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SENATE BILL 88

50TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2012

INTRODUCED BY

Pete Campos

AN ACT

RELATING TO TAXATION; ENACTING THE EQUAL OPPORTUNITY
SCHOLARSHIP ACT; PROVIDING FOR TUITION SCHOLARSHIP
ORGANIZATIONS TO GRANT EDUCATIONAL SCHOLARSHIPS TO LOW-INCOME
STUDENTS TO ATTEND CERTAIN SCHOOLS; CREATING INCOME TAX AND
CORPORATE INCOME TAX CREDITS FOR CONTRIBUTIONS TO TUITION
SCHOLARSHIP ORGANIZATIONS THAT PROVIDE EDUCATIONAL SCHOLARSHIPS
FOR LOW-INCOME STUDENTS TO ATTEND CERTAIN SCHOOLS OF THE
STUDENT'S PARENTS' CHOICE.

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

SECTION 1. [NEW MATERIAL] SHORT TITLE.--Sections 1
through 5 of this act may be cited as the "Equal Opportunity
Scholarship Act".

SECTION 2. [NEW MATERIAL] DEFINITIONS.--As used in the
Equal Opportunity Scholarship Act:

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1 A. "certification document" means the document
2 issued by the department to an organization verifying that the
3 organization is a tuition scholarship organization and
4 contributions to that organization for equal opportunity
5 scholarships may be claimed as an equal opportunity scholarship
6 tax credit;

7 B. "contribution receipt" means a document
8 developed by the taxation and revenue department pursuant to
9 the Equal Opportunity Scholarship Act and provided to a tuition
10 scholarship organization that in turn provides the document to
11 an individual or corporate contributor that is a taxpayer that
12 intends to claim an equal opportunity scholarship tax credit as
13 a receipt for a contribution to the tuition scholarship
14 organization;

15 C. "department" means the public education
16 department;

17 D. "educational scholarship" means a tuition grant
18 or other grant of funds to an eligible student to cover all or
19 part of the costs of that student at a qualified school,
20 including transportation costs;

21 E. "eligible student" means a student who:

22 (1) is a member of a household for which the
23 total annual income does not exceed an amount used to qualify
24 for a reduced-price lunch through the federal school lunch
25 programs established pursuant to 42 USCA Sections 1751 through

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1 1769, as amended; provided that once a student receives a
2 scholarship pursuant to the Equal Opportunity Scholarship Act,
3 the student shall remain eligible regardless of household
4 income until the student graduates from high school or reaches
5 twenty-one years of age;

6 (2) attended a New Mexico public school for
7 the semester prior to first receiving an educational
8 scholarship pursuant to the Equal Opportunity Scholarship Act
9 or is starting school in New Mexico for the first time; and

10 (3) resides in New Mexico while receiving a
11 scholarship from a tuition scholarship organization;

12 F. "equal opportunity scholarship tax credit" means
13 the equal opportunity scholarship income tax credit provided in
14 the Income Tax Act and the equal opportunity scholarship
15 corporate income tax credit provided in the Corporate Income
16 and Franchise Tax Act;

17 G. "parent" means a guardian, custodian or other
18 person with authority to act on behalf of a child;

19 H. "qualified school" means a public or nonpublic
20 elementary, middle or secondary school located in New Mexico to
21 which a parent has chosen to send an eligible student;

22 I. "relative" means a person related by affinity or
23 consanguinity to the third degree;

24 J. "tuition grant" means a grant of funds for the
25 purpose of covering the costs of tuition for a qualified

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1 school; and

2 K. "tuition scholarship organization" means an
3 organization that provides educational scholarships to students
4 attending qualified schools of their parents' choice and that
5 meets the criteria established in the Equal Opportunity
6 Scholarship Act.

7 SECTION 3. [NEW MATERIAL] TUITION SCHOLARSHIP
8 ORGANIZATION--CERTIFICATION.--

9 A. An organization may seek certification from the
10 department as a tuition scholarship organization by submitting
11 an application for certification to the department.

