plans
23 and insurance producers as such, and payment of the taxes,
24 licenses and fees provided for in the Insurance Code shall be
25 in lieu of all other taxes, licenses and fees of every kind

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1 now or hereafter imposed by this state or any political
2 subdivision thereof on any of the foregoing specified
3 entities, excepting the regular state, county and city taxes
4 on property located in New Mexico, ~~[and excepting]~~ the income
5 tax on insurance producers, the state sales tax and local
6 option sales taxes, except as provided in Section 7-9-24 NMSA
7 1978, and the premium tax imposed pursuant to Section 59A-6-2
8 NMSA 1978, which shall be imposed on revenue or receipts for
9 which the premium tax is assessed. No provision of law
10 enacted after January 1, 1985 shall be deemed to modify this
11 provision except by express reference to this section."

12 SECTION 207. Section 66-12-6.1 NMSA 1978 (being Laws
13 1987, Chapter 247, Section 9) is amended to read:

14 "66-12-6.1. EXCISE TAX ON ISSUANCE OF CERTIFICATES OF
15 TITLE--APPROPRIATION.--

16 A. An excise tax is imposed upon the sale of every
17 boat required to be registered in the state. To prevent
18 evasion of the excise tax imposed by this section and the duty
19 to collect it, it is presumed that the issuance of every
20 original and subsequent certificate of title, other than a
21 duplicate, for boats of a type required to be registered under
22 the provisions of the Boat Act constitutes a sale for tax
23 purposes, unless specifically exempted by this section or
24 unless there is shown satisfactory proof that the boat for
25 which the certificate of title is sought came into the

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1 possession of the applicant as a voluntary transfer without
2 consideration or as a transfer by operation of law. The
3 division shall collect the tax at the time application is made
4 for issuance of a certificate of title at the rate of [~~five~~
5 six percent of the sale price of the boat. If the sale price
6 does not represent the value of the boat in the condition that
7 existed at the time it was acquired, the excise tax shall then
8 be imposed at the rate of [~~five~~ six percent of the reasonable
9 value of the boat in such condition at such time. However,
10 allowances granted for trade-ins may be deducted from the sale
11 price or the reasonable value of the boat purchased. The tax
12 shall be paid by the applicant, and the division may require
13 all information [~~which~~] that it deems necessary to establish
14 the amount of the tax.

15 B. A penalty of fifty percent of the tax due on
16 the issuance of a certificate of title is imposed on [~~any~~] a
17 person who, domiciled in this state and accepting transfer in
18 this state, fails to apply for a certificate within ninety
19 days of the date on which ownership was transferred to [~~him~~]
20 the person or a person who is domiciled in this state but
21 accepts transfer outside this state and [~~who~~] fails to apply
22 for a certificate within ninety days of the date on which the
23 boat is brought into this state.

24 C. If a boat has been acquired through an out-of-
25 state transaction upon which a gross receipts, sales,

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1 compensating or similar tax was levied by another state or
2 political subdivision thereof, the amount of the tax paid may
3 be credited against the excise tax due this state on the same
4 boat.

5 D. Persons domiciled outside this state and on
6 active duty in the military service of the United States or on
7 active duty as officers of the public health service detailed
8 for duty with any branch of the military service are exempt
9 from the tax imposed by this section.

10 E. Persons who acquire a boat out of state thirty
11 or more days before establishing a domicile in this state are
12 exempt from the tax imposed by this section if the boat was
13 acquired for personal use.

14 F. Persons applying for a certificate of title for
15 a boat registered in another state are exempt from the tax
16 imposed by this section if they have previously registered and
17 titled the boat in New Mexico and have owned the boat
18 continuously since that time.

19 G. Certificates of title for all boats owned by
20 this state or any political subdivision are exempt from the
21 tax imposed by this section.

22 H. All taxes collected under the provisions of
23 this section shall be paid to the state treasurer for credit
24 to the "boat suspense fund", hereby created. At the end of
25 each month, the state treasurer shall transfer fifty percent

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1 of the excise tax collections in the boat suspense fund to the
2 division and the balance to the general fund. The amounts
3 transferred to the division are appropriated for use by the
4 division for improvements and maintenance of lakes and boating
5 facilities owned or leased by the state and for administration
6 and enforcement of the Boat Act.

