

1 SENATE BILL 49

2 **53RD LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2018**

3 INTRODUCED BY

4 William E. Sharer

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9  
10 AN ACT

11 RELATING TO TAXATION; SHORTENING THE AMOUNT OF TIME TO CLAIM A  
12 TAX CREDIT OR A REFUND OF OVERPAID TAX TO LESS THAN ONE YEAR;  
13 REDUCING THE RATE OF THE GROSS RECEIPTS TAX, COMPENSATING TAX,  
14 GOVERNMENTAL GROSS RECEIPTS TAX, MUNICIPAL GROSS RECEIPTS TAX  
15 AND COUNTY GROSS RECEIPTS TAX; REQUIRING THE TAXATION AND  
16 REVENUE DEPARTMENT TO ADJUST THE GROSS RECEIPTS TAX RATE  
17 DEPENDING ON THE REVENUE COLLECTED FROM THAT TAX; PROVIDING FOR  
18 A FLAT INCOME TAX RATE OF TWO AND ONE-HALF PERCENT ON TAXABLE  
19 INCOME ABOVE CERTAIN LEVELS; REMOVING PERMISSION OF A TAX  
20 INCREMENT DEVELOPMENT DISTRICT TO ISSUE BONDS AGAINST AN  
21 INCREMENT OF THE GROSS RECEIPTS TAX; REPEALING CERTAIN CREDITS,  
22 DEDUCTIONS AND EXEMPTIONS PURSUANT TO THE INCOME TAX ACT AND  
23 THE GROSS RECEIPTS AND COMPENSATING TAX ACT; PROVIDING THAT A  
24 PERSON WITHOUT PHYSICAL PRESENCE IN THE STATE THAT HAS LESS  
25 THAN ONE HUNDRED THOUSAND DOLLARS (\$100,000) IN GROSS RECEIPTS

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1 IS NOT ENGAGING IN BUSINESS PURSUANT TO THE GROSS RECEIPTS AND  
2 COMPENSATING TAX ACT; REPEALING THE CORPORATE INCOME AND  
3 FRANCHISE TAX ACT, THE ESTATE TAX ACT, THE MOTOR VEHICLE EXCISE  
4 TAX ACT, THE LEASED VEHICLE GROSS RECEIPTS TAX ACT, THE TAX ON  
5 BOATS, CERTAIN LOCAL OPTION GROSS RECEIPTS TAXES, THE  
6 SUPPLEMENTAL MUNICIPAL GROSS RECEIPTS TAX ACT, THE LOCAL  
7 HOSPITAL GROSS RECEIPTS TAX ACT, THE COUNTY CORRECTIONAL  
8 FACILITY GROSS RECEIPTS TAX ACT, THE SPECIAL COUNTY HOSPITAL  
9 GASOLINE TAX ACT AND CERTAIN TAX CREDIT ACTS; REPLACING COUNTY  
10 OBLIGATIONS TO THE COUNTY-SUPPORTED MEDICAID FUND AND SAFETY  
11 NET CARE POOL FUND WITH STATE OBLIGATIONS; PROVIDING TEMPORARY  
12 AMNESTY FROM PENALTIES AND INTEREST ON TAXES NOT PAID;  
13 PROVIDING THAT THE REPEAL OF CERTAIN TAXES SHALL NOT IMPAIR  
14 OUTSTANDING BONDS OR LOAN GUARANTEES; AMENDING, REPEALING AND  
15 ENACTING SECTIONS OF THE NMSA 1978.

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.]~~

4                   D. Gross receipts tax revenue bonds may be issued  
5 for any ~~[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]~~  
2 municipal purpose. A municipality may pledge irrevocably any  
3 or all of the gross receipts tax revenue received by the  
4 municipality pursuant to Section ~~[7-1-6.4 or]~~ 7-1-6.12 NMSA  
5 1978 to the payment of the interest on and principal of the  
6 gross receipts 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 tax~~  
13 ~~or that affects the municipal gross receipts tax, or a law~~  
14 ~~supplemental thereto or otherwise appertaining thereto, shall~~  
15 ~~not be repealed or amended or otherwise directly or indirectly~~  
16 ~~modified in such a manner as to impair adversely any~~  
17 ~~outstanding revenue bonds that may be secured by a pledge of~~  
18 ~~such municipal gross receipts tax unless the outstanding~~  
19 ~~revenue bonds have been discharged in full or provision has~~  
20 ~~been fully made therefor].~~ Revenues in excess of the annual  
21 principal and interest due on gross receipts tax revenue bonds  
22 secured by a pledge of gross receipts tax revenue may be  
23 accumulated in a debt service reserve account. The governing  
24 body of the municipality may appoint a commercial bank trust  
25 department to act as trustee of the gross receipts tax revenue

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

22 ~~J. Municipal higher education facilities gross~~  
23 ~~receipts tax revenue bonds may be issued for the purpose of~~  
24 ~~acquisition, construction, renovation or improvement of~~  
25 ~~facilities of a four-year post-secondary public educational~~

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

24 ~~K.]~~ I. Except for the purpose of refunding previous  
25 revenue bond issues, no municipality may sell revenue bonds

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1 payable from pledged revenues after the expiration of two years  
2 from the date of the ordinance authorizing the issuance of the  
3 bonds or, for bonds to be issued and sold to the New Mexico  
4 finance authority as authorized in Subsection C of Section  
5 3-31-4 NMSA 1978, after the expiration of two years from the  
6 date of the resolution authorizing the issuance of the bonds.  
7 However, any period of time during which a particular revenue  
8 bond issue is in litigation shall not be counted in determining  
9 the expiration date of that issue."

10 SECTION 2. A new section of Chapter 3, Article 31 NMSA  
11 1978 is enacted to read:

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

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

19 B. "gasoline tax revenue" means all or portions of  
20 the amounts of tax revenues distributed to municipalities  
21 pursuant to Sections 7-1-6.9 and 7-1-6.27 NMSA 1978;

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

24 D. "gross receipts tax revenue" means the amount of  
25 money transferred to the municipality as authorized by Section

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1 7-1-6.12 NMSA 1978 for any municipal gross receipts tax imposed  
2 pursuant to the Municipal Local Option Gross Receipts Taxes  
3 Act;

4 E. "gross receipts tax revenue bonds" means the  
5 bonds authorized by Subsection D of Section 3-31-1 NMSA 1978;

6 F. "joint utility revenue bonds" or "joint utility  
7 bonds" means the bonds authorized by Subsection C of Section  
8 3-31-1 NMSA 1978;

9 G. "pledged revenues" means the revenues, net  
10 income or net revenues authorized to be pledged to the payment  
11 of revenue bonds as specifically provided in Chapter 3, Article  
12 31 NMSA 1978;

13 H. "project revenue bonds" means the bonds  
14 authorized by Subsection F of Section 3-31-1 NMSA 1978; and

15 I. "utility revenue bonds" or "utility bonds" means  
16 the bonds authorized by Subsection B of Section 3-31-1 NMSA  
17 1978."

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

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

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

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

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

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

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

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

20           G. "local tax effort" means the amount produced by  
21 a [~~one-fourth of one~~] one hundred twenty-five thousandths  
22 percent municipal gross receipts tax in the previous fiscal  
23 year;

24           H. "qualifying municipality" means a municipality  
25 with a population of less than ten thousand that has enacted,

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1 on or before the last day of the preceding fiscal year, an  
2 ordinance or ordinances imposing a municipal gross receipts tax  
3 pursuant to Section 7-19D-9 NMSA 1978 at a rate of [~~one-fourth~~  
4 ~~of one~~] one hundred twenty-five thousandths percent or more;

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

8 (1) for which no election has been called in  
9 the manner and within the time provided by Section 7-19D-9 NMSA  
10 1978; or

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

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

16 SECTION 4. Section 3-51-32 NMSA 1978 (being Laws 1971,  
17 Chapter 173, Section 17) is amended to read:

18 "3-51-32. POWER TO ISSUE BONDS.--

19 A. A city shall have power to issue bonds from time  
20 to time in its discretion for the purpose of financing in whole  
21 or in part the cost of any project.

22 B. A city shall also have the power to issue  
23 refunding bonds from time to time for the purpose of refunding,  
24 paying and retiring:

25 [~~(1) any bonds issued by it pursuant to the~~

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1 ~~Greater Municipality Parking Law or pursuant to Laws 1963,~~  
2 ~~Chapter 313, as amended and supplemented;~~

3 ~~(2)]~~ (1) any bonds authorized for parking  
4 facilities and payable from the revenues of any parking  
5 facilities;

6 ~~[(3)]~~ (2) any bonds authorized for parking  
7 facilities and payable from any parking meter revenues;

8 ~~[(4)]~~ (3) any ~~[sales]~~ gross receipts tax  
9 revenue bonds authorized ~~[for the purpose of any public~~  
10 ~~building to be used for parking facilities and]~~ pursuant to  
11 Section ~~[14-30-1C NMSA 1953]~~ 3-31-1 NMSA 1978;

12 ~~[(5)]~~ (4) any gasoline tax revenue bonds  
13 authorized ~~[for the purpose of any public building to be used~~  
14 ~~for parking facilities and]~~ pursuant to Section ~~[14-30-1D NMSA~~  
15 ~~1953]~~ 3-31-1 NMSA 1978;

16 ~~[(6)]~~ (5) any bonds authorized for parking  
17 facilities and payable from any combination of the income and  
18 revenue pledged to the bonds described in Paragraphs (1)  
19 through ~~[(5)]~~ (4) of this subsection ~~[B]~~; or

20 ~~[(7)]~~ (6) any bonds ~~[which]~~ that have refunded  
21 the bonds described in Paragraphs (1) through ~~[(6)]~~ (5) of this  
22 subsection ~~[B]~~.

23 C. A city shall also have the power to issue bonds  
24 for any combination of the purposes described in this section."

25 SECTION 5. Section 3-65-8 NMSA 1978 (being Laws 2001,

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1 Chapter 231, Section 8) is amended to read:

2 "3-65-8. AUTHORIZATION OF PROJECT.--

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

10 B. Prior to receiving the loan, the governing body  
11 shall approve the loan and related documents by an ordinance to  
12 be adopted by a majority of the members of the governing body.  
13 The ordinance shall pledge the stadium surcharge receipts to  
14 make the loan payments. In addition to pledging stadium  
15 surcharge receipts for making loan payments, the ordinance  
16 shall pledge legally available gross receipts tax revenues  
17 distributed to a municipality pursuant to Section [~~7-1-6.4 or~~  
18 7-1-6.12 NMSA 1978 in an amount satisfactory to the authority  
19 and in an amount at least sufficient to make the loan payments.  
20 No action shall be brought questioning the legality of the  
21 pledge of receipts and revenues, the ordinance, the loan, the  
22 proceedings, the stadium surcharge or any other matter  
23 concerning the loan after thirty days from the date of  
24 publication of the ordinance approving the loan and related  
25 documents and pledging stadium surcharge receipts and gross

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1 receipts tax revenues of the municipality to make the loan  
2 payments.

3 C. The legislature or a municipality shall not  
4 repeal, amend or otherwise modify any law or ordinance that  
5 adversely affects or impairs the stadium surcharge or any loan  
6 from the authority secured by a pledge of the stadium surcharge  
7 and gross receipts tax revenues, unless the loan has been paid  
8 in full or provisions have been made for full payment."

9 SECTION 6. Section 3-66-8 NMSA 1978 (being Laws 2005,  
10 Chapter 351, Section 10) is amended to read:

11 "3-66-8. ISSUANCE OF BONDS.--

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

17 B. Revenue bonds issued by a municipality may be  
18 secured by event center revenues, event center surcharge  
19 receipts or gross receipts tax revenues distributed to that  
20 municipality pursuant to Section [~~7-1-6.4 or~~] 7-1-6.12 NMSA  
21 1978.

22 C. An action shall not be brought questioning the  
23 legality of the pledge of event center revenues, event center  
24 surcharge receipts or gross receipts tax revenues, bonds issued  
25 pursuant to the Municipal Event Center Funding Act, issuance of

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1 those bonds, an event center surcharge included in a vendor  
2 contract or any other matter concerning the bonds after thirty  
3 days from the date of publication of the ordinance authorizing  
4 issuance of the bonds and the pledging of event center  
5 receipts, event center surcharge receipts or gross receipts tax  
6 revenues of a municipality to make debt service payments.

7 D. The legislature or a municipality shall not  
8 repeal, amend or otherwise modify any law or ordinance that  
9 adversely affects or impairs the event center surcharge or any  
10 bonds secured by a pledge of the event center revenues, event  
11 center surcharge receipts or gross receipts tax revenues,  
12 unless the bonds have been paid in full or provisions have been  
13 made for full payment."

14 SECTION 7. Section 4-48B-12 NMSA 1978 (being Laws 1981,  
15 Chapter 83, Section 12, as amended) is amended to read:

16 "4-48B-12. TAX LEVIES AUTHORIZED.--

17 A. The county commissioners are authorized to  
18 impose a mill levy and collect annual assessments against the  
19 net taxable value of the property in a county to pay the cost  
20 of operating and maintaining county hospitals or to pay to  
21 contracting hospitals in accordance with a health care  
22 facilities contract [~~and in class A counties to pay for the~~  
23 ~~county's transfer to the county-supported medicaid fund~~  
24 ~~pursuant to Section 27-10-4 NMSA 1978]~~ as follows:

25 (1) in class A counties as defined in Section

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1 4-44-1 NMSA 1978, the mill levy shall not exceed a rate of six  
2 dollars fifty cents (\$6.50), or any lower maximum amount  
3 required by operation of the rate limitation provisions of  
4 Section 7-37-7.1 NMSA 1978 upon a mill levy imposed pursuant to  
5 this paragraph, on each one thousand dollars (\$1,000) of net  
6 taxable value of property allocated to the county; ~~[however, if~~  
7 ~~the county uses any portion, not to exceed one dollar fifty~~  
8 ~~cents (\$1.50), of the rate authorized by this paragraph to meet~~  
9 ~~the requirement of Section 27-10-4 NMSA 1978, the provisions of~~  
10 ~~Section 7-37-7.1 NMSA 1978 do not apply to the portion of the~~  
11 ~~rate necessary to produce the revenues required, provided that~~  
12 ~~the portion of the rate does not exceed one dollar fifty cents~~  
13 ~~(\$1.50)] and~~

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

21 B. The mill levies provided in Paragraphs (1) and  
22 (2) of Subsection A of this section shall be made at the  
23 direction of the county commissioners, but only to the extent  
24 that the county commissioners deem it necessary to operate and  
25 maintain county hospitals and to pay the amounts required in

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1 the performance of any health care facilities contracts made  
2 pursuant to the Hospital Funding Act [~~and to provide for a~~  
3 ~~class A county's transfer to the county-supported medicaid fund~~  
4 ~~pursuant to Section 27-10-4 NMSA 1978~~].

5 C. In the event that the mill levy provided for in  
6 Paragraph (1) of Subsection A of this section is not authorized  
7 by the electorate or the resulting mill levy proceeds are not  
8 remitted to the entity operating the hospital within a  
9 reasonable time period, any lease for operation of the hospital  
10 between a county and a state educational institution named in  
11 Article 12, Section 11 of the constitution of New Mexico may,  
12 at the option of the state educational institution, be  
13 terminated immediately. [~~Except as provided in Subsection D of~~  
14 ~~this section~~] In the event that the mill levy provided for in  
15 Paragraph (1) of Subsection A of this section is authorized, an  
16 amount not less than the amount that would be produced by a  
17 mill levy at the rate of four dollars (\$4.00), or any lower  
18 amount that would be required by operation of the rate  
19 limitation provisions of Section 7-37-7.1 NMSA 1978 upon this  
20 rate, on each one thousand dollars (\$1,000) of net taxable  
21 value of property allocated to the county shall be provided  
22 from the proceeds of the mill levy to the state educational  
23 institution operating the hospital for hospital purposes unless  
24 the institution determines that the amount is not necessary.

25 [~~D. A class A county imposing the mill levy~~

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1 ~~provided for in Paragraph (1) of Subsection A of this section~~  
2 ~~may enter into a mutual agreement with a state educational~~  
3 ~~institution named in Article 12, Section 11 of the constitution~~  
4 ~~of New Mexico operating the hospital permitting the transfer to~~  
5 ~~the county-supported medicaid fund by the county pursuant to~~  
6 ~~Section 27-10-4 NMSA 1978 of not to exceed the amount that~~  
7 ~~would be produced by a mill levy at a rate of one dollar fifty~~  
8 ~~cents (\$1.50) applied to the net taxable value of property~~  
9 ~~allocated to the county for the prior property tax year and~~  
10 ~~also not to exceed the amount that would be produced by~~  
11 ~~imposition of the county health care gross receipts tax.~~

12           E.] D. The distribution of the mill levy authorized  
13 at the rates specified in Subsection A of this section shall be  
14 made to county and contracting hospitals as authorized in the  
15 Hospital Funding Act."

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

18           "4-61-2. DEFINITIONS.--As used in the Small Counties  
19 Assistance Act:

20           A. "adjustment factor" means a fraction, the  
21 numerator of which is the net taxable value of the state for  
22 the property tax year prior to the year in which the amount of  
23 small counties assistance is being determined and the  
24 denominator of which is the net taxable value for property tax  
25 year 2002; the adjustment factor shall be calculated without

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1 reference to assessed value determined pursuant to the Oil and  
2 Gas Ad Valorem Production Tax Act, assessed value determined  
3 pursuant to the Oil and Gas Production Equipment Ad Valorem Tax  
4 Act or taxable value determined pursuant to the Copper  
5 Production Ad Valorem Tax Act;

6 B. "ceiling valuation" means:

7 (1) for the 2002 property tax year, one  
8 billion four hundred million dollars (\$1,400,000,000); and

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

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

15 D. "inflation factor" means a fraction whose  
16 numerator is the annual implicit price deflator index for state  
17 and local government purchases of goods and services, as  
18 published in the United States department of commerce monthly  
19 publication entitled "Survey of Current Business" or any  
20 successor publication prepared by an agency of the United  
21 States and adopted by the department of finance and  
22 administration, for the calendar year one year prior to the  
23 year in which the distribution is to be made and whose  
24 denominator is the annual index for calendar year 2004;  
25 provided that, if the inflation factor is calculated to have a

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1 value less than one, it shall be deemed to have a value of one;

2 E. "population" means the official population shown  
3 by the most recent federal decennial census, or, if there is a  
4 change in boundaries after the date of the census, "population"  
5 for each affected unit shall be the most current estimated  
6 population for that unit provided in writing by the  
7 demographer; provided that after five years from the first day  
8 of the calendar year of the most recent federal decennial  
9 census, that census shall not be used, and "population" for the  
10 period from that date until the date when the next following  
11 official final decennial census population data are available  
12 shall be the most current estimated population provided in  
13 writing by the demographer;

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

15 (1) for the property tax year in which any  
16 distribution under the Small Counties Assistance Act is made to  
17 the county, imposed a property tax rate for general county  
18 purposes pursuant to Paragraph (1) of Subsection B of Section  
19 7-37-7 NMSA 1978 as limited by Section 7-37-7.1 NMSA 1978 of at  
20 least eight dollars eighty-five cents (\$8.85) per one thousand  
21 dollars (\$1,000) of net taxable value;

22 (2) by July 1 of the property tax year in  
23 which any distribution under the Small Counties Assistance Act  
24 is made to the county, received a written certification from  
25 the director of the property tax division of the taxation and

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1 revenue department that the county assessor of that county has  
2 implemented an acceptable program of maintaining current and  
3 correct property values for property taxation purposes as  
4 required by Section 7-36-16 NMSA 1978 or has submitted to the  
5 director an acceptable plan for the implementation of such a  
6 program;

7 (3) on July 1 of the year in which any  
8 distribution under the Small Counties Assistance Act is made to  
9 the county, a population of not more than forty-eight thousand;

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

19 (5) a total valuation for the property tax  
20 year preceding the year in which a distribution pursuant to the  
21 Small Counties Assistance Act for that county is to be made  
22 that is no greater than the ceiling valuation for that property  
23 tax year;

24 G. "tax rate factor" means a fraction, the  
25 numerator of which is the average rate imposed in Section

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1     ~~[7-9-7]~~ 7-9-4 NMSA 1978 for the fiscal year one year prior to  
2     the fiscal year in which the distribution is to be made and the  
3     denominator of which is five percent; and

4             H. "total valuation" means the sum for a  
5     jurisdiction for a property tax year of the net taxable value  
6     determined pursuant to the Property Tax Code, the assessed  
7     value determined pursuant to the Oil and Gas Ad Valorem  
8     Production Tax Act, the assessed value determined pursuant to  
9     the Oil and Gas Production Equipment Ad Valorem Tax Act and the  
10    taxable value determined pursuant to the Copper Production Ad  
11    Valorem Tax Act."

12            **SECTION 9.** Section 4-61-3 NMSA 1978 (being Laws 1982,  
13    Chapter 44, Section 3, as amended) is amended to read:

14            "4-61-3. SMALL COUNTIES ASSISTANCE FUND--  
15    DISTRIBUTION.--

16            A. The "small counties assistance fund" is created  
17    within the state treasury.

18            B. On or before September 1, 2003 and on or before  
19    September 1 of each subsequent year, the demographer shall  
20    certify in writing to the department of finance and  
21    administration the population of the state and of each county  
22    as of June 30 of the year.

23            C. On or before September 15, 2003 and on or before  
24    September 15 of each subsequent year, the secretary of finance  
25    and administration shall certify to the state treasurer with

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1 respect to each qualifying county:

2 (1) its population as certified by the  
3 demographer;

4 (2) its total valuation for the preceding  
5 property tax year; and

6 (3) the distribution amount calculated for it.

7 D. The distribution amount for each qualifying  
8 county shall be determined for 2003 and each subsequent year  
9 in accordance with the following table; provided that the  
10 bracket amounts in the first two columns of the table shall  
11 be adjusted annually after 2003 by the adjustment factor.  
12 The bracket amounts in the last column shall be adjusted  
13 annually after 2005 by the inflation factor and in 2011 and  
14 subsequent years, shall be adjusted by the tax rate factor.  
15 The department of finance and administration may round the  
16 results of the adjustments made pursuant to this subsection  
17 to the nearest one thousand dollars (\$1,000).

18 If the county's total valuation for the preceding  
19 property tax year is:

20	at least:	but less	and the county	then the distribution
21		than:	population is:	amount is:
22	\$ 0	\$100,000,000	under 1,000	\$515,000
23	\$ 0	\$100,000,000	at least 1,000	
24			but under 4,000	\$370,000
25	\$ 0	\$100,000,000	at least 4,000	\$285,000

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1       \$100,000,000   \$230,000,000       under   12,000   \$200,000  
2       \$100,000,000   \$230,000,000       at least 12,000   \$145,000  
3       \$230,000,000   \$1,400,000,000     under   48,000   \$85,000.

