SENATE BILL 372

55TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2021

INTRODUCED BY

Leo Jaramillo

AN ACT

RELATING TO REGIONAL TRANSIT DISTRICTS; PROVIDING THAT REVENUE FROM A REGIONAL TRANSIT GROSS RECEIPTS TAX IMPOSED BY A COUNTY BE DISTRIBUTED DIRECTLY TO THE DISTRICT RATHER THAN TRANSFERRED FROM THE COUNTY TO THE DISTRICT.

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

SECTION 1. A new section of the Tax Administration Act is enacted to read:

"[NEW MATERIAL] DISTRIBUTION--REGIONAL TRANSIT DISTRICT.-- A distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be made to each regional transit district created pursuant to the Regional Transit District Act in a county for which the department is collecting a regional transit gross receipts tax imposed by that county in an amount, subject to any increase or decrease made pursuant to Section 7-1-6.15 NMSA 1978, equal to .219654.2
the net receipts attributable to the county regional transit
gross receipts tax by that county, less any deduction for
administrative cost pursuant to Section 7-1-6.41 NMSA 1978."

SECTION 2. Section 7-1-6.13 NMSA 1978 (being Laws 1983,
Chapter 211, Section 18, as amended) is amended to read:

"7-1-6.13. TRANSFER--REVENUES FROM COUNTY LOCAL OPTION
GROSS RECEIPTS AND COMPENSATING TAXES.--

A. Except as provided in Subsection B of this
section and Section 1 of this 2021 act, a transfer pursuant to
Section 7-1-6.1 NMSA 1978 shall be made to each county for
which the department is collecting a local option gross
receipts tax and county compensating tax imposed by that county
in an amount, subject to any increase or decrease made pursuant
to Section 7-1-6.15 NMSA 1978, equal to the net receipts
attributable to the local option gross receipts tax and county
compensating tax imposed by that county, less any deduction for
administrative cost determined and made by the department
pursuant to the provisions of the act authorizing imposition by
that county of the local option gross receipts tax and county
compensating tax and any additional administrative fee withheld
pursuant to Section 7-1-6.41 NMSA 1978.

B. A transfer pursuant to this section may be
adjusted for a distribution made to a tax increment development
district with respect to a portion of a gross receipts tax
increment dedicated by a county pursuant to the Tax Increment
SECTION 3. Section 7-1-6.41 NMSA 1978 (being Laws 1997, Chapter 125, Section 1) is amended to read:

"7-1-6.41. ADMINISTRATIVE FEE IMPOSED [APPROPRIATION].--

[A. The taxation and revenue department is directed
to withhold an administrative fee of three percent of the net
amount to be distributed under the provisions of:

(1) Section 7-1-6.32 NMSA 1978;
(2) Section 66-12-20 NMSA 1978; and
(3) Section 74-1-13 NMSA 1978.

B. The administrative fee to be withheld pursuant
to Subsection A of this section shall be withheld on
distributions made on or after July 1, 1997 and shall continue
until the earlier of December 31, 2006 or the date on which the
New Mexico finance authority certifies to the taxation and
revenue department that all obligations for bonds issued
pursuant to Section 12 of this 1997 act have been fully
discharged and directs the department to cease distributing
money to the authority pursuant to this section.

C. The taxation and revenue department is directed
to withhold an additional administrative fee at the following
percentage of the net amount to be distributed pursuant to the
following provisions of law:

(1) two percent of the net amount to be
distributed pursuant to Section 7-1-6.12 NMSA 1978; and

[underscored material = new
[bracketed material] = delete]
(2) six-tenths of one percent of the net amount to be distributed pursuant to Section 7-1-6.13 NMSA 1978.

D. The administrative fee to be withheld under Subsection C of this section shall be withheld on distributions made on or after July 1, 1997 and shall continue until the earlier of July 1, 2000 or the date on which the New Mexico finance authority certifies to the taxation and revenue department that all obligations for bonds issued pursuant to Section 12 of this 1997 act have been fully discharged and directs the department to cease distributing money to the authority pursuant to this section.