12 B. To be certified as a tuition scholarship
13 organization by the department, the organization shall provide
14 documentation as deemed appropriate by the department to verify
15 that:

16 (1) the tuition scholarship organization has
17 been granted an exemption from federal income tax as an
18 organization described in Section 501(c)(3) of the federal
19 Internal Revenue Code of 1986;

20 (2) the tuition scholarship organization has
21 awarded or intends to award educational scholarships to
22 eligible students who are attending or plan to attend qualified
23 schools;

24 (3) the scholarships are funded from
25 contributions that the tuition scholarship organization has

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1 received in or prior to the current calendar year or
2 anticipates receiving during the remainder of the calendar year
3 and:

4 (a) at least ninety percent of the
5 contributions received during a calendar year for which the
6 tuition scholarship organization issues a contribution receipt
7 to an individual or corporate taxpayer for purposes of
8 obtaining an equal opportunity scholarship tax credit is
9 awarded by the organization as educational scholarships and all
10 revenue from interest or investments is expended solely on
11 educational scholarships; and

12 (b) a scholarship award to an eligible
13 student shall not exceed eighty percent of the three-year
14 rolling average of the state equalization guarantee
15 distribution for the eligible student as calculated for the
16 associated program units;

17 (4) the tuition scholarship organization
18 distributes periodic scholarship payments as checks that are
19 issued to an eligible student's parent, that are mailed to the
20 qualified school in which the eligible student is enrolled and
21 that require the endorsement of the parent prior to deposit of
22 the check;

23 (5) educational scholarships awarded by the
24 tuition scholarship organization are portable during the school
25 year and can be used at any qualified school that accepts the

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1 eligible student according to a parent's wishes; provided that
2 the scholarship shall be prorated between schools based on the
3 number of days attended at each school by the eligible student;

4 (6) criminal background checks on all of the
5 tuition scholarship organization's employees and board members
6 have been conducted by the organization, with the understanding
7 that individuals who might reasonably pose a risk to the sound
8 fiscal management of the funds of the organization shall be
9 excluded from employment or governance, and all pertinent
10 findings on employees and board members have been provided to
11 the department for review and approval;

12 (7) the tuition scholarship organization has
13 in place systems to provide for financial accountability,
14 including independent annual audits that shall be submitted to
15 the department in the form of a financial information report
16 that complies with generally accepted accounting procedures as
17 specified by the department and is certified to be free of
18 material misstatements by the certified public accountant who
19 performed the audit; and

20 (8) the tuition scholarship organization is
21 financially viable and receives or is likely to receive
22 donations of fifty thousand dollars (\$50,000) or more during a
23 school year by filing with the department prior to the start of
24 the school year a surety bond payable to the state in an amount
25 equal to the aggregate amount of contributions expected to be

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1 received during the school year.

2 SECTION 4. [NEW MATERIAL] TUITION SCHOLARSHIP
3 ORGANIZATION--DUTIES.--

4 A. No later than thirty days prior to the start of
5 a new school year or the start of a new semester, a tuition
6 scholarship organization shall provide to the department the
7 names of eligible students who received scholarships and the
8 students' previous school district or charter school
9 affiliation. The tuition scholarship organization shall
10 provide verification that the qualified students have been
11 awarded a tuition scholarship and have enrolled in a public or
12 nonpublic school for the new school year or the new semester.

13 B. A tuition scholarship organization shall ensure
14 that a school participating in the tuition scholarship
15 organization's scholarship program certifies that the school:

- 16 (1) is in compliance with all health and
17 safety laws or rules that apply to schools;
- 18 (2) holds a valid occupancy permit as required
19 by applicable laws;
- 20 (3) does not discriminate in admissions on the
21 basis of race, color or national origin;
- 22 (4) provides academic accountability to
23 parents of the students in the program by regularly reporting
24 to the parent on the student's academic and developmental
25 progress;

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1 (5) ensures that every school employee with
2 unsupervised access to students has undergone a background
3 check as described in Subsection B of Section 22-10A-5 NMSA
4 1978;

5 (6) has no paid staff or board members who are
6 also staff or board members of the tuition scholarship
7 organization or who are relatives of the staff or board members
8 of the tuition scholarship organization;

9 (7) gives enrollment preference to eligible
10 students who were enrolled at the school in the prior year and
11 to siblings of eligible students already admitted to or
12 attending the school; and

13 (8) is a qualified school and, if the school
14 has more applications for educational scholarships from
15 eligible students than positions available for students
16 receiving scholarships, the school fills the available
17 scholarship positions only by using a random selection process.

18 C. By June 1 of each year beginning in 2013, a
19 tuition scholarship organization shall report the following
20 information to the department and the taxation and revenue
21 department:

22 (1) the name and address of the tuition
23 scholarship organization;

24 (2) the total number and dollar amount of
25 contributions received for which contribution receipts were

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1 issued during the calendar year ending on December 31 of the
2 prior year;

3 (3) the total number and dollar amount of all
4 educational scholarships awarded during the calendar year
5 ending on December 31 of the prior year; and

6 (4) the total number and dollar amount of
7 educational scholarships awarded to eligible students during
8 the calendar year ending on December 31 of the prior year.