4                   ~~[E. If the balance in the small counties~~  
5       ~~assistance fund as of the preceding August 31 exceeds the sum~~  
6       ~~of the distributions to be made to qualifying counties~~  
7       ~~pursuant to the provisions of Subsection D of this section,~~  
8       ~~the department of finance and administration shall increase~~  
9       ~~the distribution amount for each county receiving a~~  
10       ~~distribution amount pursuant to the provisions of Subsection~~  
11       ~~D of this section by:~~

12                   ~~(1) fifty thousand dollars (\$50,000) if the~~  
13       ~~county has imposed and has in effect on July 1 of the year in~~  
14       ~~which the distribution is to be made a county correctional~~  
15       ~~facility gross receipts tax at a rate of at least one-eighth~~  
16       ~~percent;~~

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

21                   ~~(3) seventy thousand dollars (\$70,000) if~~  
22       ~~the county has met the requirements of Paragraphs (1) and (2)~~  
23       ~~of this subsection.~~

24                   ~~F. If the balance in the small counties~~  
25       ~~assistance fund as of the preceding August 31 is less than~~

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1 ~~the sum of the distributions determined pursuant to~~  
2 ~~Subsection D of this section plus the distribution increases~~  
3 ~~authorized pursuant to Subsection E of this section, the~~  
4 ~~distribution increases pursuant to Subsection E of this~~  
5 ~~section shall be proportionately reduced.~~

6 ~~G.]~~ E. If the balance in the small counties  
7 assistance fund as of the preceding August 31 is less than  
8 the sum of the distributions to be made to qualifying  
9 counties, the department of finance and administration shall  
10 reduce each qualifying county's calculated distribution by a  
11 percentage computed by dividing the amount by which the fund  
12 is insufficient by the sum of all the calculated  
13 distributions and shall certify the reduced amounts as the  
14 qualifying counties' distributions.

15 ~~[H.]~~ F. Any interest accruing from the temporary  
16 investment of the small counties assistance fund shall be  
17 credited to the general fund.

18 ~~[I.]~~ G. On or before September 30, 2003 and on or  
19 before September 30 of each subsequent year, the state  
20 treasurer shall distribute to each county for ~~[whom]~~ which a  
21 distribution has been certified for that year the amount  
22 certified for that county for that year. If the balance in  
23 the fund as of the preceding August 31 exceeds the sum of  
24 certified amounts distributed, the difference shall revert to  
25 the general fund.

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1           ~~[J.]~~ H. If any date specified in Subsection B, C  
2 or ~~[F.]~~ G of this section falls on a Saturday, Sunday or legal  
3 holiday, any action required to be performed as provided in  
4 those subsections is timely if performed on the next day that  
5 is not a Saturday, Sunday or legal holiday."

6           **SECTION 10.** Section 4-62-1 NMSA 1978 (being Laws 1992,  
7 Chapter 95, Section 1, as amended) is amended to read:

8           "4-62-1. REVENUE BONDS--AUTHORITY TO ISSUE--PLEDGE OF  
9 REVENUES--LIMITATION ON TIME OF ISSUANCE.--

10           A. In addition to any other law authorizing a  
11 county to issue revenue bonds, a county may issue revenue  
12 bonds pursuant to Chapter 4, Article 62 NMSA 1978 for the  
13 purposes specified in this section. ~~[The term "pledged~~  
14 ~~revenues", as used in Chapter 4, Article 62 NMSA 1978, means~~  
15 ~~the revenues, net income or net revenues authorized to be~~  
16 ~~pledged to the payment of particular revenue bonds as~~  
17 ~~specifically provided in Subsections B through N of this~~  
18 ~~section.]~~

19           B. Gross receipts tax revenue bonds may be issued  
20 for ~~[one or more of the following purposes:~~

21                   ~~(1) constructing, purchasing, furnishing,~~  
22 ~~equipping, rehabilitating, making additions to or making~~  
23 ~~improvements to one or more public buildings or purchasing or~~  
24 ~~improving the ground of the building or buildings;~~

25                   ~~(2) acquiring or improving county or public~~

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1 ~~parking lots, structures or facilities;~~

2 ~~(3) purchasing, acquiring or rehabilitating~~  
3 ~~firefighting equipment;~~

4 ~~(4) acquiring, extending, enlarging,~~  
5 ~~bettering, repairing or otherwise improving or maintaining~~  
6 ~~storm sewers and other drainage improvements, sanitary~~  
7 ~~sewers, sewage treatment plants, water utilities or other~~  
8 ~~water, wastewater or related facilities, which may include~~  
9 ~~the acquisition of rights of way and water and water rights;~~

10 ~~(5) reconstructing, resurfacing,~~  
11 ~~maintaining, repairing or otherwise improving existing~~  
12 ~~alleys, streets, roads or bridges or laying off, opening,~~  
13 ~~constructing or otherwise acquiring new alleys, streets,~~  
14 ~~roads or bridges, which may include the acquisition of rights~~  
15 ~~of way;~~

16 ~~(6) purchasing, acquiring, constructing,~~  
17 ~~making additions to, enlarging, bettering, extending or~~  
18 ~~equipping airport facilities, which may include the~~  
19 ~~acquisition of land, easements or rights of way;~~

20 ~~(7) purchasing, otherwise acquiring or~~  
21 ~~clearing land or purchasing, otherwise acquiring or~~  
22 ~~beautifying land for open space;~~

23 ~~(8) acquiring, constructing, purchasing,~~  
24 ~~equipping, furnishing, making additions to, renovating,~~  
25 ~~rehabilitating, beautifying or otherwise improving public~~

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1 ~~parcs, public recreational buildings or other public~~  
2 ~~recreational facilities;~~

3 ~~(9) acquiring, constructing, extending,~~  
4 ~~enlarging, bettering, repairing, otherwise improving or~~  
5 ~~maintaining solid waste disposal equipment, equipment for~~  
6 ~~operation and maintenance of sanitary landfills, sanitary~~  
7 ~~landfills or solid waste facilities; and~~

8 ~~(10) acquiring, constructing, extending,~~  
9 ~~bettering, repairing or otherwise improving public transit~~  
10 ~~systems or regional transit systems or facilities] any county~~  
11 purpose. A county may pledge irrevocably any or all of the  
12 revenue [~~from the first one-eighth increment, the third one-~~  
13 ~~eighth increment and the one-sixteenth increment of the~~  
14 ~~county gross receipts tax and any increment of the county~~  
15 ~~infrastructure gross receipts tax and county capital outlay~~  
16 ~~gross receipts tax] received by the county pursuant to~~  
17 Section 7-1-6.13 NMSA 1978 for payment of principal and  
18 interest due in connection with, and other expenses related  
19 to, gross receipts tax revenue bonds [~~for any of the purposes~~  
20 ~~authorized in this section or specific purposes or] for any~~  
21 area of county government services. If the revenue [~~from the~~  
22 ~~first one-eighth increment, the third one-eighth increment or~~  
23 ~~the one-sixteenth increment of the county gross receipts tax~~  
24 ~~or any increment of the county infrastructure gross receipts~~  
25 ~~tax or county capital outlay gross receipts tax] is pledged~~

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1 for payment of principal and interest as authorized by this  
2 subsection, the pledge shall require the revenues received  
3 ~~[from that increment of the county gross receipts tax or any~~  
4 ~~increment of the county infrastructure gross receipts tax or~~  
5 ~~county capital outlay gross receipts tax]~~ to be deposited  
6 into a special bond fund for payment of the principal,  
7 interest and expenses. At the end of each fiscal year, money  
8 remaining in the special bond fund after the annual  
9 obligations for the bonds are fully met may be transferred to  
10 any other fund of the county. Revenues in excess of the  
11 annual principal and interest due on gross receipts tax  
12 revenue bonds secured by a pledge of gross receipts tax  
13 revenue may be accumulated in a debt service reserve account.  
14 The governing body of the county may appoint a commercial  
15 bank trust department to act as trustee of the proceeds of  
16 the tax and to administer the payment of principal of and  
17 interest on the bonds.

18 ~~[G. Fire protection revenue bonds may be issued~~  
19 ~~for acquiring, extending, enlarging, bettering, repairing,~~  
20 ~~improving, constructing, purchasing, furnishing, equipping or~~  
21 ~~rehabilitating an independent fire district project or~~  
22 ~~facility, including, as applicable, purchasing, otherwise~~  
23 ~~acquiring or improving the ground for the project. A county~~  
24 ~~may pledge irrevocably any or all of the county fire~~  
25 ~~protection excise tax revenue for payment of principal and~~

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1 ~~interest due in connection with, and other expenses related~~  
2 ~~to, fire protection revenue bonds. These bonds may be~~  
3 ~~referred to in Chapter 4, Article 62 NMSA 1978 as "fire~~  
4 ~~protection revenue bonds".~~

5 ~~D. Environmental revenue bonds may be issued for~~  
6 ~~the acquisition and construction of solid waste facilities,~~  
7 ~~water facilities, wastewater facilities, sewer systems and~~  
8 ~~related facilities. A county may pledge irrevocably any or~~  
9 ~~all of the county environmental services gross receipts tax~~  
10 ~~revenue for payment of principal and interest due in~~  
11 ~~connection with, and other expenses related to, environmental~~  
12 ~~revenue bonds. These bonds may be referred to in Chapter 4,~~  
13 ~~Article 62 NMSA 1978 as "environmental revenue bonds".~~

14 ~~E.]~~ C. Gasoline tax revenue bonds may be issued  
15 for the acquisition of rights of way for and the  
16 construction, reconstruction, resurfacing, maintenance,  
17 repair or other improvement of county roads and bridges. A  
18 county may pledge irrevocably any or all of the county  
19 gasoline tax revenue for payment of principal and interest  
20 due in connection with, and other expenses related to, county  
21 gasoline tax revenue bonds. [~~These bonds may be referred to~~  
22 ~~in Chapter 4, Article 62 NMSA 1978 as "gasoline tax revenue~~  
23 ~~bonds".~~

24 ~~F.]~~ D. Utility revenue bonds or joint utility  
25 revenue bonds may be issued for acquiring, extending,

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1 enlarging, bettering, repairing or otherwise improving water  
2 facilities, sewer facilities, gas facilities or electric  
3 facilities. A county may pledge irrevocably any or all of  
4 the net revenues from the operation of the utility or joint  
5 utility for which the particular utility or joint utility  
6 bonds are issued to the payment of principal and interest due  
7 in connection with, and other expenses related to, utility or  
8 joint utility revenue bonds. ~~[These bonds may be referred to~~  
9 ~~in Chapter 4, Article 62 NMSA 1978 as "utility revenue bonds"~~  
10 ~~or "joint utility revenue bonds".~~

11 ~~G.]~~ E. Project revenue bonds may be issued for  
12 acquiring, extending, enlarging, bettering, repairing,  
13 improving, constructing, purchasing, furnishing, equipping or  
14 rehabilitating any revenue-producing project, including, as  
15 applicable, purchasing, otherwise acquiring or improving the  
16 ground for the project and acquiring and improving parking  
17 lots. The county may pledge irrevocably any or all of the  
18 net revenues from the operation of the revenue-producing  
19 project for which the particular project revenue bonds are  
20 issued to the payment of the interest on and principal of the  
21 project revenue bonds. The net revenues of any revenue-  
22 producing project shall not be pledged to the project revenue  
23 bonds issued for any other revenue-producing project that is  
24 clearly unrelated in nature; but nothing in this subsection  
25 prevents the pledge to any of the project revenue bonds of

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1 the revenues received from existing, future or disconnected  
2 facilities and equipment that are related to and that may  
3 constitute a part of the particular revenue-producing  
4 project. A general determination by the governing body that  
5 facilities or equipment is reasonably related to and  
6 constitutes a part of a specified revenue-producing project  
7 shall be conclusive if set forth in the proceedings  
8 authorizing the project revenue bonds. [~~As used in Chapter~~  
9 ~~4, Article 62 NMSA 1978:~~

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

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

15 H.] F. Fire district revenue bonds may be issued  
16 for acquiring, extending, enlarging, bettering, repairing,  
17 improving, constructing, purchasing, furnishing, equipping  
18 and rehabilitating a fire district project, including, as  
19 applicable, purchasing, otherwise acquiring or improving the  
20 ground for the project. The county may pledge irrevocably  
21 any or all of the revenues received by the fire district from  
22 the fire protection fund as provided in the Fire Protection  
23 Fund Law and any or all of the revenues provided for the  
24 operation of the fire district project for which the  
25 particular bonds are issued to the payment of the interest on

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

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

21 [~~J.~~ ~~Hospital emergency gross receipts tax revenue~~  
22 ~~bonds may be issued for acquiring, equipping, remodeling or~~  
23 ~~improving a county hospital or county health facility. A~~  
24 ~~county may pledge irrevocably to the payment of the interest~~  
25 ~~on and principal of the hospital emergency gross receipts tax~~

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1 ~~revenue bonds any or all of the revenues received by the~~  
2 ~~county from a county hospital emergency gross receipts tax~~  
3 ~~imposed pursuant to Section 7-20E-12.1 NMSA 1978 and~~  
4 ~~dedicated to payment of bonds or a loan for acquiring,~~  
5 ~~equipping, remodeling or improving a county hospital or~~  
6 ~~county health facility.~~

7 ~~K. Economic development gross receipts tax~~  
8 ~~revenue bonds may be issued for the purpose of furthering~~  
9 ~~economic development projects as defined in the Local~~  
10 ~~Economic Development Act. A county may pledge irrevocably~~  
11 ~~any or all of the county infrastructure gross receipts tax to~~  
12 ~~the payment of the interest on and principal of the economic~~  
13 ~~development gross receipts tax revenue bonds for the purpose~~  
14 ~~authorized in this subsection.~~

15 ~~L. County education gross receipts tax revenue~~  
16 ~~bonds may be issued for public school or off-campus~~  
17 ~~instruction program capital projects as authorized in Section~~  
18 ~~7-20E-20 NMSA 1978. A county may pledge irrevocably any or~~  
19 ~~all of the county education gross receipts tax revenue to the~~  
20 ~~payment of interest on and principal of the county education~~  
21 ~~gross receipts tax revenue bonds for the purpose authorized~~  
22 ~~in this section.~~

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

18 N.] H. PILT revenue bonds may be issued by a  
19 county to repay all or part of the principal and interest of  
20 an outstanding loan owed by the county to the New Mexico  
21 finance authority. A county may pledge irrevocably all or  
22 part of PILT revenue to the payment of principal of and  
23 interest on new loans or preexisting loans provided by the  
24 New Mexico finance authority to finance a public project as  
25 "public project" is defined in Subsection E of Section 6-21-3

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1 NMSA 1978.

2           ~~[θ-]~~ I. Except for the purpose of refunding  
3 previous revenue bond issues, no county may sell revenue  
4 bonds payable from pledged revenue after the expiration of  
5 two years from the date of the ordinance authorizing the  
6 issuance of the bonds or, for bonds to be issued and sold to  
7 the New Mexico finance authority as authorized in Subsection  
8 C of Section 4-62-4 NMSA 1978, after the expiration of two  
9 years from the date of the resolution authorizing the  
10 issuance of the bonds. However, any period of time during  
11 which a particular revenue bond issue is in litigation shall  
12 not be counted in determining the expiration date of that  
13 issue.

14           ~~[P-]~~ J. No bonds may be issued by a county, other  
15 than an H class county, a class B county as defined in  
16 Section 4-36-8 NMSA 1978 or a class A county as described in  
17 Section 4-36-10 NMSA 1978, to acquire, equip, extend,  
18 enlarge, better, repair or construct a utility unless the  
19 utility is regulated by the public regulation commission  
20 pursuant to the Public Utility Act and the issuance of the  
21 bonds is approved by the commission. For purposes of Chapter  
22 4, Article 62 NMSA 1978, a "utility" includes a water,  
23 wastewater, sewer, gas or electric utility or joint utility  
24 serving the public. H class counties shall obtain public  
25 regulation commission approvals required by Section 3-23-3

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1 NMSA 1978.

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

19 [R. ~~As used in this section:~~

20 (1) ~~"county area emergency communications~~  
21 ~~and emergency medical and behavioral health services tax~~  
22 ~~revenue" means the revenue from the county area emergency~~  
23 ~~communications and emergency medical and behavioral health~~  
24 ~~services tax transferred pursuant to Section 7-1-6.13 NMSA~~  
25 ~~1978;~~

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1                   ~~(2) "county capital outlay gross receipts~~  
2 ~~tax revenue" means the revenue from the county capital outlay~~  
3 ~~gross receipts tax transferred to the county pursuant to~~  
4 ~~Section 7-1-6.13 NMSA 1978;~~

5                   ~~(3) "county education gross receipts tax~~  
6 ~~revenue" means the revenue from the county education gross~~  
7 ~~receipts tax transferred to the county pursuant to Section~~  
8 ~~7-1-6.13 NMSA 1978;~~

9                   ~~(4) "county environmental services gross~~  
10 ~~receipts tax revenue" means the revenue from the county~~  
11 ~~environmental services gross receipts tax transferred to the~~  
12 ~~county pursuant to Section 7-1-6.13 NMSA 1978;~~

13                   ~~(5) "county fire protection excise tax~~  
14 ~~revenue" means the revenue from the county fire protection~~  
15 ~~excise tax transferred to the county pursuant to Section~~  
16 ~~7-1-6.13 NMSA 1978;~~

17                   ~~(6) "county gross receipts tax revenue"~~  
18 ~~means the revenue attributable to the first one-eighth~~  
19 ~~increment, the third one-eighth increment and the one-~~  
20 ~~sixteenth increment of the county gross receipts tax~~  
21 ~~transferred to the county pursuant to Section 7-1-6.13 NMSA~~  
22 ~~1978 and any distribution related to the first one-eighth~~  
23 ~~increment made pursuant to Section 7-1-6.16 NMSA 1978;~~

24                   ~~(7) "county infrastructure gross receipts~~  
25 ~~tax revenue" means the revenue from the county infrastructure~~

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1 ~~gross receipts tax transferred to the county pursuant to~~  
2 ~~Section 7-1-6.13 NMSA 1978;~~

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

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

12 ~~(10) "PILT revenue" means revenue received~~  
13 ~~by the county from the federal government as payments in lieu~~  
14 ~~of taxes; and~~

15 ~~(11) "public building" includes fire~~  
16 ~~stations, police buildings, county or regional jails, county~~  
17 ~~or regional juvenile detention facilities, libraries,~~  
18 ~~museums, auditoriums, convention halls, hospitals, buildings~~  
19 ~~for administrative offices, courthouses and garages for~~  
20 ~~housing, repairing and maintaining county vehicles and~~  
21 ~~equipment.~~

22 ~~S. As used in Chapter 4, Article 62 NMSA 1978,~~  
23 ~~"bond" means any obligation of a county issued under Chapter~~  
24 ~~4, Article 62 NMSA 1978, whether designated as a bond, note,~~  
25 ~~loan, warrant, debenture, lease-purchase agreement or other~~

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1 ~~instrument, evidencing an obligation of a county to make~~  
2 ~~payments.]"~~

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

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

7 A. "bond" means any obligation of a county issued  
8 under Chapter 4, Article 62 NMSA 1978, whether designated as  
9 a bond, note, loan, warrant, debenture, lease-purchase  
10 agreement or other instrument evidencing an obligation of a  
11 county to make payments;

12 B. "county gross receipts tax revenue" means the  
13 revenue attributable to the county gross receipts tax  
14 transferred to the county pursuant to Section 7-1-6.13 NMSA  
15 1978 and any distribution made pursuant to Section 7-1-6.16  
16 NMSA 1978;

17 C. "gasoline tax revenue bonds" means the bonds  
18 authorized by Subsection C of Section 4-62-1 NMSA 1978;

19 D. "PILT revenue" means revenue received by the  
20 county from the federal government as payments in lieu of  
21 taxes;

22 E. "project revenue bonds" means the bonds  
23 authorized by Subsection E of Section 4-62-1 NMSA 1978;

24 F. "project revenues" means the net revenues of  
25 revenue-producing projects that may be pledged to project

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1 revenue bonds; and

2 G. "utility revenue bonds" or "joint utility  
3 revenue bonds" means the bonds authorized by Subsection D of  
4 Section 4-62-1 NMSA 1978."

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

7 "5-10-3. DEFINITIONS.--As used in the Local Economic  
8 Development Act:

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

12 B. "broadband telecommunications network  
13 facilities" means the electronics, equipment, transmission  
14 facilities, fiber-optic cables and any other item directly  
15 related to a system capable of transmission of internet  
16 protocol or other formatted data at current federal  
17 communications commission minimum speed standard, all of  
18 which will be owned and used by a provider of internet access  
19 services;

20 C. "cultural facility" means a facility that is  
21 owned by the state, a county, a municipality or a qualifying  
22 entity that serves the public through preserving, educating  
23 and promoting the arts and culture of a particular locale,  
24 including theaters, museums, libraries, galleries, cultural  
25 compounds, educational organizations, performing arts venues

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1 and organizations, fine arts organizations, studios and media  
2 laboratories and live-work housing facilities;

3 D. "department" means the economic development  
4 department;

5 E. "economic development project" or "project"  
6 means the provision of direct or indirect assistance to a  
7 qualifying entity by a local or regional government and  
8 includes the purchase, lease, grant, construction,  
9 reconstruction, improvement or other acquisition or  
10 conveyance of land, buildings or other infrastructure;  
11 rights-of-way infrastructure, including trenching and  
12 conduit, for the placement of new broadband  
13 telecommunications network facilities; public works  
14 improvements essential to the location or expansion of a  
15 qualifying entity; payments for professional services  
16 contracts necessary for local or regional governments to  
17 implement a plan or project; the provision of direct loans or  
18 grants for land, buildings or infrastructure; technical  
19 assistance to cultural facilities; loan guarantees securing  
20 the cost of land, buildings or infrastructure in an amount  
21 not to exceed the revenue that may be derived from an  
22 increment of the municipal [~~infrastructure~~] gross receipts  
23 tax or the county [~~infrastructure~~] gross receipts tax that is  
24 dedicated by the governing board of the municipality or  
25 county for furthering or implementing economic development

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1 plans or projects pursuant to the Local Economic Development  
2 Act or projects pursuant to the Statewide Economic  
3 Development Finance Act; grants for public works  
4 infrastructure improvements essential to the location or  
5 expansion of a qualifying entity; grants or subsidies to  
6 cultural facilities; purchase of land for a publicly held  
7 industrial park or a publicly owned cultural facility; and  
8 the construction of a building for use by a qualifying  
9 entity;

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

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

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

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

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

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

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

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

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

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

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

25                   (7) a business that is the developer of a

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1 metropolitan redevelopment project;

2 (8) a cultural facility; and

3 (9) a retail business;

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

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

14 (1) ten thousand or less; or

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

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

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

23 SECTION 13. Section 5-10-4 NMSA 1978 (being Laws 1993,  
24 Chapter 297, Section 4, as amended) is amended to read:

25 "5-10-4. ECONOMIC DEVELOPMENT PROJECTS--RESTRICTIONS ON

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1 PUBLIC EXPENDITURES OR PLEDGES OF CREDIT.--

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

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

14 The limits of this subsection shall not apply to:

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

18 (2) revenue generated through the imposition  
19 of an increment of the municipal [~~infrastructure~~] gross  
20 receipts tax pursuant to the Municipal Local Option Gross  
21 Receipts Taxes Act for furthering or implementing economic  
22 development plans and projects as defined in the Local  
23 Economic Development Act or projects as defined in the  
24 Statewide Economic Development Finance Act; provided that no  
25 more than the greater of fifty thousand dollars (\$50,000) or

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1 ten percent of the revenue collected shall be used for  
2 promotion and administration of or professional services  
3 contracts related to the implementation of any such economic  
4 development plan adopted by the governing body;

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

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

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

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

25 C. A regional or local government that generates

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

9 D. In order to expend money from an economic  
10 development fund for arts and cultural district purposes,  
11 cultural facilities or retail businesses, the governing body  
12 of a municipality or county that has imposed [~~an~~] an increment  
13 of the municipal or county [~~local option infrastructure~~]  
14 gross receipts tax and dedicated the revenue from such taxes  
15 for furthering or implementing economic development plans and  
16 projects, as defined in the Local Economic Development Act,  
17 or projects, as defined in the Statewide Economic Development  
18 Finance Act, by referendum of the majority of the voters  
19 voting on the question approving the ordinance imposing the  
20 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  
10 and 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  
23 as 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  
6 ~~[economic development infrastructure]~~ gross receipts tax,  
7 ~~[fund]~~ the ordinance shall become effective on July 1 or  
8 January 1, whichever date occurs first after the expiration  
9 of three months from the date of the adopted ordinance. The  
10 ordinance shall include the effective date."

