

HOUSE BILL 292

57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025

INTRODUCED BY

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AN ACT

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

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

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

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

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

.229176.1

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1 provided that if a municipality is located in more than one
2 county, a transfer shall be calculated for each county in which
3 the municipality is located:

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

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

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

13 D. By October 1, 2026 and October 1 of each year
14 thereafter, the taxation and revenue department shall certify
15 to the state treasurer the amounts to be transferred to each
16 municipality and county as calculated pursuant to Subsections B
17 and C of this section.

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

22 F. As used in this section:

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

25 (2) "county area population" means the

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

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

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

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

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

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