9 D. A tuition scholarship organization shall:

10 (1) provide to each individual and corporate
11 contributor of funds dedicated for educational scholarships a
12 contribution receipt that shall be completed according to
13 taxation and revenue department requirements;

14 (2) maintain a list by the sequential number
15 on the contribution receipt identifying to whom each copy is
16 issued, the amount and date of the contribution and any other
17 information deemed necessary by the taxation and revenue
18 department to allow the contributor to receive an equal
19 opportunity scholarship tax credit; and

20 (3) account for all copies of contribution
21 receipts damaged, destroyed, lost or otherwise unusable.

22 SECTION 5. [NEW MATERIAL] DEPARTMENT--DUTIES.--

23 A. The department shall administer the Equal
24 Opportunity Scholarship Act.

25 B. The department shall:

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1 (1) provide the name of each certified tuition
2 scholarship organization to the taxation and revenue department
3 by no later than thirty days after issuing the certification
4 document to the tuition scholarship organization;

5 (2) upon notification by the tuition
6 scholarship organization, calculate the associated program
7 units for an eligible student receiving an educational
8 scholarship that would have been generated under the funding
9 formula using the current year unit value and determine the
10 dollar amount of that student's program cost, if that student
11 were to have enrolled in the student's previous school for the
12 new school year or the new semester;

13 (3) if an eligible student receiving an
14 educational scholarship withdraws prior to the start of a new
15 school year, deduct that student's program cost from the
16 student's previous school district or charter school state
17 equalization guarantee distribution allocation prior to
18 distribution;

19 (4) if an eligible student receiving an
20 educational scholarship withdraws between semesters, make a
21 prorated reduction in the school district's or charter school's
22 distribution for the remainder of the school year and not
23 distribute the funds attributed to the adjustments, which shall
24 remain undistributed and shall revert to the general fund at
25 the end of the fiscal year;

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1 (5) engage an auditor to conduct a financial
2 and program audit of a tuition scholarship organization, at the
3 expense of the tuition scholarship organization, if there is
4 evidence of fraud or failure to comply with the Equal
5 Opportunity Scholarship Act;

6 (6) deny, suspend or revoke the certification
7 of a tuition scholarship organization for purposes of the equal
8 opportunity scholarship tax credit if the department determines
9 that the organization has intentionally and substantially
10 failed to comply with the requirements of the Equal Opportunity
11 Scholarship Act; and

12 (7) notify the taxation and revenue department
13 if the certification of an organization as a tuition
14 scholarship organization is denied, suspended or revoked within
15 ten days of the denial, suspension or revocation.

16 SECTION 6. A new section of the Income Tax Act is enacted
17 to read:

18 "[NEW MATERIAL] EQUAL OPPORTUNITY SCHOLARSHIP INCOME TAX
19 CREDIT.--

20 A. A taxpayer who files a New Mexico income tax
21 return and is not a dependent of another taxpayer may claim,
22 and the department may approve, a credit against the income tax
23 liability of the taxpayer for a contribution made to a tuition
24 scholarship organization. The credit may be approved in an
25 amount equal to ninety percent of the total contributions made

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1 by the taxpayer to a tuition scholarship organization for which
2 contribution receipts have been provided by that organization
3 during the taxable year but shall not exceed fifty percent of
4 the taxpayer's income tax liability for the taxable year. The
5 credit provided in this section may be referred to as the
6 "equal opportunity scholarship income tax credit".

7 B. The purpose of the equal opportunity scholarship
8 income tax credit is to encourage individuals and businesses to
9 contribute money to tuition scholarship organizations that
10 provide scholarships for eligible students to attend public or
11 nonpublic schools that are chosen by the students' parents.

12 C. To ensure that the department receives the
13 information needed to allow an equal opportunity scholarship
14 income tax credit, the department shall develop a contribution
15 receipt that requests all of the information needed by the
16 department to determine if a credit is due. The contribution
17 receipts shall be sequentially numbered, and a charge, not to
18 exceed fifty cents (\$.50) per numbered copy, may be charged by
19 the department to the tuition scholarship organization.