11 SECTION 14. 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 taxes" means:

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

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1 available as part of the gross receipts tax increment; and

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

6 B. "base property taxes" means:

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

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

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1 that year;

2 C. "county [~~option~~] gross receipts [~~taxes~~] tax"  
3 means the increment of the county gross receipts [~~taxes~~] tax  
4 imposed by counties pursuant to the County Local Option Gross  
5 Receipts Taxes Act and designated by the governing body of  
6 the county to be available as part of the gross receipts tax  
7 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  
21 services" does not include the basic operation and  
22 maintenance related to infrastructure improvements financed  
23 by the district pursuant to the Tax Increment for Development  
24 Act;

25 G. "governing body" means the city council or

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1 city commission of a city, the board of trustees or council  
2 of a town or village or the board of county commissioners of  
3 a county;

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

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

15 J. "local government" means a municipality or  
16 county;

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

23 L. "municipality" means an incorporated city,  
24 town or village;

25 M. "owner" means a person owning real property

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1 within the boundaries of a district;

2 N. "person" means an individual, corporation,  
3 association, partnership, limited liability company or other  
4 legal entity;

5 O. "project" means a tax increment development  
6 project;

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

14 Q. "property tax increment bonds" means bonds  
15 issued by a district in accordance with the Tax Increment for  
16 Development Act, the pledged revenue for which is a property  
17 tax increment;

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

24 (1) sanitary sewage systems, including  
25 collection, transport, treatment, dispersal, effluent use and

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1 discharge;

2 (2) drainage and flood control systems,  
3 including collection, transport, storage, treatment,  
4 dispersal, effluent use and discharge;

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

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

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

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

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

23 (8) public buildings, public safety  
24 facilities and fire protection and police facilities;

25 (9) electrical generation, transmission and

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1 distribution facilities;

2 (10) natural gas distribution facilities;

3 (11) lighting systems;

4 (12) cable or other telecommunications lines  
5 and related equipment;

6 (13) traffic control systems and devices,  
7 including signals, controls, markings and signage;

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

12 (15) library and other public educational or  
13 cultural facilities;

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

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

20 (18) workforce housing; and

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

24 S. "resident qualified elector" means a person  
25 who resides within the boundaries of a tax increment

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1 development district or proposed tax increment development  
2 district and who is qualified to vote in the general  
3 elections held in the state pursuant to Section 1-1-4 NMSA  
4 1978;

5 ~~[T. "state gross receipts tax" means the gross~~  
6 ~~receipts tax imposed pursuant to the Gross Receipts and~~  
7 ~~Compensating Tax Act, but does not include that portion~~  
8 ~~distributed to municipalities pursuant to Sections 7-1-6.4~~  
9 ~~and 7-1-6.46 NMSA 1978 or to counties pursuant to Section~~  
10 ~~7-1-6.47 NMSA 1978;~~

11 ~~U.]~~ T. "sustainable development" means land  
12 development that achieves sustainable economic and social  
13 goals in ways that can be supported for the long term by  
14 conserving resources, protecting the environment and ensuring  
15 human health and welfare using mixed-use, pedestrian-  
16 oriented, multimodal land use planning;

17 ~~[V.]~~ U. "tax increment development area" means  
18 the land included within the boundaries of a tax increment  
19 development district;

20 ~~[W.]~~ V. "tax increment development district"  
21 means a district formed for the purposes of carrying out tax  
22 increment development projects;

23 ~~[X.]~~ W. "tax increment development plan" means a  
24 plan for the undertaking of a tax increment development  
25 project;

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1                   [~~Y.~~] X. "tax increment development project" means  
2 activities undertaken within a tax increment development area  
3 to enhance the sustainability of the local, regional or  
4 statewide economy; to support the creation of jobs, schools  
5 and workforce housing; and to generate tax revenue for the  
6 provision of public improvements and may include:

7                   (1) acquisition of land within a designated  
8 tax increment development area or a portion of that tax  
9 increment development area;

10                   (2) demolition and removal of buildings and  
11 improvements and installation, construction or reconstruction  
12 of streets, utilities, parks, playgrounds and improvements  
13 necessary to carry out the objectives of the Tax Increment  
14 for Development Act;

15                   (3) installation, construction or  
16 reconstruction of streets, water utilities, sewer utilities,  
17 parks, playgrounds and other public improvements necessary to  
18 carry out the objectives of the Tax Increment for Development  
19 Act;

20                   (4) disposition of property acquired or held  
21 by a tax increment development district as part of the  
22 undertaking of a tax increment development project at the  
23 fair market value of such property for uses in accordance  
24 with the Tax Increment for Development Act;

25                   (5) payments for professional services

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1 contracts necessary to implement a tax increment development  
2 plan or project;

3 (6) borrowing to purchase land, buildings or  
4 infrastructure in an amount not to exceed the revenue stream  
5 that may be derived from the gross receipts tax increment or  
6 the property tax increment estimated to be received by a tax  
7 increment development district; and

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

10 [~~Z.~~] Y. "taxing entity" means the governing body  
11 of a political subdivision of the state, the gross receipts  
12 tax increment or property tax increment of which may be used  
13 for a tax increment development project; and

14 [~~AA.~~] Z. "workforce housing" means decent, safe  
15 and sanitary dwellings, apartments, single-family dwellings  
16 or other living accommodations that are affordable for  
17 persons or families earning less than eighty percent of the  
18 median income within the county in which the tax increment  
19 development project is located; provided that an owner-  
20 occupied housing unit is affordable to a household if the  
21 expected sales price is reasonably anticipated to result in  
22 monthly housing costs that do not exceed thirty-three percent  
23 of the household's gross monthly income; provided that:

24 (1) determination of mortgage amounts and  
25 payments are to be based on down payment rates and interest

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1 rates generally available to lower- and moderate-income  
2 households; and

3 (2) a renter-occupied housing unit is  
4 affordable to a household if the unit's monthly housing  
5 costs, including rent and basic utility and energy costs, do  
6 not exceed thirty-three percent of the household's gross  
7 monthly income."

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

10 "5-15-15. TAX INCREMENT FINANCING--GROSS RECEIPTS TAX  
11 INCREMENT.--

12 A. Notwithstanding any law to the contrary, but  
13 in accordance with the provisions of the Tax Increment for  
14 Development Act, a tax increment development plan, as  
15 originally approved or as later modified, may contain a  
16 provision that a portion of certain gross receipts tax  
17 increments collected within the tax increment development  
18 area after the effective date of approval of the tax  
19 increment development plan may be dedicated for the purpose  
20 of securing gross receipts tax increment bonds pursuant to  
21 the Tax Increment for Development Act.

22 B. As to a district formed by a municipality, [~~a~~  
23 ~~portion of any of the following~~] any number of increments of  
24 the municipal gross receipts tax [~~increments~~] may be paid by  
25 the state directly into a special fund of the district to pay

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underscoring material = new  
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1 the principal of, the interest on and any premium due in  
2 connection with the bonds of, loans or advances to, or any  
3 indebtedness incurred by, whether funded, refunded, assumed  
4 or otherwise, the authority for financing or refinancing, in  
5 whole or in part, a tax increment development project within  
6 the tax increment development area.

7 ~~[(1) municipal gross receipts tax authorized~~  
8 ~~pursuant to the Municipal Local Option Gross Receipts Taxes~~  
9 ~~Act;~~

10 ~~(2) municipal environmental services gross~~  
11 ~~receipts tax authorized pursuant to the Municipal Local~~  
12 ~~Option Gross Receipts Taxes Act;~~

13 ~~(3) municipal infrastructure gross receipts~~  
14 ~~tax authorized pursuant to the Municipal Local Option Gross~~  
15 ~~Receipts Taxes Act;~~

16 ~~(4) municipal capital outlay gross receipts~~  
17 ~~tax authorized pursuant to the Municipal Local Option Gross~~  
18 ~~Receipts Taxes Act;~~

19 ~~(5) municipal regional transit gross~~  
20 ~~receipts tax authorized pursuant to the Municipal Local~~  
21 ~~Option Gross Receipts Taxes Act;~~

22 ~~(6) an amount distributed to municipalities~~  
23 ~~pursuant to Sections 7-1-6.4 and 7-1-6.46 NMSA 1978; and~~

24 ~~(7) the state gross receipts tax.]~~

25 C. As to a district formed by a county, ~~[all or a~~

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1 ~~portion of any of the following]~~ any number of increments of  
2 the county gross receipts tax [~~increments~~] may be paid by the  
3 state directly into a special fund of the district to pay the  
4 principal of, the interest on and any premium due in  
5 connection with the bonds of, loans or advances to or any  
6 indebtedness incurred by, whether funded, refunded, assumed  
7 or otherwise, the district for financing or refinancing, in  
8 whole or in part, a tax increment development project within  
9 the tax increment development area.

10 ~~(1) county gross receipts tax authorized~~  
11 ~~pursuant to the County Local Option Gross Receipts Taxes Act;~~

12 ~~(2) county environmental services gross~~  
13 ~~receipts tax authorized pursuant to the County Local Option~~  
14 ~~Gross Receipts Taxes Act;~~

15 ~~(3) county infrastructure gross receipts tax~~  
16 ~~authorized pursuant to the County Local Option Gross Receipts~~  
17 ~~Taxes Act;~~

18 ~~(4) county capital outlay gross receipts tax~~  
19 ~~authorized pursuant to the County Local Option Gross Receipts~~  
20 ~~Taxes Act;~~

21 ~~(5) county regional transit gross receipts~~  
22 ~~tax authorized pursuant to the County Local Option Gross~~  
23 ~~Receipts Taxes Act;~~

24 ~~(6) the amount distributed to counties~~  
25 ~~pursuant to Section 7-1-6.47 NMSA 1978; and~~

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

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

E. An imposition of a gross receipts tax increment attributable to the imposition of a gross receipts tax by a taxing entity may be dedicated for the purpose of securing gross receipts tax increment bonds with the agreement of the taxing entity, evidenced by a resolution adopted by a majority vote of that taxing entity. A taxing entity shall not agree to dedicate for the purposes of securing gross receipts tax increment bonds more than seventy-five percent of its gross receipts tax increment attributable to the imposition of gross receipts taxes by the taxing entity. A resolution of the taxing entity to dedicate a gross receipts tax increment or to increase the dedication of a gross receipts tax increment shall become effective only on January 1 or July 1 of the calendar year.

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1                   ~~[F. An imposition of a gross receipts tax~~  
2                   ~~increment attributable to the imposition of the state gross~~  
3                   ~~receipts tax within a district less the distributions made~~  
4                   ~~pursuant to Section 7-1-6.4 NMSA 1978 may be dedicated for~~  
5                   ~~the purpose of securing gross receipts tax increment bonds~~  
6                   ~~with the agreement of the state board of finance, evidenced~~  
7                   ~~by a resolution adopted by a majority vote of the state board~~  
8                   ~~of finance. The state board of finance shall not agree to~~  
9                   ~~dedicate more than seventy-five percent of the gross receipts~~  
10                   ~~tax increment attributable to the imposition of the state~~  
11                   ~~gross receipts tax within the district. The resolution of~~  
12                   ~~the state board of finance shall become effective only on~~  
13                   ~~January 1 or July 1 of the calendar year and shall find that:~~

14                                 ~~(1) the state board of finance has reviewed~~  
15                   ~~the request for the use of the state gross receipts tax;~~

16                                 ~~(2) based upon review by the state board of~~  
17                   ~~finance of the applicable tax increment development plan, the~~  
18                   ~~dedication by the state board of finance of a portion of the~~  
19                   ~~gross receipts tax increment attributable to the imposition~~  
20                   ~~of the state gross receipts tax within the district for use~~  
21                   ~~in meeting the required goals of the tax increment plan is~~  
22                   ~~reasonable and in the best interest of the state; and~~

23                                 ~~(3) the use of the state gross receipts tax~~  
24                   ~~is likely to stimulate the creation of jobs, economic~~  
25                   ~~opportunities and general revenue for the state through the~~

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1 ~~addition of new businesses to the state and the expansion of~~  
2 ~~existing businesses within the state.~~

3 G.] F. The governing body of the jurisdiction in  
4 which a tax increment development district has been  
5 established shall timely notify the assessor of the county in  
6 which the district has been established, the taxation and  
7 revenue department and the local government division of the  
8 department of finance and administration when:

9 (1) a tax increment development plan has  
10 been approved that contains a provision for the allocation of  
11 a gross receipts tax increment;

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

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

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

18 "5-16-3. DEFINITIONS.--As used in the Regional  
19 Spaceport District Act:

20 A. "authority" means the spaceport authority  
21 created pursuant to the Spaceport Development Act;

22 B. "board" means the board of directors of a  
23 district;

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

underscored material = new  
[bracketed material] = delete

1 D. "combination" means two or more governmental  
2 units that exercise joint authority;

3 E. "district" means a regional spaceport district  
4 that is a political subdivision of the state created pursuant  
5 to the Regional Spaceport District Act;

6 F. "governmental unit" means the state, a county  
7 or a municipality of the state or an Indian nation, tribe or  
8 pueblo located within the boundaries of the state;

9 G. "project" means any land, building or other  
10 improvements acquired as part of a spaceport or associated  
11 with a spaceport or to aid commerce in connection with a  
12 spaceport and all real and personal property deemed necessary  
13 in connection with the spaceport;

14 H. "revenues" means municipal [~~regional~~  
15 ~~spaceport~~] gross receipts tax revenues and county [~~regional~~  
16 ~~spaceport~~] gross receipts tax revenues dedicated by  
17 resolution of the governing body of a municipality or county  
18 and transferred to a district; and

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

23 SECTION 17. Section 6-14-2 NMSA 1978 (being Laws 1970,  
24 Chapter 10, Section 2, as amended) is amended to read:

25 "6-14-2. DEFINITIONS.--As used in the Public Securities

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1 Act:

2 A. "net effective interest rate" means the  
3 interest rate of public securities, compounded semiannually,  
4 necessary to discount the scheduled debt service payments of  
5 principal and interest to the date of the public securities  
6 and to the price paid to the public body for the public  
7 securities, excluding any interest accrued to the date of  
8 delivery and based upon a year with the same number of days  
9 as the number of days for which interest is computed on the  
10 public securities;

11 B. "public body" means this state or any  
12 department, board, agency or instrumentality of the state,  
13 any county, city, town, village, school district, other  
14 district, educational institution or any other governmental  
15 agency or political subdivision of the state; and

16 C. "public securities" means any bonds, notes,  
17 warrants or other obligations now or hereafter authorized to  
18 be issued by any public body pursuant to the provisions of  
19 any general or special law enacted by the legislature, but  
20 does not include bonds, notes, warrants or other obligations  
21 issued pursuant to:

- 22 (1) the Industrial Revenue Bond Act;
- 23 (2) the County Improvement District Act;
- 24 (3) [~~Sections 3-33-1 through 3-33-43~~]

25 Chapter 3, Article 33 NMSA 1978;

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- 1 (4) the Pollution Control Revenue Bond Act;  
2 (5) the County Pollution Control Revenue  
3 Bond Act;  
4 (6) the County Industrial Revenue Bond Act;  
5 (7) the Metropolitan Redevelopment Code;  
6 [~~(8)~~ the Supplemental Municipal Gross  
7 Receipts Tax Act;  
8 ~~(9)~~] (8) the Hospital Equipment Loan Act; or  
9 [~~(10)~~] (9) the New Mexico Finance Authority  
10 Act."

11 SECTION 18. Section 6-22-2 NMSA 1978 (being Laws 1992,  
12 Chapter 105, Section 2, as amended) is amended to read:

13 "6-22-2. DEFINITIONS.--As used in the State Aid  
14 Intercept Act:

15 A. "default" means the actual nonpayment of  
16 principal or interest on a local revenue bond when payment is  
17 scheduled by the indenture relating to the local revenue  
18 bond;

19 B. "local government" means a municipality or  
20 county;

21 C. "local revenue bond" means a bond issued after  
22 July 1, 1992 pursuant to [~~Sections 3-33-1 through 3-33-43~~]  
23 Chapter 3, Article 33 NMSA 1978 or Chapter 4, Article 62 NMSA  
24 1978;

25 D. "qualified local revenue bond" means a local

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1 revenue bond for which a state distributions intercept  
2 authorization has been granted pursuant to this section;

3 E. "secretary" means the secretary of finance and  
4 administration; and

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

8 SECTION 19. Section 6-23-8 NMSA 1978 (being Laws 1993,  
9 Chapter 231, Section 8, as amended) is amended to read:

10 "6-23-8. MUNICIPALITIES--USE OF CERTAIN REVENUES  
11 AUTHORIZED.--Upon adoption of an ordinance or resolution by  
12 an affirmative vote of a majority of the members of the  
13 governing body at any regular or special meeting of the  
14 governing body called for this purpose, a municipality may  
15 pledge utility cost savings, conservation-related cost  
16 savings or any or all revenues not otherwise pledged or  
17 obligated from gross receipts taxes received by the  
18 municipality pursuant to [~~Section 7-1-6.4 NMSA 1978 and~~]  
19 Section 7-1-6.12 NMSA 1978 for payments pursuant to a  
20 guaranteed utility savings contract with a qualified provider  
21 and any installment payment contract or lease-purchase  
22 agreement pursuant to that guaranteed utility savings  
23 contract. The ordinance or resolution shall declare the  
24 necessity for the guaranteed utility savings contract and  
25 related contracts or agreements and shall designate the

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underscored material = new  
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1 source of the pledged revenues. Any revenues pledged for  
2 such contract payments shall be deposited in a special fund,  
3 and the municipality shall not use any other revenues to make  
4 such payments. At the end of each fiscal year, any money  
5 remaining in the special fund after payment obligations are  
6 met may be transferred to any other fund of the  
7 municipality."

8 SECTION 20. Section 6-23-9 NMSA 1978 (being Laws 1993,  
9 Chapter 231, Section 9, as amended) is amended to read:

10 "6-23-9. COUNTIES--USE OF CERTAIN REVENUES  
11 AUTHORIZED.--Upon adoption of an ordinance or resolution by  
12 an affirmative vote of a majority of the members of the board  
13 of county commissioners at any regular or special meeting of  
14 the board called for this purpose, a county may pledge  
15 utility cost savings, conservation-related cost savings or  
16 any or all of the revenue not otherwise pledged or obligated  
17 from ~~[the first one-eighth of one percent increment and of~~  
18 ~~one-half of the revenue from the third one-eighth of one~~  
19 ~~percent increment of]~~ the county gross receipts tax  
20 transferred to the county pursuant to Section 7-1-6.13 NMSA  
21 1978 ~~[and any or all of the revenue from the distribution~~  
22 ~~related to the first one-eighth of one percent increment made~~  
23 ~~pursuant to Section 7-1-6.16 NMSA 1978]~~ for the purpose of  
24 making payments pursuant to a guaranteed utility savings  
25 contract with a qualified provider or any installment payment

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1 contract or lease-purchase agreement pursuant to that  
2 guaranteed utility savings contract. The ordinance or  
3 resolution shall declare the necessity for the guaranteed  
4 utility savings contract and related contracts or agreements  
5 and shall designate the source of the pledged revenues. Any  
6 revenues pledged for such contract payments shall be  
7 deposited in a special fund, and the county shall not use any  
8 other county or state revenue to make such payments. At the  
9 end of each fiscal year, any money remaining in the special  
10 fund after the payment obligations are met may be transferred  
11 to any other fund of the county."

12 SECTION 21. Section 6-25-7 NMSA 1978 (being Laws 2003,  
13 Chapter 349, Section 7, as amended) is amended to read:

14 "6-25-7. PROJECT REVENUE BONDS.--

15 A. The authority may issue project revenue bonds  
16 on behalf of an eligible entity to provide funds for a  
17 project. Project revenue bonds issued pursuant to the  
18 Statewide Economic Development Finance Act shall not be a  
19 general obligation of the authority or the state within the  
20 meaning of any provision of the constitution of New Mexico  
21 and shall never give rise to a pecuniary liability of the  
22 authority or the state or a charge against the general credit  
23 or taxing powers of the state. Project revenue bonds shall  
24 be payable from the revenue derived from a project being  
25 financed by the bonds and from other revenues pledged by an

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

20 B. The principal of and interest on project  
21 revenue bonds issued pursuant to the Statewide Economic  
22 Development Finance Act shall be secured by a pledge of the  
23 revenues of the project being financed with the proceeds of  
24 the bonds, may be secured by a mortgage of all or a part of  
25 the project being financed or other collateral pledged by an

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

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underscoring material = new  
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1 the state. The resolution authorizing the issuance of  
2 project revenue bonds may provide procedures and remedies in  
3 the event of default in payment of the principal of or  
4 interest on the bonds or in the performance of any agreement.  
5 No breach of any such agreement shall impose any pecuniary  
6 liability upon the authority, the department or the state or  
7 any charge against the general credit or taxing powers of the  
8 state.

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

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

22 E. The project revenue bonds and the income from  
23 the bonds, all mortgages or other instruments executed as  
24 security for the bonds, all lease agreements made pursuant to  
25 the provisions of the Statewide Economic Development Finance

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1 Act and revenue derived from any sale or lease of a project  
2 shall be exempt from all taxation by the state or any  
3 political subdivision of the state. The authority may issue  
4 project revenue bonds the interest on which is exempt from  
5 taxation under federal law.