E. The administrative fee to be withheld under Section [administrative fee to be withheld by the taxation and revenue department] may withhold an administration fee of three percent of the net amount transferred pursuant to Sections 7-1-6.12 and 7-1-6.13 NMSA 1978 [shall be set at three percent of the net amount to be distributed pursuant to the provisions of those sections.

F. The administrative fee to be withheld under Subsection E of this section shall be withheld on distributions made on or after July 1, 2000 and shall continue until the earlier of December 31, 2006 or the date on which the New Mexico finance authority certifies to the taxation and revenue department that all obligations for bonds issued pursuant to Section 12 of this 1997 act have been fully discharged and
directs the department to cease distributing money to the
authority pursuant to this section. After the department has
been directed by the authority to cease distributing money to
the authority pursuant to this section] and the net amount
distributed pursuant to Section 1 of this 2021 act. The
administrative fee shall be remitted to the state treasurer for
deposit in the state general fund each month.

[6. The administrative fee shall be distributed
monthly to the New Mexico finance authority to be pledged
irrevocably for the payment of principal, interest and any
expenses or obligations related to the bonds issued by the
authority to finance the taxation and revenue information
management systems project.]

SECTION 4. Section 7-20E-23 NMSA 1978 (being Laws 2004,
Chapter 17, Section 2, as amended) is amended to read:

"7-20E-23. COUNTY REGIONAL TRANSIT GROSS RECEIPTS TAX--
AUTHORITY TO IMPOSE--RATE--ELECTION REQUIRED.--

A. Upon a request by resolution of the board of
directors of a regional transit district, a majority of the
members of the governing body of each county that is within the
district shall impose by identical ordinances an excise tax at
the rate specified in the resolution, but not to exceed one-
half percent of the gross receipts of any person engaging in
business in the district for the privilege of engaging in
business. A tax imposed pursuant to this section may be

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imposed by one or more ordinances, each imposing any number of
tax rate increments, but an increment shall not be less than
one-sixteenth percent of the gross receipts of any person
engaging in business in the district and the aggregate of all
rates shall not exceed one-half percent of the gross receipts
of any person engaging in business in the district. The tax
may be referred to as the "county regional transit gross
receipts tax".

B. Each governing body, at the time of enacting an
ordinance imposing the tax authorized in Subsection A of this
section, shall dedicate the revenue for the purposes authorized
by the Regional Transit District Act.

C. An ordinance imposing a county regional transit
gross receipts tax shall not go into effect until after a joint
election is held by all counties within the district and a
majority of the voters of the district voting in the election
votes in favor of imposing the tax. Each governing body shall
adopt an ordinance calling for a joint election within seventy-five
days of the date the resolution is adopted on the question
of imposing the tax. The question shall be submitted to the
voters of the district as a separate question at a general
election or at a joint special election called for that purpose
by each governing body. A joint special election shall be
called, conducted and canvassed substantially in the same
manner as provided by law for general elections. If a majority
of the voters in the district voting on the question approves
the ordinance imposing the county regional transit gross
receipts tax, the ordinance shall become effective in
accordance with the provisions of the County Local Option Gross
Receipts Taxes Act. If the question of imposing the county
regional transit gross receipts tax fails, the governing bodies
shall not again propose the imposition of any increment of the
tax for a period of one year from the date of the election.

D. The governing body of a county imposing a county
regional transit gross receipts tax shall, prior to July 1,
2021, transfer all proceeds the county receives from the tax
pursuant to Section 7-1-6.13 NMSA 1978 to the regional transit
district for the purposes specified in the ordinance and in
accordance with the provisions of the Regional Transit District
Act. On and after July 1, 2021, all revenue from the tax shall
be distributed pursuant to Section 1 of this 2021 act.

E. As used in this section, "county within the
district" means a county within which lies any portion of a
regional transit district."

SECTION 5. EFFECTIVE DATE.--The effective date of the
provisions of this act is July 1, 2021.