20 D. Upon receiving notice from the public education
21 department that an organization has been certified as a tuition
22 scholarship organization, the taxation and revenue department
23 shall provide sequentially numbered copies of contribution
24 receipts to the tuition scholarship organization to be
25 distributed by the tuition scholarship organization to its

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1 contributors to indicate the recipient, date and value of a
2 contribution to the tuition scholarship organization and other
3 information required by the taxation and revenue department.

4 E. The department shall require a taxpayer claiming
5 the equal opportunity scholarship income tax credit to submit
6 the numbered copy of the contribution receipt from the tuition
7 scholarship organization to which the taxpayer contributed
8 money with the taxpayer's application for the credit provided
9 by this section.

10 F. The equal opportunity scholarship income tax
11 credit shall not be allowed for a contribution that is included
12 for the taxable year in the taxpayer's itemized deductions, as
13 defined in Section 63 of the Internal Revenue Code.

14 G. A husband and wife who file separate returns for
15 a taxable year in which they could have filed a joint return
16 may each claim only one-half of the equal opportunity
17 scholarship income tax credit that would have been allowed on a
18 joint return.

19 H. A taxpayer who otherwise qualifies for and
20 claims an equal opportunity scholarship income tax credit for a
21 contribution made to a tuition scholarship organization by a
22 partnership or other business association of which the taxpayer
23 is a member may claim a credit only in proportion to the
24 taxpayer's interest in the partnership or business association.
25 The total credit claimed in the aggregate by all members of the

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1 partnership or business association in a taxable year with
2 respect to a contribution made to a tuition scholarship
3 organization, including equal opportunity scholarship corporate
4 income tax credits claimed by a corporate member of the
5 partnership or business association, shall not exceed the
6 maximum credit that would have been allowable pursuant to this
7 section if claimed by a single taxpayer.

8 I. Any amount of the equal opportunity scholarship
9 income tax credit allowed by the department that exceeds fifty
10 percent of the income tax liability of the taxpayer in the
11 taxable year in which the credit is first claimed may be
12 carried forward for three consecutive taxable years.

13 J. The maximum annual aggregate of equal
14 opportunity scholarship income tax credits and equal
15 opportunity scholarship corporate income tax credits shall not
16 exceed five million dollars (\$5,000,000). An application for
17 the equal opportunity scholarship income tax credit or the
18 equal opportunity scholarship corporate income tax credit shall
19 be considered in the order in which the application is received
20 by the department. Any equal opportunity scholarship income
21 tax credit application or equal opportunity scholarship
22 corporate income tax credit application that is unable to be
23 taken in the year it is submitted due to the aggregate maximum
24 limit being met in any taxable year shall be placed in a queue
25 by the date on which the application was received to be paid

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1 first in the subsequent taxable year before the new
2 applications for that taxable year are allowed.

3 K. The department shall compile a report annually
4 for the revenue stabilization and tax policy committee that
5 sets forth the number of taxpayers approved to receive equal
6 opportunity scholarship income tax credits, the aggregate
7 amount of credits approved and the average and median amounts
8 of credits approved. The department shall determine every
9 three years beginning in 2015 whether the equal opportunity
10 scholarship income tax credit is performing the purpose for
11 which it was created.

12 L. A taxpayer that claims an equal opportunity
13 scholarship income tax credit pursuant to the Income Tax Act
14 shall not also claim an equal opportunity scholarship corporate
15 income tax credit pursuant to the Corporate Income and
16 Franchise Tax Act or any other similar tax credit for the same
17 contribution to a tuition scholarship organization. The equal
18 opportunity scholarship income tax credit shall be applied to
19 the taxpayer's tax liability before application of any other
20 tax credit claimed for the taxable year by the taxpayer.

21 M. Acceptance of the equal opportunity scholarship
22 income tax credit is authorization to the department to
23 disclose the amount of the tax credit claimed by the taxpayer
24 as needed to report fully as required by this section to the
25 revenue stabilization and tax policy committee of the

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1 legislature.