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

10 SECTION 22. Section 7-1-2 NMSA 1978 (being Laws 1965,  
11 Chapter 248, Section 2, as amended) is amended to read:

12 "7-1-2. APPLICABILITY.--The Tax Administration Act  
13 applies to and governs:

14 A. the administration and enforcement of the  
15 following taxes or tax acts as they now exist or may  
16 hereafter be amended:

- 17 (1) Income Tax Act;  
18 (2) Withholding Tax Act;  
19 [~~(3)~~] ~~Venture Capital Investment Act;~~  
20 ~~(4)~~] (3) Gross Receipts and Compensating Tax  
21 Act and any state gross receipts tax;  
22 [~~(5)~~] (4) Liquor Excise Tax Act;  
23 [~~(6)~~] (5) Local Liquor Excise Tax Act;  
24 [~~(7)~~] (6) any municipal local option gross  
25 receipts tax;

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1                    [~~(8)~~] (7) any county local option gross  
2 receipts tax;  
3                    [~~(9)~~] (8) Special Fuels Supplier Tax Act;  
4                    [~~(10)~~] (9) Gasoline Tax Act;  
5                    [~~(11)~~] (10) petroleum products loading fee,  
6 which fee shall be considered a tax for the purpose of the  
7 Tax Administration Act;  
8                    [~~(12)~~] (11) Alternative Fuel Tax Act;  
9                    [~~(13)~~] (12) Cigarette Tax Act;  
10                   [~~(14)~~] ~~Estate Tax Act;~~  
11                   [~~(15)~~] (13) Railroad Car Company Tax Act;  
12                   [~~(16)~~] ~~Investment Credit Act, rural job tax~~  
13 ~~credit, Laboratory Partnership with Small Business Tax Credit~~  
14 ~~Act, Technology Jobs and Research and Development Tax Credit~~  
15 ~~Act, Film Production Tax Credit Act, Affordable Housing Tax~~  
16 ~~Credit Act and high-wage jobs tax credit;~~  
17                   [~~(17)~~] ~~Corporate Income and Franchise Tax Act;~~  
18                   [~~(18)~~] (14) Uniform Division of Income for  
19 Tax Purposes Act;  
20                   [~~(19)~~] (15) Multistate Tax Compact;  
21                   [~~(20)~~] (16) Tobacco Products Tax Act; and  
22                   [~~(21)~~] (17) the telecommunications relay  
23 service surcharge imposed by Section 63-9F-11 NMSA 1978,  
24 which surcharge shall be considered a tax for the purposes of  
25 the Tax Administration Act;

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

- 4                   (1) Resources Excise Tax Act;
- 5                   (2) Severance Tax Act;
- 6                   (3) any severance surtax;
- 7                   (4) Oil and Gas Severance Tax Act;
- 8                   (5) Oil and Gas Conservation Tax Act;
- 9                   (6) Oil and Gas Emergency School Tax Act;
- 10                  (7) Oil and Gas Ad Valorem Production Tax  
11 Act;
- 12                   (8) Natural Gas Processors Tax Act;
- 13                   (9) Oil and Gas Production Equipment Ad  
14 Valorem Tax Act;
- 15                   (10) Copper Production Ad Valorem Tax Act;
- 16                   (11) any advance payment required to be made  
17 by any act specified in this subsection, which advance  
18 payment shall be considered a tax for the purposes of the Tax  
19 Administration Act;
- 20                   (12) Enhanced Oil Recovery Act;
- 21                   (13) Natural Gas and Crude Oil Production  
22 Incentive Act; and
- 23                   (14) intergovernmental production tax credit  
24 and intergovernmental production equipment tax credit;

25           C. the administration and enforcement of the

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1 following taxes, surcharges, fees or acts as they now exist  
2 or may hereafter be amended:

3 (1) Weight Distance Tax Act;

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

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

8 (4) 911 emergency surcharge and the network  
9 and database surcharge, which surcharges shall be considered  
10 taxes for purposes of the Tax Administration Act;

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

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

17 (7) the gaming tax imposed pursuant to the  
18 Gaming Control Act; and

19 D. the administration and enforcement of all  
20 other laws, with respect to which the department is charged  
21 with responsibilities pursuant to the Tax Administration Act,  
22 but only to the extent that the other laws do not conflict  
23 with the Tax Administration Act."

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

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1 "7-1-6.2. DISTRIBUTION--SMALL CITIES ASSISTANCE FUND.--  
2 A distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be  
3 made to the small cities assistance fund in an amount equal  
4 to [~~fifteen~~] three-thousandths percent of the net receipts  
5 attributable to the compensating tax."

6 SECTION 24. Section 7-1-6.5 NMSA 1978 (being Laws 1983,  
7 Chapter 211, Section 10 and Laws 1983, Chapter 214, Section  
8 6, as amended) is amended to read:

9 "7-1-6.5. DISTRIBUTION--SMALL COUNTIES ASSISTANCE  
10 FUND.--A distribution pursuant to Section 7-1-6.1 NMSA 1978  
11 shall be made to the small counties assistance fund in an  
12 amount equal to [~~ten~~] one hundred seventy-five one hundred-  
13 thousandths percent of the net receipts attributable to the  
14 compensating tax."

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

17 "7-1-6.7. DISTRIBUTIONS--STATE AVIATION FUND.--

18 [~~A. A distribution pursuant to Section 7-1-6.1~~  
19 ~~NMSA 1978 shall be made to the state aviation fund in an~~  
20 ~~amount equal to four and seventy-nine hundredths percent of~~  
21 ~~the taxable gross receipts attributable to the sale of fuel~~  
22 ~~especially prepared and sold for use in turboprop or jet-type~~  
23 ~~engines as determined by the department.~~

24 B.] A. A distribution pursuant to Section 7-1-6.1  
25 NMSA 1978 shall be made to the state aviation fund in an

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1 amount equal to twenty-six hundredths percent of gasoline  
2 taxes, exclusive of penalties and interest, collected  
3 pursuant to the Gasoline Tax Act.

4 ~~[G. From July 1, 2013 through June 30, 2021, a~~  
5 ~~distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be~~  
6 ~~made to the state aviation fund in an amount equal to forty-~~  
7 ~~six thousandths percent of the net receipts attributable to~~  
8 ~~the gross receipts tax distributable to the general fund.~~

9 ~~D.]~~ B. A distribution pursuant to Section 7-1-6.1  
10 NMSA 1978 shall be made to the state aviation fund from the  
11 net receipts attributable to the gross receipts tax  
12 distributable to the general fund in an amount equal to

13 ~~[(1) eighty thousand dollars (\$80,000)~~  
14 ~~monthly from July 1, 2007 through June 30, 2008;~~

15 ~~(2) one hundred sixty-seven thousand dollars~~  
16 ~~(\$167,000) monthly from July 1, 2008 through June 30, 2009;~~

17 and

18 ~~(3)]~~ two hundred fifty thousand dollars  
19 (\$250,000) ~~[monthly after July 1, 2009]."~~

20 SECTION 26. Section 7-1-6.16 NMSA 1978 (being Laws  
21 1983, Chapter 213, Section 27, as amended) is amended to  
22 read:

23 "7-1-6.16. COUNTY EQUALIZATION DISTRIBUTION.--

24 A. Beginning on September 15, 1989 and on  
25 September 15 of each year thereafter, the department shall

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1 distribute to any county that has imposed or continued in  
2 effect during the state's preceding fiscal year a county  
3 gross receipts tax pursuant to Section 7-20E-9 NMSA 1978 an  
4 amount equal to:

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

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

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

21 C. As used in this section:

22 (1) "annual sum" means for each county the  
23 sum of the monthly amounts for those months in the report  
24 year that follow a month in which the county had in effect a  
25 county gross receipts tax;

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1                   (2) "monthly amount" means an amount equal  
2 to the product of:

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

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

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

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

24                   SECTION 27. Section 7-1-6.33 NMSA 1978 (being Laws  
25 1991, Chapter 212, Section 15, as amended) is amended to  
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1 read:

2 "7-1-6.33. DISTRIBUTION [~~TO COUNTY-SUPPORTED~~]-MEDICAID  
3 FUND--SAFETY NET CARE POOL FUND.--A distribution pursuant to  
4 Section 7-1-6.1 NMSA 1978 shall be made to:

5 A. the [~~county-supported~~] medicaid fund in an  
6 amount equal to fourteen-thousandths percent of the net  
7 receipts attributable to the [~~taxes imposed pursuant to~~  
8 ~~Section 7-20E-18 NMSA 1978~~] gross receipts tax; and

9 B. the safety net care pool fund in an amount  
10 equal to eighteen-thousandths percent of the net receipts  
11 attributable to the gross receipts tax."

12 SECTION 28. Section 7-1-6.53 NMSA 1978 (being Laws  
13 2005, Chapter 176, Section 11) is amended to read:

14 "7-1-6.53. DISTRIBUTION--ENERGY EFFICIENCY AND  
15 RENEWABLE ENERGY BONDING FUND--GROSS RECEIPTS TAX.--A  
16 distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be  
17 made to the energy efficiency and renewable energy bonding  
18 fund from the net receipts attributable to the gross receipts  
19 tax imposed by the Gross Receipts and Compensating Tax Act in  
20 an amount necessary to make the required bond debt service  
21 payments pursuant to the Energy Efficiency and Renewable  
22 Energy Bonding Act as determined by the New Mexico finance  
23 authority. The distribution shall be made:

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

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1           ~~B.]~~ A. contemporaneously with other distributions  
2 of net receipts attributable to the gross receipts tax for  
3 payment of debt service on outstanding bonds or to a fund  
4 dedicated for that purpose; and

5           ~~[G.]~~ B. prior to any other distribution of net  
6 receipts attributable to the gross receipts tax."

7           **SECTION 29.** Section 7-1-14 NMSA 1978 (being Laws 1969,  
8 Chapter 145, Section 1, as amended) is amended to read:

9           "7-1-14. SECRETARY MAY DETERMINE WHERE CERTAIN GROSS  
10 RECEIPTS ARE TO BE REPORTED--PLACE OF BUSINESS FOR  
11 [~~CONSTRUCTION PROJECTS AND~~] CERTAIN [~~REAL PROPERTY SALES~~]  
12 RECEIPTS.--

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

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

23           C. The secretary may, by regulation, also require  
24 any person maintaining a business outside the boundaries of a  
25 municipality on land owned by that municipality to report the

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1 person's taxable gross receipts for that municipality.

2 D. For a person engaged in the business of  
3 selling real estate, the location of the real property sold  
4 or leased or manufactured home leased is the "place of  
5 business", and all receipts from that sale or lease are to be  
6 reported from that place of business.

7 E. For persons engaged in the business of earning  
8 a wage, the "place of business" is that person's employer's  
9 New Mexico place of business where the person primarily  
10 performs the work, and all receipts from wages are to be  
11 reported from that place of business.

12 F. For persons engaged in the business of  
13 investing, the "place of business" for dividends or interest  
14 earned is the person's primary place of residence, and all  
15 receipts from dividends or interest earned are to be reported  
16 from that place of business."

17 SECTION 30. Section 7-1-26 NMSA 1978 (being Laws 1965,  
18 Chapter 248, Section 28, as amended) is amended to read:

19 "7-1-26. DISPUTING LIABILITIES--CLAIM FOR CREDIT,  
20 REBATE OR REFUND.--

21 A. A person who believes that an amount of tax  
22 has been paid by or withheld from that person in excess of  
23 that for which the person was liable, who has been denied any  
24 credit or rebate claimed or who claims a prior right to  
25 property in the possession of the department pursuant to a

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1 levy made under authority of Sections 7-1-31 through 7-1-34  
2 NMSA 1978 may claim a refund by directing to the secretary,  
3 within the time limited by the provisions of Subsections F  
4 and G of this section, a written claim for refund. At the  
5 time the written claim is submitted, except as provided in  
6 Subsection K of this section, a refund claim shall include:

7 (1) the taxpayer's name, address and  
8 identification number;

9 (2) the type of tax for which a refund is  
10 being claimed, the credit or rebate denied or the property  
11 levied upon;

12 (3) the sum of money or other property being  
13 claimed;

14 (4) with respect to refund, the period for  
15 which overpayment was made;

16 (5) a brief statement of the facts and the  
17 law on which the claim is based, which may be referred to as  
18 the "basis for the refund", which shall include documentation  
19 that substantiates the written claim and supports the  
20 taxpayer's basis for the refund; and

21 (6) a copy of an amended return for each tax  
22 period for which the refund is claimed.

23 B. A claim for refund that meets the requirements  
24 of Subsection A of this section shall be deemed to be  
25 properly before the department for consideration, regardless

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1 of whether the department requests additional documentation  
2 after receipt of the claim for refund; provided that the  
3 claim for refund is filed within the time limitations  
4 provided in Subsections F and G of this section.

5 C. If the department requests additional relevant  
6 documentation from a taxpayer who has submitted a claim for  
7 refund, the claim for refund will not be considered complete  
8 until the taxpayer provides the requested documentation. The  
9 provisions of Paragraph (2) of Subsection D of this section  
10 and of Section 7-1-68 NMSA 1978 do not apply until a refund  
11 claim is complete.

12 D. The secretary or the secretary's delegate may  
13 allow the claim in whole or in part or may deny the claim.  
14 If the:

15 (1) claim is denied in whole or in part in  
16 writing, no claim may be refiled with respect to that which  
17 was denied, but the person, within ninety days after either  
18 the mailing or delivery of the denial of all or any part of  
19 the claim, may elect to pursue one, but not more than one, of  
20 the remedies in Subsection E of this section; and

21 (2) department has neither granted nor  
22 denied any portion of a complete claim for refund within one  
23 hundred eighty days of the date the claim was mailed or  
24 otherwise delivered to the department, the person may elect  
25 to treat the claim as denied and elect to pursue one, but not

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1 more than one, of the remedies provided in Subsection [D] E  
2 of this section.

3 E. A person may elect to pursue no more than one  
4 of the remedies in Paragraphs (1) and (2) of this subsection.  
5 A person who timely pursues more than one remedy shall be  
6 deemed to have elected the first remedy invoked. The person  
7 may:

8 (1) direct to the secretary, pursuant to the  
9 provisions of Section 7-1-24 NMSA 1978, a written protest  
10 that shall set forth:

11 (a) the circumstances of: 1) an  
12 alleged overpayment; 2) a denied credit; 3) a denied rebate;  
13 or 4) a denial of a prior right to property levied upon by  
14 the department;

15 (b) an allegation that, because of  
16 that overpayment or denial, the state is indebted to the  
17 taxpayer for a specified amount, including any allowed  
18 interest, or for the property;

19 (c) demanding the refund to the  
20 taxpayer of that amount or that property; and

21 (d) reciting the facts of the claim  
22 for refund; or

23 (2) commence a civil action in the district  
24 court for Santa Fe county by filing a complaint setting forth  
25 the circumstance of the claimed overpayment, denied credit or

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1 rebate or denial of a prior right to property levied upon by  
2 the department alleging that on account thereof the state is  
3 indebted to the plaintiff in the amount or property stated,  
4 together with any interest allowable, demanding the refund to  
5 the plaintiff of that amount or property and reciting the  
6 facts of the claim for refund. The plaintiff or the  
7 secretary may appeal from any final decision or order of the  
8 district court to the court of appeals.

9 F. Except as otherwise provided in Subsection G  
10 of this section, no credit or refund of any amount may be  
11 allowed or made to any person unless as the result of a claim  
12 made by that person as provided in this section:

13 (1) [~~within three years of~~] prior to the end  
14 of the calendar year in which:

15 (a) the payment was originally due or  
16 the overpayment resulted from an assessment by the department  
17 pursuant to Section 7-1-17 NMSA 1978, whichever is later;

18 (b) the final determination of value  
19 occurs with respect to any overpayment that resulted from a  
20 disapproval by any agency of the United States or the state  
21 of New Mexico or any court of increase in value of a product  
22 subject to taxation under the Oil and Gas Severance Tax Act,  
23 the Oil and Gas Conservation Tax Act, the Oil and Gas  
24 Emergency School Tax Act, the Oil and Gas Ad Valorem  
25 Production Tax Act or the Natural Gas Processors Tax Act;

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1 (c) property was levied upon pursuant  
2 to the provisions of the Tax Administration Act; or

3 (d) an overpayment of New Mexico tax  
4 resulted from: 1) an internal revenue service audit  
5 adjustment or a federal refund paid due to an adjustment of  
6 an audit by the internal revenue service or an amended  
7 federal return; or 2) making a change to a federal return for  
8 which federal approval is required by the Internal Revenue  
9 Code;

10 [~~(2)~~ when an amount of a claim for credit  
11 under the provisions of the Investment Credit Act, Laboratory  
12 Partnership with Small Business Tax Credit Act or Technology  
13 Jobs and Research and Development Tax Credit Act or for the  
14 rural job tax credit pursuant to Section 7-2E-1.1 NMSA 1978  
15 or similar credit has been denied, the taxpayer may claim a  
16 refund of the credit no later than one year after the date of  
17 the denial;

18 ~~(3)~~] (2) when a taxpayer under audit by the  
19 department has signed a waiver of the limitation on  
20 assessments on or after July 1, 1993 pursuant to Subsection F  
21 of Section 7-1-18 NMSA 1978, the taxpayer may file a claim  
22 for refund of the same tax paid for the same period for which  
23 the waiver was given, until a date one year after the later  
24 of the date of the mailing of an assessment issued pursuant  
25 to the audit, the date of the mailing of final audit findings

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1 to the taxpayer or the date a proceeding is begun in court by  
2 the department with respect to the same tax and the same  
3 period;

4 [~~(4)~~] (3) if the payment of an amount of  
5 tax was not made within three years of the end of the  
6 calendar year in which the original due date of the tax or  
7 date of the assessment of the department occurred, a claim  
8 for refund of that amount of tax can be made within one year  
9 of the date on which the tax was paid; or

10 [~~(5)~~] (4) when a taxpayer has been assessed  
11 a tax on or after July 1, 1993 under Subsection B, C or D of  
12 Section 7-1-18 NMSA 1978 and when the assessment applies to a  
13 period ending at least three years prior to the beginning of  
14 the year in which the assessment was made, the taxpayer may  
15 claim a refund for the same tax for the period of the  
16 assessment or for any period following that period within one  
17 year of the date of the assessment unless a longer period for  
18 claiming a refund is provided in this section.

19 G. No credit or refund shall be allowed or made  
20 to any person claiming a refund of gasoline tax under Section  
21 7-13-11 NMSA 1978 unless notice of the destruction of the  
22 gasoline was given to the department within thirty days of  
23 the actual destruction and the claim for refund is made  
24 within six months of the date of destruction. No credit or  
25 refund shall be allowed or made to any person claiming a

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1 refund of gasoline tax under Section 7-13-17 NMSA 1978 unless  
2 the refund is claimed within six months of the date of  
3 purchase of the gasoline and the gasoline has been used at  
4 the time the claim for refund is made.

5 H. If as a result of an audit by the department  
6 or a managed audit covering multiple periods an overpayment  
7 of tax is found in any period under the audit, that  
8 overpayment may be credited against an underpayment of the  
9 same tax found in another period under audit pursuant to  
10 Section 7-1-29 NMSA 1978, provided that the taxpayer files a  
11 claim for refund for the overpayments identified in the  
12 audit.

13 I. Any refund of tax paid under any tax or tax  
14 act administered under Subsection B of Section 7-1-2 NMSA  
15 1978 may be made, at the discretion of the department, in the  
16 form of credit against future tax payments if future tax  
17 liabilities in an amount at least equal to the credit amount  
18 reasonably may be expected to become due.

19 J. For the purposes of this section, "oil and gas  
20 tax return" means a return reporting tax due with respect to  
21 oil, natural gas, liquid hydrocarbons, carbon dioxide, helium  
22 or nonhydrocarbon gas pursuant to the Oil and Gas Severance  
23 Tax Act, the Oil and Gas Conservation Tax Act, the Oil and  
24 Gas Emergency School Tax Act, the Oil and Gas Ad Valorem  
25 Production Tax Act, the Natural Gas Processors Tax Act or the

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underscored material = new  
~~[bracketed material] = delete~~

1 Oil and Gas Production Equipment Ad Valorem Tax Act.

2 K. The filing of a fully completed original  
3 income tax return [~~corporate income tax return, corporate~~  
4 ~~income and franchise tax return, estate tax return~~] or  
5 special fuel excise tax return that shows a balance due the  
6 taxpayer or a fully completed amended income tax return, [~~an~~  
7 ~~amended corporate income tax return, an amended corporate~~  
8 ~~income and franchise tax return, an amended estate tax~~  
9 ~~return~~] an amended special fuel excise tax return or an  
10 amended oil and gas tax return that shows a lesser tax  
11 liability than the original return constitutes the filing of  
12 a claim for refund for the difference in tax due shown on the  
13 original and amended returns."

14 SECTION 31. Section 7-1-29 NMSA 1978 (being Laws 1965,  
15 Chapter 248, Section 31, as amended) is amended to read:

16 "7-1-29. AUTHORITY TO MAKE REFUNDS OR CREDITS.--

17 A. In response to a claim for refund, credit or  
18 rebate made as provided in Section 7-1-26 NMSA 1978, but  
19 before a court acquires jurisdiction of the matter, the  
20 secretary or the secretary's delegate may authorize payment  
21 to a person in the amount of the credit or rebate claimed or  
22 refund an overpayment of tax determined by the secretary or  
23 the secretary's delegate to have been erroneously made by the  
24 person, together with allowable interest. A payment of a  
25 credit rebate claimed or a refund of tax and interest

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1 erroneously paid amounting to twenty thousand dollars  
2 (\$20,000) or more shall be made with the prior approval of  
3 the attorney general, except that the secretary or the  
4 secretary's delegate may make refunds with respect to the Oil  
5 and Gas Severance Tax Act, the Oil and Gas Conservation Tax  
6 Act, the Oil and Gas Emergency School Tax Act, the Oil and  
7 Gas Ad Valorem Production Tax Act, the Natural Gas Processors  
8 Tax Act or the Oil and Gas Production Equipment Ad Valorem  
9 Tax Act, Section 7-13-17 NMSA 1978 and the Cigarette Tax Act  
10 without the prior approval of the attorney general regardless  
11 of the amount.

12 B. Pursuant to the final order of the district  
13 court, the court of appeals, the supreme court of New Mexico  
14 or a federal court, from which order, appeal or review is not  
15 successfully taken, adjudging that a person has properly  
16 claimed a credit or rebate or made an overpayment of tax, the  
17 secretary shall authorize the payment to the person of the  
18 amount thereof.

19 C. In the discretion of the secretary, any amount  
20 of credit or rebate to be paid or tax to be refunded may be  
21 offset against any amount of tax for which the person due to  
22 receive the credit, rebate payment or refund is liable, or in  
23 the case of a refund of sales tax, any compensating tax owed  
24 by that person's customer as a result of transactions with  
25 that person. The secretary or the secretary's delegate shall

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1 give notice to the taxpayer that the credit, rebate payment  
2 or refund will be made in this manner, and the taxpayer shall  
3 be entitled to interest pursuant to Section 7-1-68 NMSA 1978  
4 until the tax liability is credited with the credit, rebate  
5 or refund amount.

6 D. In an audit by the department or a managed  
7 audit covering multiple reporting periods in which both  
8 underpayments and overpayments of a tax have been made in  
9 different reporting periods, the department shall credit the  
10 tax overpayments against the underpayments, provided that the  
11 taxpayer files a claim for refund of the overpayments. An  
12 overpayment shall be applied as a credit first to the  
13 earliest underpayment and then to succeeding underpayments.  
14 An underpayment of tax to which an overpayment is credited  
15 pursuant to this section shall be deemed paid in the period  
16 in which the overpayment was made or the period to which the  
17 overpayment was credited against an underpayment, whichever  
18 is later. If the overpayments credited pursuant to this  
19 section exceed the underpayments of a tax, the amount of the  
20 net overpayment for the periods covered in the audit shall be  
21 refunded to the taxpayer.

22 E. When a taxpayer makes a payment identified to  
23 a particular return or assessment, and the department  
24 determines that the payment exceeds the amount due pursuant  
25 to that return or assessment, the secretary may apply the

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1 excess to the taxpayer's other liabilities pursuant to the  
2 tax acts to which the return or assessment applies, without  
3 requiring the taxpayer to file a claim for a refund. The  
4 liability to which an overpayment is applied pursuant to this  
5 section shall be deemed paid in the period in which the  
6 overpayment was made or the period to which the overpayment  
7 was applied, whichever is later.