7 I. The director of the division shall prescribe
8 forms [~~he~~] the director deems necessary to account properly
9 for the taxes collected under this section."

10 SECTION 208. TEMPORARY PROVISION--REFERENCES IN LAW.--

11 A. References in law to the compensating tax shall
12 be deemed to be references to the use tax.

13 B. References in law to the county gross receipts
14 tax shall be deemed to be references to county sales tax.

15 C. References in law to a county local option
16 gross receipts tax shall be deemed to be references to a
17 county sales tax.

18 D. References in law to the County Local Option
19 Gross Receipts Taxes Act shall be deemed to be references to
20 the County Local Option Sales and Use Tax Act.

21 E. References in law to the governmental gross
22 receipts tax shall be deemed to be references to the
23 governmental sales tax.

24 F. References in law to the Gross Receipts and
25 Compensating Tax Act shall be deemed to be references to the

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1 Sales and Use Tax Act.

2 G. References in law to the gross receipts tax
3 shall be deemed to be references to the state sales tax.

4 H. References in law to the interstate
5 telecommunications gross receipts tax shall be deemed to be
6 references to the interstate telecommunications sales tax.

7 I. References in law to the Interstate
8 Telecommunications Gross Receipts Tax Act shall be deemed to
9 be references to the Interstate Telecommunications Sales Tax
10 Act.

11 J. References in law to the interstate
12 telecommunications gross receipts tax shall be deemed to be
13 references to the interstate telecommunications sales tax.

14 K. References in law to the leased vehicle gross
15 receipts tax shall be deemed to be references to the leased
16 vehicle sales tax.

17 L. References in law to the Leased Vehicle Gross
18 Receipts Tax Act shall be deemed to be references to the
19 Leased Vehicle Sales Tax Act.

20 M. References in law to a local option gross
21 receipts tax shall be deemed to be references to a local
22 option sales tax.

23 N. References in law to the municipal gross
24 receipts tax shall be deemed to be references to the municipal
25 sales tax.

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1 O. References in law to the Municipal Local Option
2 Gross Receipts Taxes Act shall be deemed to be references to
3 the Municipal Local Option Sales and Use Tax Act.

4 P. References in law to the state gross receipts
5 tax shall be deemed to be references to the state sales tax.

6 **SECTION 209. TEMPORARY PROVISION--OUTSTANDING REVENUE**
7 **BONDS AND OTHER OBLIGATIONS.--**

8 A. The repeal of and changes to certain taxes made
9 in this act shall not impair outstanding bonds that are
10 secured by a pledge of those taxes or other obligations for
11 which payment is measured by the receipt of those taxes.

12 B. If a municipality or county has issued a
13 revenue bond or other obligation that is secured by a pledge
14 of or for which payment is measured by receipt of any tax
15 being amended or repealed by this act, the local option sales
16 tax revenue received by the municipality or county is
17 impressed with the obligation to repay the outstanding bond or
18 obligation and is dedicated to that repayment until the bond
19 or obligation is fully discharged, satisfied or otherwise
20 provided for in full.

21 **SECTION 210. TEMPORARY PROVISION--PREVIOUSLY IMPOSED**
22 **GROSS RECEIPTS TAXES--DEDICATIONS.--**

23 A. If a municipality or county has dedicated any
24 amount of revenue attributable to any state, municipal or
25 county gross receipts tax or distribution, the municipality or

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1 county shall continue to dedicate the same amount of municipal
2 or county sales tax revenue until the ordinance or resolution
3 dedicating the revenue expires, the term of the dedication
4 expires, the governing body acts to change the dedication or,
5 in the case of bonded or other indebtedness, the debt is fully
6 discharged, satisfied or otherwise provided for in full.

7 B. If the state has dedicated any amount of
8 revenue attributable to a state gross receipts tax, the state
9 shall continue to dedicate the same amount of state sales tax
10 revenue until the ordinance or resolution dedicating the
11 revenue expires, the term of the dedication expires, the
12 governing body acts to change the dedication or, in the case
13 of bonded or other indebtedness, the debt is fully discharged,
14 satisfied or otherwise provided for in full.