2 N. As used in this section:

3 (1) "contribution receipt" means the document
4 developed by the department and issued pursuant to the Equal
5 Opportunity Scholarship Act by a tuition scholarship
6 organization to a contributor;

7 (2) "eligible student" means a student who:

8 (a) is a member of a household for which
9 the total annual income does not exceed an amount used to
10 qualify for a reduced-price lunch through the federal school
11 lunch programs established pursuant to 42 USCA Sections 1751
12 through 1769, as amended; provided that once a student receives
13 a scholarship pursuant to the Equal Opportunity Scholarship
14 Act, the student shall remain eligible regardless of household
15 income until the student graduates from high school or reaches
16 twenty-one years of age;

17 (b) attended a New Mexico public school
18 for the semester prior to first receiving an educational
19 scholarship pursuant to the Equal Opportunity Scholarship Act
20 or is starting school in New Mexico for the first time; and

21 (c) resides in New Mexico while
22 receiving a scholarship from a tuition scholarship
23 organization;

24 (3) "parent" means a guardian, custodian or
25 other person with authority to act on behalf of a child; and

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1 (4) "tuition scholarship organization" means
2 an organization that provides educational scholarships to
3 students attending qualified schools of their parents' choice
4 and that meets the requirements of the Equal Opportunity
5 Scholarship Act."

6 SECTION 7. A new section of the Corporate Income and
7 Franchise Tax Act is enacted to read:

8 "[NEW MATERIAL] EQUAL OPPORTUNITY SCHOLARSHIP CORPORATE
9 INCOME TAX CREDIT.--

10 A. A taxpayer that files a New Mexico corporate
11 income tax return may claim, and the department may approve, a
12 credit against the corporate income tax liability of the
13 taxpayer for a contribution made to a tuition scholarship
14 organization. The credit may be approved in an amount equal to
15 ninety percent of the total contributions made by the taxpayer
16 to a tuition scholarship organization for which contribution
17 receipts have been provided by that organization during the
18 taxable year but shall not exceed fifty percent of the
19 taxpayer's corporate income tax liability for the taxable year.
20 The credit provided in this section may be referred to as the
21 "equal opportunity scholarship corporate income tax credit".

22 B. The purpose of the equal opportunity scholarship
23 corporate income tax credit is to encourage corporations to
24 contribute money to tuition scholarship organizations that
25 provide scholarships for eligible students to attend public or

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1 nonpublic schools that are chosen by the students' parents.

2 C. To ensure that the department receives the
3 information needed to allow an equal opportunity scholarship
4 corporate income tax credit, the department shall develop a
5 contribution receipt that requests all of the information
6 needed by the department to determine if a credit is due. The
7 contribution receipts shall be sequentially numbered, and a
8 charge, not to exceed fifty cents (\$.50) per numbered copy, may
9 be charged by the department to the tuition scholarship
10 organization.

11 D. Upon receiving notice from the public education
12 department that an organization has been certified as a tuition
13 scholarship organization, the taxation and revenue department
14 shall provide sequentially numbered copies of contribution
15 receipts to a tuition scholarship organization to be
16 distributed by the tuition scholarship organization to its
17 contributors to indicate the recipient, date and value of a
18 contribution to the tuition scholarship organization and other
19 information required by the taxation and revenue department.

20 E. The department shall require a taxpayer claiming
21 the equal opportunity scholarship corporate income tax credit
22 to submit the numbered copy of the certification document from
23 the tuition scholarship organization to which the taxpayer
24 contributed money with the taxpayer's application for the
25 credit provided by this section.

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1 F. The equal opportunity scholarship corporate
2 income tax credit shall not be allowed for a contribution that
3 is included for the taxable year in the taxpayer's itemized
4 deductions, as defined in Section 63 of the Internal Revenue
5 Code.

6 G. Any amount of the equal opportunity scholarship
7 corporate income tax credit allowed by the department that
8 exceeds fifty percent of the corporate income tax liability of
9 the taxpayer in the taxable year in which the credit is first
10 claimed may be carried forward for three consecutive taxable
11 years.

12 H. The maximum annual aggregate of equal
13 opportunity scholarship corporate income tax credits and equal
14 opportunity scholarship income tax credits shall not exceed
15 five million dollars (\$5,000,000). An application for the
16 equal opportunity scholarship corporate income tax credit or
17 the equal opportunity scholarship income tax credit shall be
18 considered in the order in which the application is received by
19 the department. Any equal opportunity scholarship corporate
20 income tax credit or equal opportunity scholarship income tax
21 credit that is unable to be taken in the year it is submitted
22 due to the aggregate maximum limit being met in any taxable
23 year shall be placed in a queue by the date on which the
24 application was received to be paid first in the subsequent
25 taxable year before the new applications for that taxable year

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1 are allowed.

2 I. The department shall compile a report annually
3 for the revenue stabilization and tax policy committee that
4 sets forth the number of taxpayers approved to receive equal
5 opportunity scholarship corporate income tax credits, the
6 aggregate amount of credits approved and the average and median
7 amounts of credits approved. The department shall determine
8 every three years beginning in 2015 whether the equal
9 opportunity scholarship corporate income tax credit is
10 performing the purpose for which it was created.