8 F. If the department determines, upon review of  
9 an original or amended income tax return, [~~corporate income~~  
10 ~~and franchise tax return, estate tax return~~] special [~~fuels~~  
11 fuel] excise tax return or oil and gas tax return, that there  
12 has been an overpayment of tax for the taxable period to  
13 which the return or amended return relates in excess of the  
14 amount due to be refunded to the taxpayer pursuant to the  
15 provisions of Subsection K of Section 7-1-26 NMSA 1978, the  
16 department may refund that excess amount to the taxpayer  
17 without requiring the taxpayer to file a refund claim.

18 G. Records of refunds and credits made in excess  
19 of ten thousand dollars (\$10,000) shall be available for  
20 inspection by the public. The department shall keep such  
21 records for a minimum of three years from the date of the  
22 refund or credit.

23 H. In response to a timely refund claim pursuant  
24 to Section 7-1-26 NMSA 1978 and notwithstanding any other  
25 provision of the Tax Administration Act, the secretary or the

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1 secretary's delegate may refund or credit a portion of an  
2 assessment of tax paid, including applicable penalties and  
3 interest representing the amount of tax previously paid by  
4 another person on behalf of the taxpayer on the same  
5 transaction, provided that the requirements of equitable  
6 recoupment are met. For purposes of this subsection, the  
7 refund claim may be filed by the taxpayer to whom the  
8 assessment was issued or by another person who claims to have  
9 previously paid the tax on behalf of the taxpayer. Prior to  
10 granting the refund or credit, the secretary may require a  
11 waiver of all rights to claim a refund or credit of the tax  
12 previously paid by another person paying a tax on behalf of  
13 the taxpayer."

14 SECTION 32. Section 7-1-69 NMSA 1978 (being Laws 1965,  
15 Chapter 248, Section 70, as amended) is amended to read:

16 "7-1-69. CIVIL PENALTY FOR FAILURE TO PAY TAX OR FILE A  
17 RETURN.--

18 A. Except as provided in Subsection C of this  
19 section, in the case of failure due to negligence or  
20 disregard of department rules and regulations, but without  
21 intent to evade or defeat a tax, to pay when due the amount  
22 of tax required to be paid, to pay in accordance with the  
23 provisions of Section 7-1-13.1 NMSA 1978 when required to do  
24 so or to file by the date required a return regardless of  
25 whether a tax is due, there shall be added to the amount

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1 assessed a penalty in an amount equal to the greater of:

2 (1) two percent per month or any fraction of  
3 a month from the date the tax was due multiplied by the  
4 amount of tax due but not paid, not to exceed twenty percent  
5 of the tax due but not paid;

6 (2) two percent per month or any fraction of  
7 a month from the date the return was required to be filed  
8 multiplied by the tax liability established in the late  
9 return, not to exceed twenty percent of the tax liability  
10 established in the late return; or

11 (3) a minimum of five dollars (\$5.00), but  
12 the five-dollar (\$5.00) minimum penalty shall not apply to  
13 taxes levied under the Income Tax Act or taxes administered  
14 by the department pursuant to Subsection B of Section 7-1-2  
15 NMSA 1978.

16 B. No penalty shall be assessed against a  
17 taxpayer if the failure to pay an amount of tax when due  
18 results from a mistake of law made in good faith and on  
19 reasonable grounds.

20 C. If a different penalty is specified in a  
21 compact or other interstate agreement to which New Mexico is  
22 a party, the penalty provided in the compact or other  
23 interstate agreement shall be applied to amounts due under  
24 the compact or other interstate agreement at the rate and in  
25 the manner prescribed by the compact or other interstate

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1 agreement.

2 D. In the case of failure, with willful intent to  
3 evade or defeat a tax, to pay when due the amount of tax  
4 required to be paid, there shall be added to the amount  
5 [~~fifty~~] one hundred percent of the tax or a minimum of  
6 twenty-five dollars (\$25.00), whichever is greater, as  
7 penalty.

8 E. If demand is made for payment of a tax,  
9 including penalty imposed pursuant to this section, and if  
10 the tax is paid within ten days after the date of such  
11 demand, no penalty shall be imposed for the period after the  
12 date of the demand with respect to the amount paid.

13 F. If a taxpayer makes electronic payment of a  
14 tax but the payment does not include all of the information  
15 required by the department pursuant to the provisions of  
16 Section 7-1-13.1 NMSA 1978 and if the department does not  
17 receive the required information within five business days  
18 from the later of the date a request by the department for  
19 that information is received by the taxpayer or the due date,  
20 the taxpayer shall be subject to a penalty of two percent per  
21 month or any fraction of a month from the fifth day following  
22 the date the request is received. If a penalty is imposed  
23 under Subsection A of this section with respect to the same  
24 transaction for the same period, no penalty shall be imposed  
25 under this subsection.

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1 G. No penalty shall be imposed on:

2 (1) tax due in excess of tax paid in  
3 accordance with an approved estimated basis pursuant to  
4 Section 7-1-10 NMSA 1978;

5 (2) tax due as the result of a managed  
6 audit; or

7 (3) tax that is deemed paid by crediting  
8 overpayments found in an audit or managed audit of multiple  
9 periods pursuant to Section 7-1-29 NMSA 1978."

10 SECTION 33. A new section of the Tax Administration Act  
11 is enacted to read:

12 "[NEW MATERIAL] DISTRIBUTION--BONDS ISSUED BY A TAX  
13 INCREMENT DEVELOPMENT DISTRICT.--A distribution pursuant to  
14 Section 7-1-6.1 NMSA 1978 shall be made to a tax increment  
15 development district from the net receipts attributable to  
16 the gross receipts tax in an amount necessary to make the  
17 required bond debt service payments for which revenue  
18 attributable to the gross receipts tax is pledged pursuant to  
19 Sections 5-15-21 and 5-15A-1 NMSA 1978, as those sections  
20 were in effect prior to January 1, 2019, as determined by the  
21 New Mexico finance authority. The distribution shall be  
22 made:

23 A. contemporaneously with other distributions of  
24 net receipts attributable to the gross receipts tax for  
25 payment of debt service on outstanding bonds or to a fund

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1 dedicated for that purpose; and

2 B. prior to any other distribution of net  
3 receipts attributable to the gross receipts tax."

4 SECTION 34. A new section of the Tax Administration Act  
5 is enacted to read:

6 "[NEW MATERIAL] DISTRIBUTION--GROSS RECEIPTS TAX--BOAT  
7 SUSPENSE FUND.--A distribution pursuant to Section 7-1-6.1  
8 NMSA 1978 shall be made to the "boat suspense fund", hereby  
9 created in the state treasury, of the net receipts  
10 attributable to the gross receipts tax from the sale of every  
11 boat required to be registered in the state pursuant to the  
12 Boat Act. At the end of each month, the state treasurer  
13 shall transfer fifty percent of the net revenue in the boat  
14 suspense fund to the state parks division of the energy,  
15 minerals and natural resources department. The amount  
16 transferred is appropriated for use by the division for  
17 improvements and maintenance of lakes and boating facilities  
18 owned or leased by the state and for administration and  
19 enforcement of the Boat Act."

20 SECTION 35. Section 7-2-2 NMSA 1978 (being Laws 1986,  
21 Chapter 20, Section 26, as amended) is amended to read:

22 "7-2-2. DEFINITIONS.--For the purpose of the Income Tax  
23 Act and unless the context requires otherwise:

24 A. "adjusted gross income" means adjusted gross  
25 income as defined in Section 62 of the Internal Revenue Code,

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1 as that section may be amended or renumbered;

2 B. "base income":

3 (1) means, for estates and trusts, that part  
4 of the estate's or trust's income defined as taxable income  
5 and upon which the federal income tax is calculated in the  
6 Internal Revenue Code for income tax purposes plus, for  
7 taxable years beginning on or after January 1, 1991, the  
8 amount of the net operating loss deduction allowed by Section  
9 172(a) of the Internal Revenue Code, as that section may be  
10 amended or renumbered, and taken by the taxpayer for that  
11 year;

12 (2) means, for taxpayers other than estates  
13 or trusts, that part of the taxpayer's income defined as  
14 adjusted gross income plus, for taxable years beginning on or  
15 after January 1, 1991, the amount of the net operating loss  
16 deduction allowed by Section 172(a) of the Internal Revenue  
17 Code, as that section may be amended or renumbered, and taken  
18 by the taxpayer for that year;

19 (3) includes, for all taxpayers, any other  
20 income of the taxpayer not included in adjusted gross income  
21 but upon which a federal tax is calculated pursuant to the  
22 Internal Revenue Code for income tax purposes, except amounts  
23 for which a calculation of tax is made pursuant to Section 55  
24 of the Internal Revenue Code, as that section may be amended  
25 or renumbered; [~~"base income" also includes interest received~~

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1 ~~on a state or local bond] and~~

2 (4) ~~[includes, for all taxpayers, an amount~~  
3 ~~deducted pursuant to Section 7-2-32 NMSA 1978 in a prior~~  
4 ~~taxable year if:~~

5 (a) ~~such amount is transferred to~~  
6 ~~another qualified tuition program, as defined in Section 529~~  
7 ~~of the Internal Revenue Code, not authorized in the Education~~  
8 ~~Trust Act; or~~

9 (b) ~~a distribution or refund is made~~  
10 ~~for any reason other than: 1) to pay for qualified higher~~  
11 ~~education expenses, as defined pursuant to Section 529 of the~~  
12 ~~Internal Revenue Code; or 2) upon the beneficiary's death,~~  
13 ~~disability or receipt of a scholarship] does not include~~  
14 ~~interest received on a bond, note, loan, warrant, debenture,~~  
15 ~~lease-purchase agreement or other instrument evidencing an~~  
16 ~~obligation of a taxpayer to make payments;~~

17 C. "compensation" means wages, salaries,  
18 commissions and any other form of remuneration paid to  
19 employees for personal services;

20 D. "department" means the taxation and revenue  
21 department, the secretary or any employee of the department  
22 exercising authority lawfully delegated to that employee by  
23 the secretary;

24 E. "fiduciary" means a guardian, trustee,  
25 executor, administrator, committee, conservator, receiver,

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1 individual or corporation acting in any fiduciary capacity;

2 F. "filing status" means "married filing joint  
3 returns", "married filing separate returns", "head of  
4 household", "surviving spouse" and "single", as those terms  
5 are generally defined for federal tax purposes;

6 G. "fiscal year" means any accounting period of  
7 twelve months ending on the last day of any month other than  
8 December;

9 H. "head of household" means "head of household"  
10 as generally defined for federal income tax purposes;

11 I. "individual" means a natural person, an  
12 estate, a trust or a fiduciary acting for a natural person,  
13 trust or estate;

14 J. "Internal Revenue Code" means the United  
15 States Internal Revenue Code of 1986, as amended;

16 K. "lump-sum amount" means, for the purpose of  
17 determining liability for federal income tax, an amount that  
18 was not included in adjusted gross income but upon which the  
19 five-year-averaging or the ten-year-averaging method of tax  
20 computation provided in Section 402 of the Internal Revenue  
21 Code, as that section may be amended or renumbered, was  
22 applied;

23 L. "modified gross income" means all income of  
24 the taxpayer and, if any, the taxpayer's spouse and  
25 dependents, undiminished by losses and from whatever source,

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1 including:

2 (1) compensation;

3 (2) net profit from business;

4 (3) gains from dealings in property;

5 (4) interest;

6 (5) net rents;

7 (6) royalties;

8 (7) dividends;

9 (8) alimony and separate maintenance

10 payments;

11 (9) annuities;

12 (10) income from life insurance and

13 endowment contracts;

14 (11) pensions;

15 (12) discharge of indebtedness;

16 (13) distributive share of partnership

17 income;

18 (14) income in respect of a decedent;

19 (15) income from an interest in an estate or

20 a trust;

21 (16) social security benefits;

22 (17) unemployment compensation benefits;

23 (18) workers' compensation benefits;

24 (19) public assistance and welfare benefits;

25 and

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1 (20) cost-of-living allowances; [~~and~~  
2 ~~(21) gifts~~]

3 M. "modified gross income" excludes:

4 (1) payments for hospital, dental, medical  
5 or drug expenses to or on behalf of the taxpayer;

6 (2) the value of room and board provided by  
7 federal, state or local governments or by private individuals  
8 or agencies based upon financial need and not as a form of  
9 compensation;

10 (3) payments pursuant to a federal, state or  
11 local government program directly or indirectly to a third  
12 party on behalf of the taxpayer when identified to a  
13 particular use or invoice by the payer; or

14 (4) payments for credits and rebates  
15 pursuant to the Income Tax Act and made for a credit pursuant  
16 to Section 7-3-9 NMSA 1978;

17 N. "net income" means, for estates and trusts,  
18 base income adjusted to exclude amounts that the state is  
19 prohibited from taxing because of the laws or constitution of  
20 this state or the United States and means, for taxpayers  
21 other than estates or trusts, base income adjusted to  
22 exclude:

23 (1) an amount equal to the standard  
24 deduction allowed the taxpayer for the taxpayer's taxable  
25 year by Section 63 of the Internal Revenue Code, as that

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1 section may be amended or renumbered;

2 (2) an amount equal to the itemized  
3 deductions defined in Section 63 of the Internal Revenue  
4 Code, as that section may be amended or renumbered, allowed  
5 the taxpayer for the taxpayer's taxable year less the amount  
6 excluded pursuant to Paragraph (1) of this subsection and  
7 less the amount of state and local income and sales taxes  
8 included in the taxpayer's itemized deductions;

9 (3) an amount equal to the product of the  
10 exemption amount allowed for the taxpayer's taxable year by  
11 Section 151 of the Internal Revenue Code, as that section may  
12 be amended or renumbered, multiplied by the number of  
13 personal exemptions allowed for federal income tax purposes;

14 (4) income from obligations of the United  
15 States of America less expenses incurred to earn that income;

16 (5) other amounts that the state is  
17 prohibited from taxing because of the laws or constitution of  
18 this state or the United States;

19 (6) for taxable years that began prior to  
20 January 1, 1991, an amount equal to the sum of:

21 (a) net operating loss carryback  
22 deductions to that year from taxable years beginning prior to  
23 January 1, 1991 claimed and allowed, as provided by the  
24 Internal Revenue Code; and

25 (b) net operating loss carryover

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1 deductions to that year claimed and allowed;

2 (7) for taxable years beginning on or after  
3 January 1, 1991 and prior to January 1, 2013, an amount equal  
4 to the sum of any net operating loss carryover deductions to  
5 that year claimed and allowed; provided that the amount of  
6 any net operating loss carryover from a taxable year  
7 beginning on or after January 1, 1991 and prior to January 1,  
8 2013 may be excluded only as follows:

9 (a) in the case of a timely filed  
10 return, in the taxable year immediately following the taxable  
11 year for which the return is filed; or

12 (b) in the case of amended returns or  
13 original returns not timely filed, in the first taxable year  
14 beginning after the date on which the return or amended  
15 return establishing the net operating loss is filed; and

16 (c) in either case, if the net  
17 operating loss carryover exceeds the amount of net income  
18 exclusive of the net operating loss carryover for the taxable  
19 year to which the exclusion first applies, in the next four  
20 succeeding taxable years in turn until the net operating loss  
21 carryover is exhausted for any net operating loss carryover  
22 from a taxable year prior to January 1, 2013; in no event  
23 shall a net operating loss carryover from a taxable year  
24 beginning prior to January 1, 2013 be excluded in any taxable  
25 year after the fourth taxable year beginning after the

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1 taxable year to which the exclusion first applies;

2 (8) for taxable years beginning on or after  
3 January 1, 2013, an amount equal to the sum of any net  
4 operating loss carryover deductions to that year claimed and  
5 allowed; provided that the amount of any net operating loss  
6 carryover may be excluded only as follows:

7 (a) in the case of a timely filed  
8 return, in the taxable year immediately following the taxable  
9 year for which the return is filed; or

10 (b) in the case of amended returns or  
11 original returns not timely filed, in the first taxable year  
12 beginning after the date on which the return or amended  
13 return establishing the net operating loss is filed; and

14 (c) in either case, if the net  
15 operating loss carryover exceeds the amount of net income  
16 exclusive of the net operating loss carryover for the taxable  
17 year to which the exclusion first applies, in the next  
18 nineteen succeeding taxable years in turn until the net  
19 operating loss carryover is exhausted for any net operating  
20 loss carryover from a taxable year beginning on or after  
21 January 1, 2013; in no event shall a net operating loss  
22 carryover from a taxable year beginning: 1) prior to January  
23 1, 2013 be excluded in any taxable year after the fourth  
24 taxable year beginning after the taxable year to which the  
25 exclusion first applies; and 2) on or after January 1, 2013

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1 be excluded in any taxable year after the nineteenth taxable  
2 year beginning after the taxable year to which the exclusion  
3 first applies; and

4 (9) for taxable years beginning on or after  
5 January 1, 2011, an amount equal to the amount included in  
6 adjusted gross income that represents a refund of state and  
7 local income and sales taxes that were deducted for federal  
8 tax purposes in taxable years beginning on or after January  
9 1, 2010;

10 O. "net operating loss" means any net operating  
11 loss, as defined by Section 172(c) of the Internal Revenue  
12 Code, as that section may be amended or renumbered, for a  
13 taxable year as further increased by the income, if any, from  
14 obligations of the United States for that year less related  
15 expenses;

16 P. "net operating loss carryover" means the  
17 amount, or any portion of the amount, of a net operating loss  
18 for any taxable year that, pursuant to Paragraph (6), (7) or  
19 (8) of Subsection N of this section, may be excluded from  
20 base income;

21 Q. "nonresident" means every individual not a  
22 resident of this state;

23 R. "person" means any individual, estate, trust,  
24 receiver, cooperative association, club, corporation,  
25 company, firm, partnership, limited liability company, joint

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1 venture, syndicate or other association; "person" also means,  
2 to the extent permitted by law, any federal, state or other  
3 governmental unit or subdivision or agency, department or  
4 instrumentality thereof;

5 S. "resident" means an individual who is  
6 domiciled in this state during any part of the taxable year  
7 or an individual who is physically present in this state for  
8 one hundred eighty-five days or more during the taxable year;  
9 but any individual, other than someone who was physically  
10 present in the state for one hundred eighty-five days or more  
11 during the taxable year, who, on or before the last day of  
12 the taxable year, changed the individual's place of abode to  
13 a place without this state with the bona fide intention of  
14 continuing actually to abide permanently without this state  
15 is not a resident for the purposes of the Income Tax Act for  
16 periods after that change of abode;

17 T. "secretary" means the secretary of taxation  
18 and revenue or the secretary's delegate;

19 U. "state" means any state of the United States,  
20 the District of Columbia, the commonwealth of Puerto Rico,  
21 any territory or possession of the United States or any  
22 political subdivision of a foreign country;

23 V. "state or local bond" means a bond issued by a  
24 state other than New Mexico or by a local government other  
25 than one of New Mexico's political subdivisions, the interest

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1 from which is excluded from income for federal income tax  
2 purposes under Section 103 of the Internal Revenue Code, as  
3 that section may be amended or renumbered;

4 W. "surviving spouse" means "surviving spouse" as  
5 generally defined for federal income tax purposes;

6 X. "taxable income" means net income less any  
7 lump-sum amount;

8 Y. "taxable year" means the calendar year or  
9 fiscal year upon the basis of which the net income is  
10 computed under the Income Tax Act and includes, in the case  
11 of the return made for a fractional part of a year under the  
12 provisions of the Income Tax Act, the period for which the  
13 return is made; and

14 Z. "taxpayer" means any individual subject to the  
15 tax imposed by the Income Tax Act."

16 SECTION 36. Section 7-2-7 NMSA 1978 (being Laws 2005,  
17 Chapter 104, Section 4) is amended to read:

18 "7-2-7. INDIVIDUAL INCOME TAX RATES.--

19 A. Except as provided in Subsection B of this  
20 section, the tax imposed by Section 7-2-3 NMSA 1978 shall be  
21 at the [following rates for any taxable year beginning on or  
22 after January 1, 2008:

23 ~~A. For married individuals filing separate~~  
24 ~~returns:~~

25 ~~If the taxable income is: The tax shall be:~~

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1 ~~Not over \$4,000~~ ~~1.7% of taxable income~~  
2 ~~Over \$ 4,000 but not over \$ 8,000~~ ~~\$ 68.00 plus 3.2% of~~  
3 ~~excess over \$ 4,000~~  
4 ~~Over \$ 8,000 but not over \$ 12,000~~ ~~\$ 196 plus 4.7% of~~  
5 ~~excess over \$ 8,000~~  
6 ~~Over \$ 12,000~~ ~~\$ 384 plus 4.9% of~~  
7 ~~excess over \$ 12,000.~~

8 ~~B. For heads of household, surviving spouses and~~  
9 ~~married individuals filing joint returns:~~

10 ~~If the taxable income is:~~ ~~The tax shall be:~~  
11 ~~Not over \$8,000~~ ~~1.7% of taxable income~~  
12 ~~Over \$ 8,000 but not over \$ 16,000~~ ~~\$ 136 plus 3.2% of~~  
13 ~~excess over \$ 8,000~~  
14 ~~Over \$ 16,000 but not over \$ 24,000~~ ~~\$ 392 plus 4.7% of~~  
15 ~~excess over \$ 16,000~~  
16 ~~Over \$ 24,000~~ ~~\$ 768 plus 4.9% of~~  
17 ~~excess over \$ 24,000.~~

18 ~~C. For single individuals and for estates and~~  
19 ~~trusts:~~

20 ~~If the taxable income is:~~ ~~The tax shall be:~~  
21 ~~Not over \$5,500~~ ~~1.7% of taxable income~~  
22 ~~Over \$ 5,500 but not over \$ 11,000~~ ~~\$ 93.50 plus 3.2% of~~  
23 ~~excess over \$ 5,500~~  
24 ~~Over \$ 11,000 but not over \$ 16,000~~ ~~\$ 269.50 plus 4.7% of~~  
25 ~~excess over \$ 11,000~~

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1 ~~Over \$ 16,000~~ ~~\$ 504.50 plus 4.9% of~~  
2 ~~excess over \$ 16,000]~~

3 rate of two and one-half percent for the following taxpayers:

4 (1) married individuals filing separate  
5 returns who have a taxable income of at least one hundred  
6 forty-one thousand nine hundred seventy-five dollars  
7 (\$141,975);

8 (2) heads of household, surviving spouses  
9 and married individuals filing joint returns who have a  
10 taxable income of at least two hundred eighty-three thousand  
11 nine hundred fifty dollars (\$283,950); and

12 (3) single individuals and estates and  
13 trusts that have a taxable income of at least one hundred  
14 eighty-nine thousand three hundred dollars (\$189,300).

15 B. For taxable years beginning on or after  
16 January 1, 2020 and each subsequent taxable year, the taxable  
17 income amounts in Paragraphs (1) through (3) of Subsection A  
18 of this section shall be adjusted to account for inflation.  
19 The department shall make the adjustment by multiplying the  
20 taxable income amount for the taxable year beginning on or  
21 after January 1, 2018 by a fraction, the numerator of which  
22 is the consumer price index ending in the prior taxable year  
23 and the denominator of which is the consumer price index  
24 ending in 2018. The result of the multiplication shall be  
25 rounded down to the nearest one dollar (\$1.00), except that

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1 if the result would be an amount less than the corresponding  
2 amount for the preceding tax year, then no adjustment shall  
3 be made. For purposes of this subsection, "consumer price  
4 index" means the consumer price index for all urban consumers  
5 published by the United States department of labor for the  
6 month ending September 30. The department shall publish  
7 annually the amount determined by the calculation and post it  
8 to the department's website no later than December 1 of each  
9 tax year.

