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AN ACT

RELATING TO MUNICIPALITIES; PROVIDING FOR THE ISSUANCE OF FLOOD RECOVERY REVENUE BONDS FOR REBUILDING, REPAIRING, REPLACING AND HARDENING OF MUNICIPAL PROPERTY DAMAGED BY A FLOOD; CREATING A MUNICIPAL FLOOD RECOVERY GROSS RECEIPTS TAX FOR THE PAYMENT OF FLOOD RECOVERY REVENUE BONDS; DECLARING AN EMERGENCY.

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

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

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

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

B. Utility revenue bonds may be issued for acquiring, extending, enlarging, bettering, repairing or otherwise improving a municipal utility or for any combination of the foregoing purposes. The municipality may pledge irrevocably any or all of the net revenues from the operation of the municipal utility or of any one or more of other such municipal utilities for payment of the interest on

1 and principal of the revenue bonds.

2 C. Joint utility revenue bonds may be issued
3 for acquiring, extending, enlarging, bettering, repairing or
4 otherwise improving joint water facilities, sewer facilities,
5 gas facilities or electric facilities or for any combination
6 of the foregoing purposes. The municipality may pledge
7 irrevocably any or all of the net revenues from the operation
8 of these municipal utilities for the payment of the interest
9 on and principal of the bonds.

10 D. Gross receipts tax revenue bonds may be
11 issued for any municipal purpose. A municipality may pledge
12 irrevocably any or all of the gross receipts tax revenue
13 received by the municipality pursuant to Section 7-1-6.4
14 or 7-1-6.12 NMSA 1978 to the payment of the interest on and
15 principal of the gross receipts tax revenue bonds or for any
16 area of municipal government services. A law that imposes
17 or authorizes the imposition of a tax authorized by the
18 Municipal Local Option Gross Receipts and Compensating Taxes
19 Act or that affects the tax, or a law supplemental thereto
20 or otherwise appertaining thereto, shall not be repealed or
21 amended or otherwise directly or indirectly modified in such
22 a manner as to impair adversely any outstanding revenue
23 bonds that may be secured by a pledge of such tax unless the
24 outstanding revenue bonds have been discharged in full or
25 provision has been fully made therefor. Revenues in excess

1 of the annual principal and interest due on gross receipts
2 tax revenue bonds secured by a pledge of gross receipts tax
3 revenue may be accumulated in a debt service reserve account.
4 The governing body of the municipality may appoint a
5 commercial bank trust department to act as trustee of the
6 gross receipts tax revenue and to administer the payment of
7 principal of and interest on the bonds.

8 E. Gasoline tax revenue bonds may be issued for
9 laying off, opening, constructing, reconstructing,
10 resurfacing, maintaining, acquiring rights of way, repairing
11 and otherwise improving municipal buildings, alleys, streets,
12 public roads and bridges or any combination of the foregoing
13 purposes. The municipality may pledge irrevocably any or all
14 of the gasoline tax revenue received by the municipality to
15 the payment of the interest on and principal of the gasoline
16 tax revenue bonds.

17 F. Project revenue bonds may be issued for
18 acquiring, extending, enlarging, bettering, repairing,
19 improving, constructing, purchasing, furnishing, equipping
20 and rehabilitating any revenue-producing project, including,
21 where applicable, purchasing, otherwise acquiring or
22 improving the ground therefor, including acquiring and
23 improving parking lots, or for any combination of the
24 foregoing purposes. The municipality may pledge irrevocably
25 any or all of the net revenues from the operation of the

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

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

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

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

24 I. Flood recovery revenue bonds may be issued for
25 rebuilding, repairing, replacing and hardening of municipal

1 property damaged by a flood. The municipality shall pledge
2 irrevocably all of the revenue received by the municipality
3 from the municipal flood recovery gross receipts tax to the
4 payment of the interest on and principal of the bonds.

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

17 SECTION 2. Section 3-31-1.1 NMSA 1978 (being Laws 2019,
18 Chapter 274, Section 2) is amended to read:

19 "3-31-1.1. DEFINITIONS.--As used in Chapter 3,
20 Article 31 NMSA 1978:

21 A. "bond" means any obligation of a municipality
22 issued under Chapter 3, Article 31 NMSA 1978, whether
23 designated as a bond, note, loan, warrant, debenture,
24 lease-purchase agreement or other instrument evidencing an
25 obligation of a municipality to make payments;

1 B. "flood recovery revenue bonds" means the bonds
2 authorized by Subsection I of Section 3-31-1 NMSA 1978;

3 C. "gasoline tax revenue" means all or portions
4 of the amounts of tax revenues distributed to municipalities
5 pursuant to Sections 7-1-6.9 and 7-1-6.27 NMSA 1978;

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

8 E. "gross receipts tax revenue" means the
9 amount of money distributed to a municipality pursuant to
10 Section 7-1-6.4 NMSA 1978 and transferred to a municipality
11 pursuant to Section 7-1-6.12 NMSA 1978 for any municipal
12 gross receipts tax imposed pursuant to the Municipal Local
13 Option Gross Receipts and Compensating Taxes Act;

14 F. "gross receipts tax revenue bonds" means the
15 bonds authorized by Subsection D of Section 3-31-1 NMSA 1978;

16 G. "joint utility revenue bonds" or "joint
17 utility bonds" means the bonds authorized by Subsection C of
18 Section 3-31-1 NMSA 1978;

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

23 I. "project revenue bonds" means the bonds
24 authorized by Subsection F of Section 3-31-1 NMSA 1978; and

25 J. "utility revenue bonds" or "utility bonds"

1 means the bonds authorized by Subsection B of Section 3-31-1
2 NMSA 1978."

3 SECTION 3. A new section of the Municipal Local Option
4 Gross Receipts and Compensating Taxes Act is enacted to read:

5 "MUNICIPAL FLOOD RECOVERY GROSS RECEIPTS TAX.--

6 A. The majority of the members of the governing
7 body of a municipality may impose by ordinance an excise tax
8 at a rate not to exceed three-eighths percent of the gross
9 receipts of a person engaging in business in the municipality
10 for the privilege of engaging in business. The tax may be
11 imposed in increments of one-thousandth percent not to exceed
12 an aggregate rate of three-eighths percent. The tax shall
13 be imposed until the flood recovery revenue bonds issued
14 pursuant to Section 3-31-1 NMSA 1978 are fully discharged or
15 otherwise provided for in full.

16 B. The tax imposed pursuant to this section may be
17 referred to as the "municipal flood recovery gross receipts
18 tax".

19 C. A governing body, at the time of enacting an
20 ordinance imposing a rate of tax authorized in Subsection A
21 of this section, shall dedicate the revenue only for
22 payment of flood recovery revenue bonds issued pursuant to
23 Section 3-31-1 NMSA 1978."

24 SECTION 4. EMERGENCY.--It is necessary for the
25 public peace, health and safety that this act take effect

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