15 SECTION 211. TEMPORARY PROVISION--EXHAUSTION OF
16 CREDITS.--

17 A. If a taxpayer has met the eligibility
18 requirements to apply for and claim a credit pursuant to
19 Section 7-2-18.4, 7-2-18.5, 7-2-18.8, 7-2-18.21, 7-2A-8.8 or
20 7-2A-15 NMSA 1978 or a credit pursuant to the Venture Capital
21 Investment Act, the Technology Jobs and Research and
22 Development Tax Credit Act or the Affordable Housing Tax
23 Credit Act for a period prior to the effective date of this
24 2017 act, the taxpayer may claim, and the taxation and revenue
25 department may approve, the credit for those periods,

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1 including amounts that may be carried forward pursuant to
2 those sections and acts as they were in effect prior to the
3 effective date of this 2017 act.

4 B. If a taxpayer has claimed and been awarded a
5 credit pursuant to Section 7-2-18.4, 7-2-18.5, 7-2-18.8,
6 7-2-18.21, 7-2A-8.8 or 7-2A-15 or a credit pursuant to the
7 Venture Capital Investment Act, the Technology Jobs and
8 Research and Development Tax Credit Act or the Affordable
9 Housing Tax Credit Act, but a portion of the credit claimed
10 remains unused, the taxpayer may claim the unused portion,
11 including amounts that could have been carried forward
12 pursuant to those sections and acts as they were in effect
13 prior to the effective date of this 2017 act.

14 SECTION 212. REPEAL.--

15 A. Sections 7-1-6.4, 7-1-6.52, 7-1-6.55, 7-1-6.57
16 and 7-1-6.60 NMSA 1978 (being Laws 1983, Chapter 211, Section
17 9, Laws 2005, Chapter 104, Section 1, Laws 2007, Chapter 331,
18 Section 4, Laws 2007, Chapter 361, Section 1 and Laws 2010,
19 Chapter 31, Section 2, as amended) are repealed.

20 B. Sections 7-9-13.1, 7-9-13.4, 7-9-15, 7-9-16,
21 7-9-26.1, 7-9-41.4, 7-9-54.1 through 7-9-54.5, 7-9-56.2
22 through 7-9-57.2, 7-9-60, 7-9-61.1, 7-9-61.2, 7-9-63 through
23 7-9-66.1, 7-9-69, 7-9-73 through 7-9-74, 7-9-76 through
24 7-9-76.2, 7-9-78.1, 7-9-79.2, 7-9-83, 7-9-84, 7-9-86, 7-9-89,
25 7-9-91, 7-9-93 through 7-9-108, 7-9-110.2 through 7-9-112 and

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1 7-9-114 NMSA 1978 (being Laws 1989, Chapter 262, Section 4;
2 Laws 2002, Chapter 20, Section 1; Laws 1970, Chapter 12,
3 Section 1; Laws 1969, Chapter 144, Section 9; Laws 2003,
4 Chapter 62, Section 1; Laws 2009, Chapter 62, Section 1; Laws
5 1992, Chapter 40, Section 1; Laws 1995, Chapter 183, Section
6 2; Laws 2002, Chapter 37, Section 8; Laws 2003, Chapter 62,
7 Section 4; Laws 2004, Chapter 16, Section 3; Laws 1998,
8 Chapter 92, Section 2; Laws 2003, Chapter 232, Section 1; Laws
9 1969, Chapter 144, Section 47; Laws 1998, Chapter 92, Section
10 3; Laws 2002, Chapter 10, Section 1; Laws 1970, Chapter 12,
11 Section 4; Laws 1981, Chapter 37, Section 52; Laws 2000,
12 Chapter 48, Section 1; Laws 1969, Chapter 144, Sections 53,
13 54, 56 and 57; Laws 1984, Chapter 129, Section 2; Laws 1969,
14 Chapter 144, Section 61; Laws 1970, Chapter 78, Section 2;
15 Laws 1991, Chapter 8, Section 3; Laws 1998, Chapter 95,
16 Section 2 and Laws 1998, Chapter 99, Section 4; Laws 2014,
17 Chapter 26, Section 1; Laws 1971, Chapter 217, Section 2; Laws
18 1977, Chapter 288, Section 2; Laws 1979, Chapter 338, Section
19 7; Laws 1984, Chapter 2, Section 6; Laws 1999, Chapter 231,
20 Section 4; Laws 2007, Chapter 204, Section 9; Laws 1993,
21 Chapter 364, Sections 1 and 2; Laws 1995, Chapter 80, Section
22 1; Laws 1998, Chapter 89, Section 2; Laws 2001, Chapter 135,
23 Section 1; Laws 2004, Chapter 116, Section 6; Laws 2005,
24 Chapter 104, Sections 23, 25 and 26; Laws 2007, Chapter 361,
25 Sections 7 and 8; Laws 2005, Chapter 169, Section 1; Laws