10 ~~[D-]~~ C. The tax on the sum of any lump-sum  
11 amounts included in net income is an amount equal to five  
12 multiplied by the difference between:

13 (1) the amount of tax due on the taxpayer's  
14 taxable income; and

15 (2) the amount of tax that would be due on  
16 an amount equal to the taxpayer's taxable income and twenty  
17 percent of the taxpayer's lump-sum amounts included in net  
18 income."

19 SECTION 37. A new section of the Income Tax Act is  
20 enacted to read:

21 "[NEW MATERIAL] EXEMPTION--DONATIONS TO CERTAIN  
22 ORGANIZATIONS.--Donations received by an organization that is  
23 exempt from the federal income tax as an organization  
24 described in Section 501(c)(3) of the Internal Revenue Code  
25 are exempt from state income tax."

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1           SECTION 38. Section 7-2C-2 NMSA 1978 (being Laws 1985,  
2 Chapter 106, Section 2, as amended by Laws 2006, Chapter 52,  
3 Section 1 and by Laws 2006, Chapter 53, Section 1) is amended  
4 to read:

5           "7-2C-2. PURPOSE.--

6           A. The purpose of the Tax Refund Intercept  
7 Program Act is to comply with state and federal law:

8                   (1) by enhancing the enforcement of child  
9 support and medical support obligations;

10                   (2) to aid collection of outstanding debts  
11 owed for:

12                           (a) overpayment of public assistance  
13 and overissuance of food stamps;

14                           (b) overpayment of unemployment  
15 compensation benefits and nonpayment of contributions or  
16 payments in lieu of contributions or other amounts due under  
17 the Unemployment Compensation Law;

18                           (c) nonpayment of reimbursements owed  
19 to the uninsured employers' fund under the Workers'  
20 Compensation Act; and

21                           (d) nonpayment of the workers'  
22 compensation fee due under the Workers' Compensation  
23 Administration Act;

24                   (3) to promote repayment of educational  
25 loans;

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1 (4) to aid collection of fines, fees and  
2 costs owed to the district, magistrate and municipal courts;  
3 and

4 (5) to aid collection of fines, fees and  
5 costs owed to the Bernalillo county metropolitan court [~~and~~

6 ~~(6) to aid in the payment to the state~~  
7 ~~investment officer of film production tax credit amounts owed~~  
8 ~~to the state investment officer due to loans made against the~~  
9 ~~credit pursuant to Subsection D of Section 7-27-5.26 NMSA~~  
10 ~~1978~~].

11 B. Efforts to accomplish the purpose of the Tax  
12 Refund Intercept Program Act may be enhanced by establishing  
13 a system to collect debts, in particular, outstanding child  
14 support obligations, educational loans, amounts due under the  
15 Unemployment Compensation Law, the Workers' Compensation Act  
16 and the Workers' Compensation Administration Act, fines, fees  
17 and costs owed to the district, magistrate and municipal  
18 courts [~~film production tax credit amounts owed to the state~~  
19 ~~investment officer~~] and fines, fees and costs owed to the  
20 Bernalillo county metropolitan court, by setting off the  
21 amount of such debts against the state income tax refunds [~~or~~  
22 ~~film production tax credit amounts~~] due the debtors."

23 SECTION 39. Section 7-3-3 NMSA 1978 (being Laws 1961,  
24 Chapter 243, Section 3, as amended) is amended to read:

25 "7-3-3. TAX WITHHELD AT SOURCE.--

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1           A. Every employer who deducts and withholds a  
2 portion of an employee's wages for payment of income tax  
3 under the provisions of the Internal Revenue Code shall  
4 deduct and withhold an amount for each payroll period  
5 computed from a state withholding tax table furnished by the  
6 department; provided:

7                   (1) if the employee instructs the employer  
8 to withhold a greater amount, the employer shall deduct and  
9 withhold the greater amount;

10                   (2) if the employee is not a resident of New  
11 Mexico and is to perform services in New Mexico for fifteen  
12 or fewer days cumulatively during the calendar year, the  
13 employer is not required to deduct and withhold an amount  
14 from that employee's wages; and

15                   (3) if the aggregate monthly amount withheld  
16 under this section would be less than one dollar (\$1.00) for  
17 an employee, the employer shall not be required to deduct and  
18 withhold wages in regard to that employee.

19           B. The department shall devise and furnish a  
20 state withholding tax table based on statutes made and  
21 provided to employers required to withhold amounts under this  
22 section. This table shall be devised to provide for a yearly  
23 aggregate withholding that will approximate the state income  
24 tax and gross receipts tax liability of average taxpayers in  
25 each exemption category and from wages received.

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1           C. If an individual requests in writing that the  
2 payor deduct and withhold an amount from the amount of the  
3 pension or annuity due the individual, the payor making  
4 payment of a pension or annuity to an individual domiciled in  
5 New Mexico shall deduct and withhold the amount requested to  
6 be deducted and withheld; provided that the payor is not  
7 required to deduct and withhold any amount less than ten  
8 dollars (\$10.00) per payment. The written request shall  
9 include the payee's name, current address, taxpayer  
10 identification number and, if applicable, the contract,  
11 policy or account number to which the request applies.

12           D. Every person in New Mexico who is required by  
13 the provisions of the Internal Revenue Code to deduct and  
14 withhold federal tax from payment of winnings that are  
15 subject to withholding shall deduct and withhold from such  
16 payment a tax in an amount equal to six percent of the  
17 winnings, except that an Indian nation, tribe or pueblo or an  
18 agency, department, subdivision or instrumentality thereof is  
19 not required to deduct or withhold from payments made to  
20 members or spouses of members of that Indian nation, tribe or  
21 pueblo."

22           SECTION 40. Section 7-3-9 NMSA 1978 (being Laws 1961,  
23 Chapter 243, Section 11, as amended) is amended to read:

24           "7-3-9. WITHHELD AMOUNTS CREDITED AGAINST TAX.--The  
25 entire amount of income upon which tax was deducted and

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1 withheld shall be included in the gross income of the  
2 withholdee for state income tax and gross receipts tax  
3 purposes. The amount of tax deducted and withheld under the  
4 provisions of the Withholding Tax Act during the taxable year  
5 shall be credited against any state income tax or gross  
6 receipts tax liability for that taxable year."

7 SECTION 41. Section 7-3-13 NMSA 1978 (being Laws 2010,  
8 Chapter 53, Section 7) is amended to read:

9 "7-3-13. WITHHOLDING INFORMATION RETURN REQUIRED--  
10 PENALTY.--

11 A. An employer that has more than fifty employees  
12 and is not required to file an unemployment insurance tax  
13 form with the workforce solutions department or a payor shall  
14 file quarterly a withholding information return with the  
15 department on or before the last day of the month following  
16 the close of the calendar quarter.

17 B. The quarterly withholding information return  
18 required by this section shall contain all information  
19 required by the department, including:

20 (1) each employee's or payee's social  
21 security number;

22 (2) each employee's or payee's name;

23 (3) each employee's or payee's gross wages,  
24 pensions or annuity payments;

25 (4) each employee's or payee's state income

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1 tax or gross receipts tax withheld; and

2 (5) the workers' compensation fees due on  
3 behalf of each employee or payee.

4 C. Each quarterly withholding information return  
5 shall be filed with the department using a department-  
6 approved electronic medium.

7 D. Any employer or payor required to file the  
8 quarterly withholding information return who fails to do so  
9 by the due date or to file the return in accordance with  
10 Subsection C of this section is subject to a penalty in the  
11 amount of fifty dollars (\$50.00)."

12 SECTION 42. Section 7-3A-2 NMSA 1978 (being Laws 2003,  
13 Chapter 86, Section 5, as amended) is amended to read:

14 "7-3A-2. DEFINITIONS.--As used in the Oil and Gas  
15 Proceeds and Pass-Through Entity Withholding 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. "Internal Revenue Code" means the Internal  
21 Revenue Code of 1986, as amended;

22 C. "net income" means, for any pass-through  
23 entity,

24 [~~(1) in the case of an owner that is taxed~~  
25 ~~as a corporation for federal income tax purposes "net income"~~

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1 ~~as defined in the Corporate Income and Franchise Tax Act; and~~  
2 ~~(2) for all other owners]~~ "net income" as  
3 defined in the Income Tax Act;

4 D. "oil and gas" means crude oil, natural gas,  
5 liquid hydrocarbons or any combination thereof, or carbon  
6 dioxide;

7 E. "oil and gas proceeds" means any amount  
8 derived from oil and gas production from any well located in  
9 New Mexico and payable as royalty interest, overriding  
10 royalty interest, production payment interest, working  
11 interest or any other obligation expressed as a right to a  
12 specified interest in the cash proceeds received from the  
13 sale of oil and gas production or in the cash value of that  
14 production, subject to all taxes withheld therefrom pursuant  
15 to law; "oil and gas proceeds" excludes "net profits  
16 interest" and other types of interest the extent of which  
17 cannot be determined with reference to a specified share of  
18 the oil and gas production and excludes any amounts deducted  
19 by the remitter from payments to interest owners or paid by  
20 interest owners to the remitter that are for expenses related  
21 to the production from the well or cessation of production  
22 from the well for which the interest owner is liable;

23 F. "owner" means a partner in a partnership not  
24 taxed as a corporation for federal income tax purposes for  
25 the taxable year, a shareholder of an S corporation or of a

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1 corporation other than an S corporation that is not taxed as  
2 a corporation for federal income tax purposes for the taxable  
3 year, a member of a limited liability company or any similar  
4 person holding an ownership interest in any pass-through  
5 entity [~~"Owner" also means a performing artist to whom~~  
6 ~~payments are due from a personal services business~~];

7 G. "partnership" means a combination of persons,  
8 including a partnership, joint venture, common trust fund,  
9 association, pool or working agreement, or any other  
10 combination of persons that is treated as a partnership for  
11 federal income tax purposes;

12 H. "pass-through entity" means [~~a personal~~  
13 ~~services business or~~] any [~~other~~] business association other  
14 than:

15 (1) a sole proprietorship;

16 (2) an estate or trust that does not  
17 distribute income to beneficiaries;

18 (3) a corporation, limited liability  
19 company, partnership or other entity not a sole  
20 proprietorship taxed as a corporation for federal income tax  
21 purposes for the taxable year;

22 (4) a partnership that is organized as an  
23 investment partnership in which the partners' income is  
24 derived solely from interest, dividends and sales of  
25 securities;

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1 (5) a single member limited liability  
2 company that is treated as a disregarded entity for federal  
3 income tax purposes; or

4 (6) a publicly traded partnership as defined  
5 in Subsection (b) of Section 7704 of the Internal Revenue  
6 Code;

7 I. "person" means an individual, club, company,  
8 cooperative association, corporation, estate, firm, joint  
9 venture, partnership, receiver, syndicate, trust or other  
10 association, limited liability company, limited liability  
11 partnership or gas, water or electric utility owned or  
12 operated by a county or municipality and, to the extent  
13 permitted by law, a federal, state or other governmental unit  
14 or subdivision or an agency, a department or an  
15 instrumentality thereof;

16 [~~J.~~] ~~"personal services business" means a business~~  
17 ~~organization that receives payments for the services of a~~  
18 ~~performing artist for purposes of the film production tax~~  
19 ~~credit;~~

20 ~~K.~~] J. "remittee" means a person that is entitled  
21 to payment of oil and gas proceeds by a remitter; and

22 [~~L.~~] K. "remitter" means a person that pays oil  
23 and gas proceeds to any remittee."

24 SECTION 43. Section 7-3A-3 NMSA 1978 (being Laws 2003,  
25 Chapter 86, Section 6, as amended) is amended to read:

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1 "7-3A-3. WITHHOLDING FROM OIL AND GAS PROCEEDS AND NET  
2 INCOME.--

3 A. Except as otherwise provided in this section,  
4 a remitter shall deduct and withhold from each payment of oil  
5 and gas proceeds being made to a remittee for each quarter an  
6 amount equal to the rate specified in Subsection D of this  
7 section multiplied by the amount prior to withholding that  
8 otherwise would have been payable to the remittee.

9 B. Except as otherwise provided in this section,  
10 a pass-through entity shall deduct and withhold from each  
11 owner's allocable share of net income for that calendar year  
12 an amount equal to the rate specified in Subsection D of this  
13 section multiplied by the owner's allocable share of that net  
14 income, reduced, but not below zero, by the amount required  
15 to be withheld from the owner's allocable share of net income  
16 under Subsection A of this section.

17 C. The obligation to deduct and withhold from  
18 payments or allocable net income as provided in Subsections A  
19 and B of this section does not apply to payments that are  
20 made to:

21 (1) a corporation whose principal place of  
22 business is in New Mexico or an individual who is a resident  
23 of New Mexico;

24 (2) remittees with a New Mexico address as  
25 shown on internal revenue service form 1099-Misc or a

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1 successor form or on a pro forma 1099-Misc or a successor  
2 form for those entities that do not receive an internal  
3 revenue service form 1099-Misc;

4 (3) the United States, this state or any  
5 agency, instrumentality or political subdivision of either;

6 (4) any federally recognized Indian nation,  
7 tribe or pueblo or any agency, instrumentality or political  
8 subdivision thereof; or

9 (5) organizations that have been granted  
10 exemption from the federal income tax by the United States  
11 commissioner of internal revenue as organizations described  
12 in Section 501(c)(3) of the Internal Revenue Code. However,  
13 the obligation to deduct and withhold from payments of  
14 allocable net income to organizations identified in this  
15 paragraph applies if that income constitutes unrelated  
16 business income.

17 D. ~~[Except as provided in Subsection H of this~~  
18 ~~section]~~ The rate of withholding shall be set by a department  
19 directive; provided that the rate may not exceed ~~[the higher~~  
20 ~~of]~~ the maximum bracket rate set by Section 7-2-7 NMSA 1978  
21 for the taxable year ~~[or the maximum bracket rate set by~~  
22 ~~Section 7-2A-5 NMSA 1978 for the taxable year]~~; and provided  
23 further that remitters shall be given ninety days' notice of  
24 a change in the rate.

25 E. If a remitter receives oil and gas proceeds

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1 from which an amount has been deducted and withheld pursuant  
2 to the Oil and Gas Proceeds and Pass-Through Entity  
3 Withholding Tax Act or a pass-through entity has deducted and  
4 withheld an amount pursuant to [~~the Oil and Gas Proceeds and~~  
5 ~~Pass-Through Entity Withholding Tax~~] that act from the  
6 allocable share of net income of an owner that is also a  
7 pass-through entity, the remitter or payee pass-through  
8 entity may take credit for that amount in determining the  
9 amount the remitter or payee pass-through entity must  
10 withhold and deduct pursuant to this section.

11 F. If the amount to be withheld from all payments  
12 to a remittee in a calendar quarter has not exceeded thirty  
13 dollars (\$30.00) and a payment to a remittee is less than ten  
14 dollars (\$10.00), no withholding is required. If the amount  
15 to be withheld from an owner's allocable share of net income  
16 in any calendar year is less than one hundred dollars (\$100),  
17 no withholding is required.

18 G. [~~Except as provided in Subsection H of this~~  
19 ~~section~~] At the option of a remitter or pass-through entity,  
20 a remitter or pass-through entity may agree with a remittee  
21 or an owner that the remittee or owner pay the amount that  
22 the remitter or pass-through entity would have been required  
23 to withhold and remit to the department on behalf of the  
24 remittee or owner pursuant to the Oil and Gas Proceeds and  
25 Pass-Through Entity Withholding Tax Act. The payments by the

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1 remittee or owner shall be remitted on the dates set forth in  
2 Section 7-3A-6 NMSA 1978 on forms and in the manner required  
3 by the department.

4 ~~[H. Excluding wages, a personal services business~~  
5 ~~shall deduct and withhold an amount equal to the owner's~~  
6 ~~allocable share of net income multiplied by the highest rate~~  
7 ~~for single individuals provided in Section 7-2-7 NMSA 1978.~~

8 ~~F.]~~ H. If the remittee or owner is an insurance  
9 company and falls under the provisions of Section 59A-6-6  
10 NMSA 1978, no withholding is required pursuant to this  
11 section."

12 SECTION 44. Section 7-5-2 NMSA 1978 (being Laws 1967,  
13 Chapter 56, Section 2, as amended) is amended to read:

14 "7-5-2. ELECTION OF ALTERNATIVE TAX.--Any person may  
15 elect to pay a tax of three-fourths percent of the person's  
16 annual gross receipts derived from sales in or into New  
17 Mexico in lieu of paying an income tax if:

18 A. ~~[who]~~ the person is required by the Income Tax  
19 Act ~~[or the Corporate Income and Franchise Tax Act]~~ to file a  
20 return;

21 B. ~~[whose]~~ the person's only activities in New  
22 Mexico consist of making sales;

23 C. ~~[who]~~ the person does not own or rent real  
24 estate within the state of New Mexico; and

25 D. ~~[whose]~~ the person's annual gross sales in or

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1 into New Mexico amount to not more than one hundred thousand  
2 dollars (\$100,000) [~~may elect to pay a tax of three-fourths~~  
3 ~~of one percent of his annual gross receipts derived from~~  
4 ~~sales in or into New Mexico in lieu of paying an income~~  
5 ~~tax~~]."

6 SECTION 45. Section 7-9-3 NMSA 1978 (being Laws 1978,  
7 Chapter 46, Section 1, as amended) is amended to read:

8 "7-9-3. DEFINITIONS.--As used in the Gross Receipts and  
9 Compensating Tax Act:

10 A. "buying" or "selling" means a transfer of  
11 property for consideration or the performance of service for  
12 consideration;

13 B. "department" means the taxation and revenue  
14 department, the secretary of taxation and revenue or an  
15 employee of the department exercising authority lawfully  
16 delegated to that employee by the secretary;

17 C. "financial corporation" means a savings and  
18 loan association or an incorporated savings and loan company,  
19 trust company, mortgage banking company, consumer finance  
20 company or other financial corporation;

21 D. "initial use" or "initially used" means the  
22 first employment for the intended purpose and does not  
23 include the following activities:

24 (1) observation of tests conducted by the  
25 performer of services;

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1 (2) participation in progress reviews,  
2 briefings, consultations and conferences conducted by the  
3 performer of services;

4 (3) review of preliminary drafts, drawings  
5 and other materials prepared by the performer of the  
6 services;

7 (4) inspection of preliminary prototypes  
8 developed by the performer of services; or

9 (5) similar activities;

10 E. "leasing" means an arrangement whereby, for a  
11 consideration, property is employed for or by any person  
12 other than the owner of the property, except that the  
13 granting of a license to use property is licensing and is not  
14 a lease;

15 F. "local option gross receipts tax" means a tax  
16 authorized to be imposed by a county or municipality upon the  
17 taxpayer's gross receipts and required to be collected by the  
18 department at the same time and in the same manner as the  
19 gross receipts tax; "local option gross receipts tax"  
20 includes the taxes imposed pursuant to the Municipal Local  
21 Option Gross Receipts Taxes Act, [~~Supplemental Municipal~~  
22 ~~Gross Receipts Tax Act~~] County Local Option Gross Receipts  
23 Taxes Act [~~Local Hospital Gross Receipts Tax Act, County~~  
24 ~~Correctional Facility Gross Receipts Tax Act~~] and such other  
25 acts as may be enacted authorizing counties or municipalities

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1 to impose taxes on gross receipts, which taxes are to be  
2 collected by the department;

3 G. "manufactured home" means a movable or  
4 portable housing structure for human occupancy that exceeds  
5 either a width of eight feet or a length of forty feet  
6 constructed to be towed on its own chassis and designed to be  
7 installed with or without a permanent foundation;

8 H. "manufacturing" means combining or processing  
9 components or materials to increase their value for sale in  
10 the ordinary course of business, but does not include  
11 construction;

12 I. "person" means:

13 (1) an individual, estate, trust, receiver,  
14 cooperative association, club, corporation, company, firm,  
15 partnership, limited liability company, limited liability  
16 partnership, joint venture, syndicate or other entity,  
17 including any gas, water or electric utility owned or  
18 operated by a county, municipality or other political  
19 subdivision of the state; or

20 (2) a national, federal, state, Indian or  
21 other governmental unit or subdivision, or an agency,  
22 department or instrumentality of any of the foregoing;

23 J. "property" means real property, tangible  
24 personal property, licenses other than the licenses of  
25 copyrights, trademarks or patents and franchises. Tangible

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1 personal property includes electricity and manufactured  
2 homes;

3 ~~[K. "research and development services" means an~~  
4 ~~activity engaged in for other persons for consideration, for~~  
5 ~~one or more of the following purposes:~~

6 ~~(1) advancing basic knowledge in a~~  
7 ~~recognized field of natural science;~~

8 ~~(2) advancing technology in a field of~~  
9 ~~technical endeavor;~~

10 ~~(3) developing a new or improved product,~~  
11 ~~process or system with new or improved function, performance,~~  
12 ~~reliability or quality, whether or not the new or improved~~  
13 ~~product, process or system is offered for sale, lease or~~  
14 ~~other transfer;~~

15 ~~(4) developing new uses or applications for~~  
16 ~~an existing product, process or system, whether or not the~~  
17 ~~new use or application is offered as the rationale for~~  
18 ~~purchase, lease or other transfer of the product, process or~~  
19 ~~system;~~

20 ~~(5) developing analytical or survey~~  
21 ~~activities incorporating technology review, application,~~  
22 ~~trade-off study, modeling, simulation, conceptual design or~~  
23 ~~similar activities, whether or not offered for sale, lease or~~  
24 ~~other transfer; or~~

25 ~~(6) designing and developing prototypes or~~

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1 ~~integrating systems incorporating the advances, developments~~  
2 ~~or improvements included in Paragraphs (1) through (5) of~~  
3 ~~this subsection;~~

4 ~~H.]~~ K. "secretary" means the secretary of  
5 taxation and revenue or the secretary's delegate;

6 ~~[M.]~~ L. "service" means all activities engaged in  
7 for other persons for a consideration, which activities  
8 involve predominantly the performance of a service as  
9 distinguished from selling or leasing property. "Service"  
10 includes activities performed by a person for its members or  
11 shareholders. In determining what is a service, the intended  
12 use, principal objective or ultimate objective of the  
13 contracting parties shall not be controlling. "Service"  
14 includes construction activities and all tangible personal  
15 property that will become an ingredient or component part of  
16 a construction project. That tangible personal property  
17 retains its character as tangible personal property until it  
18 is installed as an ingredient or component part of a  
19 construction project in New Mexico. Sales of tangible  
20 personal property that will become an ingredient or component  
21 part of a construction project to persons engaged in the  
22 construction business are sales of tangible personal  
23 property; and

24 ~~[N.]~~ M. "use" or "using" includes use,  
25 consumption or storage other than storage for subsequent sale

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1 in the ordinary course of business or for use solely outside  
2 this state."