11 J. A taxpayer that claims an equal opportunity
12 scholarship corporate income tax credit pursuant to the
13 Corporate Income and Franchise Tax Act shall not also claim an
14 equal opportunity scholarship income tax credit pursuant to the
15 Income Tax Act or any other similar tax credit for the same
16 contribution to a tuition scholarship organization. The equal
17 opportunity scholarship corporate income tax credit shall be
18 applied to the taxpayer's tax liability before application of
19 any other tax credit claimed for the taxable year by the
20 taxpayer.

21 K. Acceptance of the equal opportunity scholarship
22 corporate income tax credit is authorization to the department
23 to disclose the amount of the tax credit claimed by the
24 taxpayer as needed to report fully as required by this section
25 to the revenue stabilization and tax policy committee of the

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1 legislature.

2 L. As used in this section:

3 (1) "contribution receipt" means the document
4 issued pursuant to the Equal Opportunity Scholarship Act by a
5 tuition scholarship organization to a contributor;

6 (2) "eligible student" means a student who:

7 (a) is a member of a household for which
8 the total annual income does not exceed an amount used to
9 qualify for a reduced-price lunch through the federal school
10 lunch programs established pursuant to 42 USCA Sections 1751
11 through 1769, as amended; provided that once a student receives
12 a scholarship pursuant to the Equal Opportunity Scholarship
13 Act, the student shall remain eligible regardless of household
14 income until the student graduates from high school or reaches
15 twenty-one years of age;

16 (b) attended a New Mexico public school
17 for the semester prior to first receiving an educational
18 scholarship pursuant to the Equal Opportunity Scholarship Act
19 or is starting school in New Mexico for the first time; and

20 (c) resides in New Mexico while
21 receiving a scholarship from a tuition scholarship
22 organization;

23 (3) "parent" means a guardian, custodian or
24 other person with authority to act on behalf of a child; and

25 (4) "tuition scholarship organization" means

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1 an organization that provides educational scholarships to
2 students attending qualified schools of their parents' choice
3 pursuant to the Equal Opportunity Scholarship Act."

4 SECTION 8. Section 22-8-12.1 NMSA 1978 (being Laws 1978,
5 Chapter 128, Section 5, as amended) is amended to read:

6 "22-8-12.1. MEMBERSHIP PROJECTIONS AND BUDGET
7 REQUESTS.--

8 A. Each local school board or governing body of a
9 state-chartered charter school shall submit annually, on or
10 before October 15, to the department:

11 (1) an estimate for the succeeding fiscal year
12 of:

13 (a) the membership of qualified students
14 to be enrolled in the basic program, adjusted for deductions
15 due to student participation in the scholarship programs of the
16 Equal Opportunity Scholarship Act;

17 (b) the full-time-equivalent membership
18 of students to be enrolled in approved early childhood
19 education programs; and

20 (c) the membership of students to be
21 enrolled in approved special education programs, adjusted for
22 deductions due to student participation in the scholarship
23 programs of the Equal Opportunity Scholarship Act;

24 (2) all other information necessary to
25 calculate program costs; and

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1 (3) any other information related to the
2 financial needs of the school district or state-chartered
3 charter school as may be requested by the department.

4 B. All information requested pursuant to Subsection
5 A of this section shall be submitted on forms prescribed and
6 furnished by the department and shall comply with the
7 department's rules and procedures.

8 C. The department shall:

9 (1) review the financial needs of each school
10 district or state-chartered charter school for the succeeding
11 fiscal year; and

12 (2) submit annually, on or before November 30,
13 to the secretary of finance and administration the
14 recommendations of the department for:

15 (a) amendments to the public school
16 finance formula;

17 (b) appropriations for the succeeding
18 fiscal year to the public school fund for inclusion in the
19 executive budget document; and

20 (c) appropriations for the succeeding
21 fiscal year for pupil transportation and instructional
22 materials."

23 **SECTION 9. APPLICABILITY.**--The provisions of Sections 6
24 and 7 of this act apply to taxable years beginning on or after
25 January 1, 2013 but before January 1, 2017.

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1 SECTION 10. EFFECTIVE DATE.--

2 A. The effective date of the provisions of Sections
3 1 through 5 and 8 of this act is July 1, 2012.

4 B. The effective date of the provisions of Sections
5 6 and 7 of this act is January 1, 2013.

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