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1 2005, Chapter 179, Section 1; Laws 2006, Chapter 35, Sections
2 1 and 2; Laws 2007, Chapter 3, Sections 16 through 18; Laws
3 2012, Chapter 12, Sections 2 and 3; Laws 2007, Chapter 33,
4 Section 1; Laws 2007, Chapter 45, Section 6; Laws 2007,
5 Chapter 172, Sections 8 through 10; Laws 2011, Chapter 60,
6 Section 2 and Laws 2011, Chapter 61, Section 2; Laws 2011,
7 Chapter 60, Section 3 and Laws 2011, Chapter 61, Section 3;
8 Laws 2007, Chapter 361, Section 6; Laws 2007, Chapter 204,
9 Section 10; and Laws 2010, Chapter 77, Section 1 and Laws
10 2010, Chapter 78, Section 1, as amended) are repealed.

11 C. Sections 7-9A-1 through 7-9A-9 and 7-9A-11 NMSA
12 1978 (being Laws 1979, Chapter 347, Sections 1 and 2; Laws
13 2001, Chapter 57, Section 2 and Laws 2001, Chapter 337,
14 Section 2; Laws 1979, Chapter 347, Sections 3 through 7; Laws
15 1983, Chapter 206, Section 6; Laws 1979, Chapter 347, Sections
16 8 and 9; and Laws 1997, Chapter 62, Section 2, as amended) are
17 repealed.

18 D. Sections 7-9G-1 and 7-9G-2 NMSA 1978 (being
19 Laws 2004, Chapter 15, Section 1 and Laws 2007, Chapter 229,
20 Section 1, as amended) are repealed.

21 E. Sections 7-9J-1 through 7-9J-8 NMSA 1978 (being
22 Laws 2007, Chapter 204, Sections 11 through 18, as amended)
23 are repealed.

24 F. Sections 7-24B-1 through 7-24B-4 and 7-24B-5.1
25 through 7-24B-9 NMSA 1978 (being Laws 1987, Chapter 45,

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1 Sections 10 through 13, Laws 1990, Chapter 88, Section 16 and
2 Laws 1987, Chapter 45, Sections 15 through 18, as amended) are
3 repealed.

4 G. Section 60-2E-47.1 NMSA 1978 (being Laws 2010,
5 Chapter 31, Section 3) is repealed.

6 SECTION 213. ADDITIONAL REPEAL.--Sections 7-2-18.4,
7 7-2-18.5, 7-2-18.8, 7-2-18.21, 7-2A-8.8, 7-2A-15, 7-2D-1,
8 7-2D-2, 7-2D-4 through 7-2D-14, 7-9F-9.1 and 7-9I-1 through
9 7-9I-6 NMSA 1978 (being Laws 1994, Chapter 115, Section 1,
10 Laws 1998, Chapter 97, Section 2, Laws 2001, Chapter 73,
11 Section 1, Laws 2007, Chapter 204, Section 7, Laws 1998,
12 Chapter 97, Section 3, Laws 1994, Chapter 115, Section 2, Laws
13 1993, Chapter 313, Sections 1, 2 and 4 through 8, Laws 1995,
14 Chapter 89, Section 8, Laws 1993, Chapter 313, Sections 9
15 through 14, Laws 2015 (1st S.S.), Chapter 2, Section 17 and
16 Laws 2005, Chapter 104, Sections 17 through 22, as amended)
17 are repealed.

18 SECTION 214. APPLICABILITY.--The provisions of Sections
19 49, 90 through 95 and 213 of this act apply to taxable years
20 beginning on or after February 1, 2018.

21 SECTION 215. EFFECTIVE DATE.--The effective date of the
22 provisions of this act is February 1, 2018.