3 SECTION 46. Section 7-9-3.3 NMSA 1978 (being Laws 2003,  
4 Chapter 272, Section 4) is amended to read:

5 "7-9-3.3. DEFINITION--ENGAGING IN BUSINESS.--As used in  
6 the Gross Receipts and Compensating Tax Act, "engaging in  
7 business" means carrying on or causing to be carried on any  
8 activity with the purpose of direct or indirect benefit,  
9 [~~except that:~~

10 A. ~~"engaging in business" does not include having~~  
11 ~~a worldwide web site as a third-party content provider on a~~  
12 ~~computer physically located in New Mexico but owned by~~  
13 ~~another nonaffiliated person; and~~

14 B. ~~"engaging in business" does not include using~~  
15 ~~a nonaffiliated third-party call center to accept and process~~  
16 ~~telephone or electronic orders of tangible personal property~~  
17 ~~or licenses primarily from non-New Mexico buyers, which~~  
18 ~~orders are forwarded to a location outside New Mexico for~~  
19 ~~filling, or to provide services primarily to non-New Mexico~~  
20 ~~customers] without regard to having physical presence,~~  
21 including the presence of a representative acting on behalf  
22 of the person, in the state. "Engaging in business" does not  
23 include the activities of a person without physical presence  
24 in this state if the person and the person's affiliates have  
25 less than one hundred thousand dollars (\$100,000) of gross

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1 receipts in the state, based on receipts during the prior  
2 calendar year. As used in this subsection, "affiliate" means  
3 a business entity that, directly or indirectly, through one  
4 or more intermediaries controls, is controlled by or is under  
5 common control with another business entity."

6 SECTION 47. Section 7-9-3.5 NMSA 1978 (being Laws 2003,  
7 Chapter 272, Section 3, as amended) is amended to read:

8 "7-9-3.5. DEFINITION--GROSS RECEIPTS.--

9 A. As used in the Gross Receipts and Compensating  
10 Tax Act:

11 (1) "gross receipts" means the total amount  
12 of money or the value of other consideration received from  
13 selling property in New Mexico, from leasing or licensing  
14 property employed in New Mexico, from granting a right to use  
15 a franchise employed in New Mexico, from selling services  
16 performed outside New Mexico, the product of which is  
17 initially used in New Mexico, or from performing services in  
18 New Mexico. In an exchange in which the money or other  
19 consideration received does not represent the value of the  
20 property or service exchanged, "gross receipts" means the  
21 reasonable value of the property or service exchanged;

22 (2) "gross receipts" includes:

23 (a) any receipts from sales of  
24 tangible personal property handled on consignment;

25 (b) the total commissions or fees

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1 derived from the business of buying, selling or promoting the  
2 purchase, sale or lease, as an agent or broker on a  
3 commission or fee basis, of any property, service, stock,  
4 bond or security;

5 (c) amounts paid by members of any  
6 cooperative association or similar organization for sales or  
7 leases of personal property or performance of services by  
8 such organization;

9 (d) amounts received from transmitting  
10 messages or conversations by persons providing telephone or  
11 telegraph services;

12 (e) 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 the New Mexico florist that  
16 are filled and delivered outside New Mexico by an out-of-  
17 state florist; and

18 (f) the receipts of a home service  
19 provider from providing mobile telecommunications services to  
20 customers whose place of primary use is in New Mexico if: 1)  
21 the mobile telecommunications services originate and  
22 terminate in the same state, regardless of where the services  
23 originate, terminate or pass through; and 2) the charges for  
24 mobile telecommunications services are billed by or for a  
25 customer's home service provider and are deemed provided by

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1 the home service provider. For the purposes of this section,  
2 "home service provider", "mobile telecommunications  
3 services", "customer" and "place of primary use" have the  
4 meanings given in the federal Mobile Telecommunications  
5 Sourcing Act; and

6 (3) "gross receipts" excludes:

7 (a) cash discounts allowed and taken;

8 (b) New Mexico gross receipts tax and  
9 governmental gross receipts tax [~~and leased vehicle gross~~  
10 ~~receipts tax~~] payable on transactions for the reporting  
11 period;

12 (c) taxes imposed pursuant to the  
13 provisions of any local option gross receipts tax that is  
14 payable on transactions for the reporting period;

15 (d) any gross receipts or sales taxes  
16 imposed by an Indian nation, tribe or pueblo; provided that  
17 the tax is approved, if approval is required by federal law  
18 or regulation, by the secretary of the interior of the United  
19 States; and provided further that the gross receipts or sales  
20 tax imposed by the Indian nation, tribe or pueblo provides a  
21 reciprocal exclusion for gross receipts, sales or gross  
22 receipts-based excise taxes imposed by the state or its  
23 political subdivisions;

24 (e) any type of time-price  
25 differential; and

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1 (f) amounts received solely on behalf  
2 of another in a disclosed agency capacity [~~and~~

3 ~~(g) amounts received by a New Mexico~~  
4 ~~florist from the sale of flowers, plants or other products~~  
5 ~~that are customarily sold by florists where the sale is made~~  
6 ~~pursuant to orders placed with an out-of-state florist for~~  
7 ~~filling and delivery in New Mexico by a New Mexico florist].~~

8 B. When the sale of property or service is made  
9 under any type of charge, conditional or time-sales contract  
10 or the leasing of property is made under a leasing contract,  
11 the seller or lessor may elect to treat all receipts,  
12 excluding any type of time-price differential, under such  
13 contracts as gross receipts as and when the payments are  
14 actually received. If the seller or lessor transfers the  
15 seller's or lessor's interest in any such contract to a third  
16 person, the seller or lessor shall pay the gross receipts tax  
17 upon the full sale or leasing contract amount, excluding any  
18 type of time-price differential."

19 SECTION 48. Section 7-9-4 NMSA 1978 (being Laws 1966,  
20 Chapter 47, Section 4, as amended) is amended to read:

21 "7-9-4. IMPOSITION AND RATE OF TAX--DENOMINATION AS  
22 "GROSS RECEIPTS TAX".--

23 A. For the privilege of engaging in business, an  
24 excise tax equal to [~~five and one-eighth~~] one percent of  
25 gross receipts is imposed on any person engaging in business

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1 in New Mexico, except as provided in Subsection B of this  
2 section. [~~B-~~] The tax imposed by this section shall be  
3 referred to as the "gross receipts tax".

4 B. On July 1, 2020, 2021 and 2022, the department  
5 shall adjust the gross receipts tax rate to ensure that  
6 revenue from the tax exceeds the previous fiscal year's  
7 budget by no more than three percent and no less than one and  
8 one-half percent. The department, in consultation with the  
9 department of finance and administration and the legislative  
10 finance committee, shall estimate the revenue for fiscal  
11 years 2020, 2021 and 2022 no later than May 1 of those  
12 years."

13 **SECTION 49.** Section 7-9-4.3 NMSA 1978 (being Laws 1991,  
14 Chapter 8, Section 2, as amended by Laws 1993, Chapter 332,  
15 Section 1 and by Laws 1993, Chapter 352, Section 1) is  
16 amended to read:

17 "7-9-4.3. IMPOSITION AND RATE OF TAX--DENOMINATION AS  
18 "GOVERNMENTAL GROSS RECEIPTS TAX".--For the privilege of  
19 engaging in certain activities by governments, there is  
20 imposed on every agency, institution, instrumentality or  
21 political subdivision of the state, except any school  
22 district and any entity licensed by the department of health  
23 that is principally engaged in providing health care  
24 services, an excise tax of [~~five~~] one percent of governmental  
25 gross receipts. The tax imposed by this section shall be

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1 referred to as the "governmental gross receipts tax".

2 SECTION 50. 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 TAX".--

6 A. For the privilege of using tangible property  
7 in New Mexico, there is imposed on the person using the  
8 property an excise tax equal to [~~five and one eighth~~] two  
9 percent of the value of tangible property that was:

10 (1) manufactured by the person using the  
11 property in the state;

12 (2) acquired inside or outside of this state  
13 as the result of a transaction with a person located outside  
14 this state that would have been subject to the gross receipts  
15 tax had the tangible personal property been acquired from a  
16 person with nexus with New Mexico; or

17 (3) acquired as the result of a transaction  
18 that was not initially subject to the compensating tax  
19 imposed by Paragraph (2) of this subsection or the gross  
20 receipts tax but which transaction, because of the buyer's  
21 subsequent use of the property, should have been subject to  
22 the compensating tax imposed by Paragraph (2) of this  
23 subsection or the gross receipts tax.

24 B. For the purpose of Subsection A of this  
25 section, value of tangible property shall be the adjusted

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1 basis of the property for federal income tax purposes  
2 determined as of the time of acquisition or introduction into  
3 this state or of conversion to use, whichever is later. If  
4 no adjusted basis for federal income tax purposes is  
5 established for the property, a reasonable value of the  
6 property shall be used.

7 C. For the privilege of using services rendered  
8 in New Mexico, there is imposed on the person using such  
9 services an excise tax equal to [~~five~~] one percent of the  
10 value of the services at the time they were rendered. The  
11 services, to be taxable under this subsection, must have been  
12 rendered as the result of a transaction that was not  
13 initially subject to the gross receipts tax but which  
14 transaction, because of the buyer's subsequent use of the  
15 services, should have been subject to the gross receipts tax.

16 D. The tax imposed by this section shall be  
17 referred to as the "compensating tax".

18 SECTION 51. Section 7-9-13.2 NMSA 1978 (being Laws  
19 1992, Chapter 100, Section 3, as amended) is amended to read:

20 "7-9-13.2. EXEMPTION--GOVERNMENTAL GROSS RECEIPTS TAX--  
21 RECEIPTS SUBJECT TO CERTAIN OTHER TAXES.--Exempted from the  
22 governmental gross receipts tax are receipts from  
23 transactions involving tangible personal property or services  
24 on which receipts or transactions the gross receipts tax,  
25 compensating tax, [~~motor vehicle excise tax~~] gasoline tax,

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1 ~~[special fuel tax]~~ special fuel excise tax, oil and gas  
2 emergency school tax, resources tax, processors tax or  
3 service tax ~~[or the excise tax imposed under Section~~  
4 ~~66-12-6.1 NMSA 1978]~~ is imposed."

5 SECTION 52. Section 7-9-78.1 NMSA 1978 (being Laws  
6 1999, Chapter 231, Section 4) is amended to read:

7 "7-9-78.1. DEDUCTION--COMPENSATING TAX--URANIUM  
8 ENRICHMENT PLANT EQUIPMENT.--Prior to July 1, 2034, the value  
9 of equipment and replacement parts for that equipment may be  
10 deducted in computing the compensating tax due if the person  
11 uses the equipment and replacement parts to enrich uranium in  
12 a uranium enrichment plant."

13 SECTION 53. Section 7-9-90 NMSA 1978 (being Laws 1999,  
14 Chapter 231, Section 3, as amended) is amended to read:

15 "7-9-90. DEDUCTIONS--GROSS RECEIPTS TAX--SALES OF  
16 URANIUM HEXAFLUORIDE AND ENRICHMENT OF URANIUM.--

17 A. Prior to July 1, 2034, receipts from selling  
18 uranium hexafluoride and from providing the service of  
19 enriching uranium may be deducted from gross receipts.

20 B. The department shall annually report to the  
21 revenue stabilization and tax policy committee aggregate  
22 amounts of deductions taken pursuant to this section, the  
23 number of taxpayers claiming the deduction and any other  
24 information that is necessary to determine that the deduction  
25 is performing a purpose that is beneficial to the state.

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1 C. A taxpayer deducting gross receipts pursuant  
2 to this section shall report the amount deducted separately  
3 and attribute the amount of the deduction to the  
4 authorization provided in this section in a manner required  
5 by the department that facilitates the evaluation by the  
6 legislature for the benefit to the state of this deduction."

7 SECTION 54. Section 7-9-110.1 NMSA 1978 (being Laws  
8 2011, Chapter 60, Section 1 and Laws 2011, Chapter 61,  
9 Section 1) is amended to read:

10 "7-9-110.1. DEDUCTION--GROSS RECEIPTS TAX--COMPENSATING  
11 TAX--LOCOMOTIVE ENGINE FUEL.--

12 A. Prior to July 1, 2034, receipts from the sale  
13 of fuel to a common carrier to be loaded or used in a  
14 locomotive engine may be deducted from gross receipts.

15 B. Prior to July 1, 2034, the value of fuel to be  
16 loaded or used by a common carrier in a locomotive engine may  
17 be deducted in computing the compensating tax due. To be  
18 eligible for the deduction provided by this subsection, a  
19 common carrier shall deliver an appropriate nontaxable  
20 transaction certificate to the seller and the sale shall be  
21 made to a common carrier that, on or after July 1, 2012, made  
22 a capital investment of fifty million dollars (\$50,000,000)  
23 or more in new railroad infrastructure improvements,  
24 including railroad facilities, track, signals and supporting  
25 railroad network, located in New Mexico; provided that the

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1 new railroad infrastructure improvements are not required by  
2 a regulatory agency to correct problems, such as regular or  
3 preventative maintenance, specifically identified by that  
4 agency as requiring necessary corrective action.

5 C. The purpose of the deductions provided by this  
6 section is to encourage the construction, renovation,  
7 maintenance and operation of railroad locomotive refueling  
8 facilities and other railroad capital investments in New  
9 Mexico. To be eligible for the deduction provided by this  
10 section, the fuel shall be used or loaded by a common carrier  
11 that, on or after July 1, 2012, made a capital investment of  
12 fifty million dollars (\$50,000,000) or more in new railroad  
13 infrastructure improvements, including railroad facilities,  
14 track, signals and supporting railroad network, located in  
15 New Mexico; provided that the new railroad infrastructure  
16 improvements are not required by a regulatory agency to  
17 correct problems, such as regular or preventive maintenance,  
18 specifically identified by that agency as requiring necessary  
19 corrective action.

20 D. The economic development department shall  
21 promulgate rules for the issuance of a certificate of  
22 eligibility for the purposes of claiming a deduction on fuel  
23 loaded or used by a common carrier in a locomotive engine  
24 from gross receipts or compensating tax. A common carrier  
25 may request a certificate of eligibility from the economic

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1 development department to provide to the taxation and revenue  
2 department to establish eligibility for a nontaxable  
3 transaction certificate for the deduction on fuel loaded or  
4 used by a common carrier in a locomotive engine from gross  
5 receipts. The taxation and revenue department shall issue  
6 nontaxable transaction certificates to a common carrier upon  
7 the presentation of a certificate of eligibility obtained  
8 from the economic development department pursuant to this  
9 subsection.

10 E. The economic development department shall keep  
11 a record of temporary and permanent jobs from all railroad  
12 activity where a capital investment is made by a common  
13 carrier that claims a deduction on fuel loaded or used by a  
14 common carrier in a locomotive engine from gross receipts tax  
15 or from compensating tax. The economic development  
16 department and the taxation and revenue department shall  
17 estimate the amount of state revenue that is attributable to  
18 all railroad activity where a capital investment is made by a  
19 common carrier that claims a deduction on fuel loaded or used  
20 by a common carrier in a locomotive engine from gross  
21 receipts tax or from compensating tax.

22 F. The economic development department and the  
23 taxation and revenue department shall compile an annual  
24 report with the number of taxpayers who claim a deduction on  
25 fuel loaded or used by a common carrier in a locomotive

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1 engine from gross receipts tax and from compensating tax, the  
2 number of jobs created as a result of that deduction, the  
3 amount of deduction taken, the net revenue to the state as a  
4 result of that deduction and any other information required  
5 by the legislature to aid in evaluating the effectiveness of  
6 that deduction. To be eligible for a deduction pursuant to  
7 this section, a taxpayer shall provide the departments with  
8 the information required to compile the report. The  
9 departments shall present the report before the revenue  
10 stabilization and tax policy committee by November of each  
11 year.

12           G. For the purposes of this section, "locomotive  
13 engine" means a wheeled vehicle consisting of a  
14 self-propelled engine that is used to draw trains along  
15 railway tracks."

16           **SECTION 55.** A new section of the Gross Receipts and  
17 Compensating Tax Act is enacted to read:

18           "[NEW MATERIAL] EXEMPTION--GROSS RECEIPTS--DONATIONS TO  
19 CERTAIN ORGANIZATIONS.--Exempted from the gross receipts tax  
20 are the receipts of donations to an organization that is  
21 exempt from the federal income tax as an organization  
22 described in Section 501(c)(3) of the Internal Revenue Code  
23 of 1986, as amended or renumbered."

24           **SECTION 56.** A new section of the Gross Receipts and  
25 Compensating Tax Act is enacted to read:

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1           "[NEW MATERIAL] CREDIT--REFUND--GROSS RECEIPTS.--

2           A. A New Mexico resident who files a gross  
3 receipts tax return or on whose behalf wages are withheld  
4 pursuant to the Withholding Tax Act or Gross Receipts and  
5 Compensating Tax Act may, by April 15 of each calendar year,  
6 claim a credit in the appropriate amount shown in the  
7 following table against gross receipts tax paid during the  
8 previous calendar year and based upon the claimant's  
9 percentage of income for federal purposes and adjusted for  
10 family size for the previous federal income tax period in  
11 relation to the federal poverty guidelines as defined by the  
12 United States census bureau. Income for federal purposes,  
13 adjusted for family size, as a percentage of federal poverty  
14 guidelines, is:

15	Over:	But Not Over:	Tax Credit Is:
16	0%	100%	1.64 x gross receipts tax paid
17	100%	110%	1.50 x gross receipts tax paid
18	110%	120%	1.36 x gross receipts tax paid
19	120%	130%	1.21 x gross receipts tax paid
20	130%	140%	1.07 x gross receipts tax paid
21	140%	150%	0.93 x gross receipts tax paid
22	150%	160%	0.79 x gross receipts tax paid
23	160%	170%	0.64 x gross receipts tax paid
24	170%	180%	0.50 x gross receipts tax paid
25	180%	190%	0.36 x gross receipts tax paid

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1       190%           200%                   0.21 x gross receipts tax paid  
2       200%           210%                   0.07 x gross receipts tax paid.

3                   B. The tax credit provided for in this section  
4 shall first be deducted from the taxpayer's gross receipts  
5 tax liability. If the tax credit exceeds the taxpayer's  
6 gross receipts tax liability, the excess shall be refunded to  
7 the taxpayer. The credit shall not be transferred to another  
8 taxpayer.

9                   C. The taxpayer shall claim the refund in a form  
10 provided by the department. The department shall refund the  
11 amount of the credit in excess of the gross receipts tax  
12 liability within one hundred twenty days after the date the  
13 taxpayer claimed the credit.

14                   D. A taxpayer who is or may be claimed as a  
15 dependent pursuant to the Internal Revenue Code of 1986 shall  
16 not claim the credit provided by this section. In no event  
17 shall the department allow a person who is or may be claimed  
18 as a dependent pursuant to the Internal Revenue Code of 1986  
19 to claim the credit provided by this section.

20                   E. For purposes of this section, a person who  
21 filed a joint federal income tax return with the person's  
22 spouse for the preceding taxable year shall be deemed to have  
23 an income for federal purposes for that taxable year equal to  
24 one-half of the income for federal purposes reported on the  
25 joint return."

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1           SECTION 57. Section 7-19D-9 NMSA 1978 (being Laws 1978,  
2 Chapter 151, Section 1, as amended) is repealed and a new  
3 Section 7-19D-9 NMSA 1978 is enacted to read:

4           "7-19D-9. [NEW MATERIAL] MUNICIPAL GROSS RECEIPTS TAX--  
5 AUTHORITY TO IMPOSE RATE.--

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 one-half 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 five-hundredths percent or any  
12 multiple of five-hundredths percent.

13           B. The tax imposed pursuant to this section may  
14 be referred to as the "municipal gross receipts tax".

15           C. The governing body of a municipality may, at  
16 the time of enacting an ordinance imposing the municipal  
17 gross receipts tax, dedicate the revenue for a specific  
18 purpose or area of municipal government services. If the  
19 governing body proposes to dedicate such revenue, the  
20 ordinance and, if any election is held, the ballot shall  
21 clearly state the purpose to which the revenue will be  
22 dedicated, and any revenue so dedicated shall be used by the  
23 municipality for that purpose unless a subsequent ordinance  
24 is adopted to change the purpose to which the revenue is  
25 dedicated or to place the revenue in the general fund of the

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1 municipality.

2 D. Ordinances enacted by a governing body of a  
3 municipality that, in the aggregate, impose increments less  
4 than or equal to twenty-five hundredths percent shall not be  
5 subject to referendum.

6 E. Except as provided in Subsection D of this  
7 section, an ordinance imposing an increment of the municipal  
8 gross receipts tax shall not go into effect until after an  
9 election is held and a majority of the voters of the  
10 municipality voting in the election votes in favor of  
11 imposing the tax. The governing body shall adopt a  
12 resolution calling for an election on the question of  
13 imposing the tax at the next regular municipal election. The  
14 question shall be submitted to the voters of the municipality  
15 as a separate question. If the question of imposing the tax  
16 fails, the governing body shall not again propose the  
17 imposition of any increment of the tax for a period of one  
18 year from the date of the election."

19 SECTION 58. Section 7-20E-9 NMSA 1978 (being Laws 1983,  
20 Chapter 213, Section 30, as amended) is repealed and a new  
21 Section 7-20E-9 NMSA 1978 is enacted to read:

22 "7-20E-9. [NEW MATERIAL] COUNTY GROSS RECEIPTS TAX--  
23 AUTHORITY TO IMPOSE RATE.--

24 A. The majority of the members of the governing  
25 body of a county may impose by ordinance an excise tax at a

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underscoring material = new  
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1 rate not to exceed one-half percent of the gross receipts of  
2 a person engaging in business in the county or county area  
3 for the privilege of engaging in business. The tax may be  
4 imposed in an increment of five-hundredths percent or any  
5 multiple of five-hundredths percent.

6 B. The tax imposed pursuant to this section may  
7 be referred to as the "county gross receipts tax".

8 C. The governing body of a county may, at the  
9 time of enacting an ordinance imposing the county gross  
10 receipts tax, dedicate the revenue for a specific purpose or  
11 area of county government services. If the governing body  
12 proposes to dedicate such revenue, the ordinance and, if any  
13 election is held, the ballot shall clearly state the purpose  
14 to which the revenue will be dedicated, and any revenue so  
15 dedicated shall be used by the county for that purpose unless  
16 a subsequent ordinance is adopted to change the purpose to  
17 which the revenue is dedicated or to place the revenue in the  
18 general fund of the county.

19 D. Ordinances enacted by a governing body of a  
20 county that, in the aggregate, impose increments less than or  
21 equal to twenty-five hundredths percent shall not be subject  
22 to referendum.

23 E. Except as provided in Subsection D of this  
24 section, an ordinance imposing an increment of the county  
25 gross receipts tax shall not go into effect until after an

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1 election is held and a simple majority of the qualified  
2 electors of the county or county area, as appropriate, voting  
3 in the election votes in favor of imposing the tax. The  
4 governing body shall adopt a resolution calling for an  
5 election within seventy-five days of the date that the  
6 ordinance is adopted on the question of imposing the tax.  
7 The question may be submitted to the qualified electors and  
8 voted upon as a separate question in a general election or in  
9 any special election called for that purpose by the governing  
10 body. A special election upon the question shall be called,  
11 held, conducted and canvassed in substantially the same  
12 manner as provided by law for general elections. If the  
13 question of imposing the tax fails, the governing body shall  
14 not again propose the tax for a period of one year after the  
15 election. A certified copy of any ordinance imposing the tax  
16 shall be mailed to the department within five days after the  
17 ordinance is adopted in any election called for that  
18 purpose."

19 SECTION 59. Section 7-27-5.26 NMSA 1978 (being Laws  
20 2000 (2nd S.S.), Chapter 6, Section 2, as amended) is amended  
21 to read:

22 "7-27-5.26. INVESTMENT IN FILMS TO BE PRODUCED IN  
23 NEW MEXICO.--

24 A. No more than six percent of the market value  
25 of the severance tax permanent fund may be invested in New

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1 Mexico film private equity funds or a New Mexico film project  
2 under this section.

3 B. If an investment is made under this section,  
4 not more than fifteen million dollars (\$15,000,000) of the  
5 amount authorized for investment pursuant to Subsection A of  
6 this section shall be invested in any one New Mexico film  
7 private equity fund or any one New Mexico film project.

8 C. The state investment officer shall make  
9 investments pursuant to this section only upon approval of  
10 the council after a review by the New Mexico film division of  
11 the economic development department. The state investment  
12 officer may make debt or equity investments pursuant to this  
13 section only in New Mexico film projects or New Mexico film  
14 private equity funds that invest only in film projects that:

15 (1) are filmed wholly or substantially in  
16 New Mexico;

17 (2) have shown to the satisfaction of the  
18 New Mexico film division that a distribution contract is in  
19 place with a reputable distribution company;

20 (3) have agreed that, while filming in New  
21 Mexico, a majority of the production crew will be New Mexico  
22 residents;

23 (4) have posted a completion bond that has  
24 been approved by the New Mexico film division; provided that  
25 a completion bond shall not be required if the fund or

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1 project is guaranteed pursuant to Paragraph (5) of this  
2 subsection; and

3 (5) have obtained a full, unconditional and  
4 irrevocable guarantee of repayment of the invested amount in  
5 favor of the severance tax permanent fund:

6 (a) from an entity that has a credit  
7 rating of not less than Baa or BBB by a national rating  
8 agency;

9 (b) from a substantial subsidiary of  
10 an entity that has a credit rating of not less than Baa or  
11 BBB by a national rating agency;

12 (c) by providing a full, unconditional  
13 and irrevocable letter of credit from a United States  
14 incorporated bank with a credit rating of not less than A by  
15 a national rating agency; or

16 (d) from a substantial and solvent  
17 entity as determined by the council in accordance with its  
18 standards and practices; or

19 (6) if not guaranteed pursuant to Paragraph  
20 (5) of this subsection, have obtained no less than one-third  
21 of the estimated total production costs from other sources as  
22 approved by the state investment officer.

23 ~~[D. The state investment officer may loan at a~~  
24 ~~market rate of interest, with respect to an eligible New~~  
25 ~~Mexico film project, up to eighty percent of an expected and~~

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1 ~~estimated film production tax credit available to a film~~  
2 ~~production company pursuant to the provisions of Section~~  
3 ~~7-2F-1 NMSA 1978; provided that the film production company~~  
4 ~~agrees to name the state investment officer as its agent for~~  
5 ~~the purpose of filing an application for the film production~~  
6 ~~tax credit to which the company is entitled if the company~~  
7 ~~does not apply for the film production tax credit. The New~~  
8 ~~Mexico film division of the economic development department~~  
9 ~~shall determine the estimated amount of a film production tax~~  
10 ~~credit. The council shall establish guidelines for the state~~  
11 ~~investment officer's initiation of a loan and the terms of~~  
12 ~~the loan.~~

13 ~~E.]~~ D. As used in this section:

14 (1) "film project" means a single ~~[media]~~  
15 medium or multimedia program, including advertising messages,  
16 fixed on film, videotape, computer disc, laser disc or other  
17 similar delivery medium from which the program can be viewed  
18 or reproduced and that is intended to be exhibited in  
19 theaters; licensed for exhibition by individual television  
20 stations, groups of stations, networks, cable television  
21 stations or other means; or licensed for the home viewing  
22 market; and

23 (2) "New Mexico film private equity fund"  
24 means any limited partnership, limited liability company or  
25 corporation organized and operating in the United States

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1 that:

2 (a) has as its primary business  
3 activity the investment of funds in return for equity in film  
4 projects produced wholly or partly in New Mexico;

5 (b) holds out the prospects for  
6 capital appreciation from such investments; and

7 (c) accepts investments only from  
8 accredited investors as that term is defined in Section 2 of  
9 the federal Securities Act of 1933, as amended, and rules  
10 promulgated pursuant to that section."

11 SECTION 60. Section 27-5-6 NMSA 1978 (being Laws 1965,  
12 Chapter 234, Section 6, as amended) is amended to read:

13 "27-5-6. POWERS AND DUTIES OF COUNTIES RELATING TO  
14 INDIGENT CARE.--A county:

15 A. may budget for expenditure on ambulance  
16 services, burial expenses, hospital or medical expenses for  
17 indigent residents of that county and for costs of  
18 development of a countywide or multicounty health plan. The  
19 combined costs of administration and planning shall not  
20 exceed the following percentages of revenues based on the  
21 previous fiscal year revenues for a fund that has existed for  
22 at least one fiscal year or based on projected revenues for  
23 the year being budgeted for a fund that has existed for less  
24 than one fiscal year. The percentage of the revenues in the  
25 fund that may be used for such combined administrative and

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1 planning costs is equal to the sum of the following:

2 (1) ten percent of the amount of the  
3 revenues in the fund not over five hundred thousand dollars  
4 (\$500,000);

5 (2) eight percent of the amount of the  
6 revenues in the fund over five hundred thousand dollars  
7 (\$500,000) but not over one million dollars (\$1,000,000); and

8 (3) four and one-half percent of the amount  
9 of the revenues in the fund over one million dollars  
10 (\$1,000,000);

11 B. may accept contributions of public funds for  
12 county health care services, which shall be deposited in the  
13 fund;

14 C. may hire personnel to carry out the provisions  
15 of the Indigent Hospital and County Health Care Act;

16 ~~[D. shall transfer to the state by the last day~~  
17 ~~of March, June, September and December of each year an amount~~  
18 ~~equal to one-fourth of the county's payment pursuant to~~  
19 ~~Section 16 of this 2014 act. This money shall be deposited~~  
20 ~~in the safety net care pool fund;~~

21 ~~E.]~~ D. shall, in carrying out the provisions of  
22 the Indigent Hospital and County Health Care Act, comply with  
23 the standards of the federal Health Insurance Portability and  
24 Accountability Act of 1996; and

25 ~~[F. may provide for the transfer of money from~~

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1 ~~the fund to the county-supported medicaid fund to meet the~~  
2 ~~requirements of the Statewide Health Care Act; and~~

3           G.] E. may contract with ambulance providers,  
4 hospitals or health care providers for the provision of  
5 services for indigent patients domiciled within the county."

6           **SECTION 61.** Section 27-5-6.1 NMSA 1978 (being Laws  
7 1993, Chapter 321, Section 18, as amended) is amended to  
8 read:

9           "27-5-6.1. SAFETY NET CARE POOL FUND CREATED.--

10           A. The "safety net care pool fund" is created in  
11 the state treasury. The safety net care pool fund, which  
12 shall be administered by the department, shall consist of  
13 public funds [~~provided through intergovernmental transfers~~  
14 ~~from counties or other public entities and transferred from~~  
15 ~~counties pursuant to Section 16 of this 2014 act~~]. Money in  
16 the fund shall be invested by the state treasurer as other  
17 state funds are invested. Any unexpended or unencumbered  
18 balance remaining in the fund at the end of any fiscal year  
19 shall not revert.

20           B. Money in the safety net care pool fund is  
21 appropriated to the department to make payments to qualifying  
22 hospitals. No safety net care pool fund payments or money in  
23 the safety net care pool fund shall be used to supplant any  
24 general fund support for the state medicaid program."

25           **SECTION 62.** Section 27-10-1 NMSA 1978 (being Laws 1991,

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1 Chapter 212, Section 1) is amended to read:

2 "27-10-1. SHORT TITLE.--~~[Sections 1 through 4 of this~~  
3 ~~act]~~ Chapter 27, Article 10 NMSA 1978 may be cited as the  
4 "Statewide Health Care Act"."

5 SECTION 63. Section 27-10-3 NMSA 1978 (being Laws 1991,  
6 Chapter 212, Section 3, as amended) is amended to read:

7 "27-10-3. [~~COUNTY-SUPPORTED~~] MEDICAID FUND CREATED--  
8 USE--APPROPRIATION BY THE LEGISLATURE.--

9 A. There is created in the state treasury the  
10 "[~~county-supported~~] medicaid fund". The fund shall be  
11 invested by the state treasurer as other state funds are  
12 invested. Income earned from investment of the fund shall be  
13 credited to the [~~county-supported~~] medicaid fund. The fund  
14 shall not revert in any fiscal year.

15 B. Money in the [~~county-supported~~] medicaid fund  
16 is subject to appropriation by the legislature to support the  
17 state medicaid program and to institute or support primary  
18 care health care services pursuant to Subsections D and E of  
19 Section 24-1A-3.1 NMSA 1978. Of the amount appropriated each  
20 year, nine percent shall be appropriated to the department of  
21 health to institute or support primary care health care  
22 services pursuant to Subsections D and E of Section 24-1A-3.1  
23 NMSA 1978.

24 C. Up to three percent of the [~~county-supported~~]  
25 medicaid fund each year may be expended for administrative

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1 costs related to medicaid or developing new primary care  
2 health care centers or facilities.

3 D. In the event federal funds for medicaid are  
4 not received by New Mexico for any eighteen-month period, the  
5 unencumbered balance remaining in the ~~[county-supported]~~  
6 medicaid fund and the safety net care pool fund at the end of  
7 the fiscal year following the end of any eighteen-month  
8 period shall be paid within a reasonable time to each county  
9 for deposit in the county health care assistance fund ~~[in~~  
10 ~~proportion to the payments made by each county through tax~~  
11 ~~revenues or transfers in the previous fiscal year as~~  
12 ~~certified by the local government division of the department~~  
13 ~~of finance and administration]~~. The department will provide  
14 for budgeting and accounting of payments to the fund."

15 SECTION 64. Section 53-8-28 NMSA 1978 (being Laws 1975,  
16 Chapter 217, Section 28, as amended) is amended to read:

17 "53-8-28. SHARES OF STOCK AND DIVIDENDS PROHIBITED  
18 ~~[EXEMPTION FROM FRANCHISE TAX].--[A.]~~ A corporation shall not  
19 have or issue shares of stock. No dividend shall be paid and  
20 no part of the income, profit or assets of a corporation  
21 shall be distributed to its members, directors or officers.  
22 A corporation may pay compensation in a reasonable amount to  
23 its members, directors or officers for services rendered and  
24 may confer benefits upon its members in conformity with its  
25 purposes and upon dissolution or final liquidation may make

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1 distributions as permitted by the Nonprofit Corporation Act.

2 ~~[B. A corporation incorporated under the~~  
3 ~~Nonprofit Corporation Act shall not be subject to or required~~  
4 ~~to pay a franchise tax, unless the corporation receives~~  
5 ~~unrelated business income, as that term is defined in the~~  
6 ~~Internal Revenue Code of 1986, as amended.]"~~

7 SECTION 65. Section 53-11-2 NMSA 1978 (being Laws 1967,  
8 Chapter 81, Section 2, as amended) is amended to read:

9 "53-11-2. DEFINITIONS.--As used in the Business  
10 Corporation Act, unless the text otherwise requires:

11 A. "corporation" or "domestic corporation" means  
12 a corporation for profit subject to the provisions of the  
13 Business Corporation Act, except a foreign corporation;

14 B. "foreign corporation" means a corporation for  
15 profit organized under laws other than the laws of this state  
16 for a purpose for which a corporation may be organized under  
17 the Business Corporation Act;

18 C. "articles of incorporation" means the original  
19 or restated articles of incorporation or articles of  
20 consolidation and all amendments thereto, including articles  
21 of merger;

22 D. "shares" means the units into which the  
23 proprietary interests in a corporation are divided;

24 E. "subscriber" means one who subscribes for  
25 shares in a corporation, whether before or after

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1 incorporation;

2 F. "shareholder" means one who is a holder of  
3 record of shares in a corporation;

4 G. "authorized shares" means the shares of all  
5 classes ~~[which]~~ that the corporation is authorized to issue;

6 H. "annual report" means the corporate report  
7 required by the Corporate Reports Act;

8 I. "distribution" means a direct or indirect  
9 transfer of money or other property (except its own shares)  
10 or incurrance of indebtedness, by a corporation to or for the  
11 benefit of any of its shareholders in respect of any of its  
12 shares, whether by dividend or by purchase redemption or  
13 other acquisition of its shares, or otherwise;

14 ~~[J. "franchise tax" means the franchise tax  
15 imposed by the Corporate Income and Franchise Tax Act;~~

16 ~~K.]~~ J. "fees" means the fees imposed by Section  
17 53-2-1 NMSA 1978;

18 ~~[L.]~~ K. "commission" ~~[means the]~~ or "public  
19 regulation commission" ~~[or its delegate]~~ means the secretary  
20 of state or the secretary's designee;

21 ~~[M.]~~ L. "address" means:

22 (1) the mailing address and the street  
23 address, if within a municipality; or

24 (2) the mailing address and a rural route  
25 number and box number, if any, or the geographical location,

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1 using well-known landmarks, if outside a municipality; and

2 [N.] M. "delivery" means:

3 (1) if personally served, the date on which  
4 the documentation is received by the [~~corporations bureau of~~  
5 ~~the~~] commission; and

6 (2) if mailed, the date of the postmark plus  
7 three days, upon proof thereof by the party delivering the  
8 documentation."

9 SECTION 66. Section 58-31-3 NMSA 1978 (being Laws 2005,  
10 Chapter 128, Section 3, as amended) is amended to read:

11 "58-31-3. DEFINITIONS.--As used in the Spaceport  
12 Development Act:

13 A. "authority" means the spaceport authority;

14 B. "project" means any land, building or other  
15 improvements acquired as part of a spaceport or associated  
16 with a spaceport or to aid commerce in connection with a  
17 spaceport and all real and personal property deemed necessary  
18 in connection with the spaceport;

19 C. "revenue" means municipal [~~regional spaceport~~]  
20 gross receipts tax and county [~~regional spaceport~~] gross  
21 receipts tax revenue received from a regional spaceport  
22 district, revenue generated by a project and any other  
23 legally available funds of the authority;

24 D. "space vehicle" means a vehicle capable of  
25 being flown in space or launching a payload into space; and

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1           E. "spaceport" means a facility in New Mexico at  
2 which space vehicles may be launched or landed, including all  
3 facilities and support infrastructure related to launch,  
4 landing or payload processing."

5           **SECTION 67.** Section 58-31-5 NMSA 1978 (being Laws 2005,  
6 Chapter 128, Section 5, as amended) is amended to read:

7           "58-31-5. AUTHORITY POWERS AND DUTIES.--

8           A. The authority shall:

9                   (1) hire an executive director, who shall  
10 employ the necessary professional, technical and clerical  
11 staff to enable the authority to function efficiently and  
12 shall direct the affairs and business of the authority,  
13 subject to the direction of the authority;

14                   (2) be located within fifty miles of a  
15 southwest regional spaceport;

16                   (3) advise the governor, the governor's  
17 staff and the New Mexico finance authority oversight  
18 committee on methods, proposals, programs and initiatives  
19 involving a southwest regional spaceport that may further  
20 stimulate space-related business and employment opportunities  
21 in New Mexico;

22                   (4) initiate, develop, acquire, own,  
23 construct, maintain and lease space-related projects;

24                   (5) make and execute all contracts and other  
25 instruments necessary or convenient to the exercise of its

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1 powers and duties;

2 (6) create programs to expand high-  
3 technology economic opportunities within New Mexico;

4 (7) create avenues of communication among  
5 federal government agencies, the space industry, users of  
6 space launch services and academia concerning space business;

7 (8) promote legislation that will further  
8 the goals of the authority and development of space business;

9 (9) oversee and fund production of  
10 promotional literature related to the authority's goals;

11 (10) identify science and technology trends  
12 that are significant to space enterprise and the state and  
13 act as a clearinghouse for space enterprise issues and  
14 information;

15 (11) coordinate and expedite the involvement  
16 of the state executive branch's space-related development  
17 efforts; and

18 (12) perform environmental, transportation,  
19 communication, land use and other technical studies necessary  
20 or advisable for projects and programs or to secure licensing  
21 by appropriate United States agencies.

22 B. The authority may:

23 (1) advise and cooperate with  
24 municipalities, counties, state agencies and organizations,  
25 appropriate federal agencies and organizations and other

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1 interested persons and groups;

2 (2) solicit and accept federal, state, local  
3 and private grants of funds or property and financial or  
4 other aid for the purpose of carrying out the provisions of  
5 the Spaceport Development Act;

6 (3) adopt rules governing the manner in  
7 which its business is transacted and the manner in which the  
8 powers of the authority are exercised and its duties  
9 performed;

10 (4) operate spaceport facilities, including  
11 acquisition of real property necessary for spaceport  
12 facilities and the filing of necessary documents with  
13 appropriate agencies;

14 (5) construct, purchase, accept donations of  
15 or lease projects located within the state;

16 (6) sell, lease or otherwise dispose of a  
17 project upon terms and conditions acceptable to the authority  
18 and in the best interests of the state;

19 (7) issue revenue bonds and borrow money for  
20 the purpose of defraying the cost of acquiring a project by  
21 purchase or construction and of securing the payment of the  
22 bonds or repayment of a loan;

23 (8) enter into contracts with regional  
24 spaceport districts and issue bonds on behalf of regional  
25 spaceport districts for the purpose of financing the

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1 purchase, construction, renovation, equipping or furnishing  
2 of a regional spaceport or a spaceport-related project;

3 (9) refinance a project;

4 (10) contract with any competent private or  
5 public organization or individual to assist in the  
6 fulfillment of its duties;

7 (11) fix, alter, charge and collect tolls,  
8 fees or rentals and impose any other charges for the use of  
9 or for services rendered by any authority facility, program  
10 or service; and

11 (12) contract with regional spaceport  
12 districts to receive municipal [~~spaceport~~] gross receipts tax  
13 and county [~~regional spaceport~~] gross receipts tax revenues.

14 C. The authority shall not:

15 (1) incur debt as a general obligation of  
16 the state or pledge the full faith and credit of the state to  
17 repay debt; or

18 (2) expend funds or incur debt for the  
19 improvement, maintenance, repair or addition to property  
20 unless it is owned by the authority, the state or a political  
21 subdivision of the state."

22 SECTION 68. Section 58-31-6 NMSA 1978 (being Laws 2005,  
23 Chapter 128, Section 6, as amended) is amended to read:

24 "58-31-6. SPACEPORT AUTHORITY--BONDING AUTHORITY--POWER  
25 TO ISSUE REVENUE BONDS.--

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1           A. The authority may issue revenue bonds on its  
2 own behalf or on behalf of a regional spaceport district, for  
3 regional spaceport purposes and spaceport-related projects.  
4 Revenue bonds so issued may be considered appropriate  
5 investments for the severance tax permanent fund or  
6 collateral for the deposit of public funds if the bonds are  
7 rated not less than "A" by a national rating service and both  
8 the principal and interest of the bonds are fully and  
9 unconditionally guaranteed by a lease agreement executed by  
10 an agency of the United States government or by a corporation  
11 organized and operating within the United States, that  
12 corporation or the long-term debt of that corporation being  
13 rated not less than "A" by a national rating service. All  
14 bonds issued by the authority are legal and authorized  
15 investments for banks, trust companies, savings and loan  
16 associations and insurance companies.

17           B. The authority may pay from the bond proceeds  
18 all expenses, premiums and commissions that the authority  
19 deems necessary or advantageous in connection with the  
20 authorization, sale and issuance of the bonds.

21           C. Authority revenue bonds:

22                   (1) may have interest or appreciated  
23 principal value or any part thereof payable at intervals  
24 determined by the authority;

25                   (2) may be subject to prior redemption or

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1 mandatory redemption at the authority's option at the time  
2 and upon such terms and conditions with or without the  
3 payment of a premium as may be provided by resolution of the  
4 authority;

5 (3) may mature at any time not exceeding  
6 twenty years after the date of issuance if secured by revenue  
7 from ~~[the]~~ a county or municipal ~~[regional-spaceport]~~ gross  
8 receipts tax or thirty years if secured by revenue from other  
9 sources;

10 (4) may be serial in form and maturity;  
11 consist of one or more bonds payable at one time or in  
12 installments; or may be in such other form as determined by  
13 the authority;

14 (5) may be in registered or bearer form or  
15 in book-entry form through facilities of a securities  
16 depository either as to principal or interest or both;

17 (6) shall be sold for cash at, above or  
18 below par and at a price that results in a net effective  
19 interest rate that conforms to the Public Securities Act; and

20 (7) may be sold at public or negotiated  
21 sale.

22 D. Subject to the approval of the state board of  
23 finance, the authority may enter into other financial  
24 arrangements if it determines that the arrangements will  
25 assist the authority."

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1           SECTION 69. TEMPORARY PROVISION--OUTSTANDING REVENUE

2 BONDS AND LOAN GUARANTEES.--

3           A. The repeal of certain taxes made in this act  
4 shall not impair outstanding revenue bonds or loan guarantees  
5 that are secured by a pledge of those taxes.

6           B. If a municipality or county has issued a  
7 revenue bond or made a loan guarantee that is secured by a  
8 pledge of any tax being repealed by Section 73 of this act,  
9 the municipality or county shall:

10                   (1) enact an ordinance imposing an increment  
11 of the municipal gross receipts tax or county gross receipts  
12 tax, as applicable, that is transferred to the municipality  
13 pursuant to Section 7-1-6.12 NMSA 1978 or the county pursuant  
14 to Section 7-1-6.13 NMSA 1978 and will result in the amount  
15 of revenue necessary to make the required bond debt service  
16 payments or loan guarantee payments, as determined by the  
17 department of finance and administration and the taxation and  
18 revenue department; and

19                   (2) pledge the increment imposed pursuant to  
20 Paragraph (1) of this subsection to the payment of the  
21 revenue bond or loan guarantee until the revenue bond or loan  
22 guarantee has been discharged in full or provision has been  
23 fully made therefor.

24           C. Notwithstanding the provisions of Sections  
25 7-19D-9 and 7-20E-9 NMSA 1978, an ordinance enacted pursuant

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1 to Paragraph (1) of Subsection B of this section shall not be  
2 subject to referendum.

3 SECTION 70. TEMPORARY PROVISION--AMNESTY FOR INTEREST  
4 AND PENALTIES IMPOSED ON CERTAIN TAXES OWED.--Notwithstanding  
5 the provisions of Sections 7-1-67 and 7-1-69 NMSA 1978 and  
6 prior to July 1, 2020, no interest or penalty shall be  
7 assessed for nonpayment of a tax if that tax was due prior to  
8 January 1, 2019; provided that the taxpayer pays the tax on  
9 or before July 1, 2020 and the taxation and revenue  
10 department has not issued a notice of commencement of an  
11 audit to the taxpayer pursuant to Section 7-1-11.2 NMSA 1978  
12 before the tax is paid.

13 SECTION 71. TEMPORARY PROVISION--REFERENCES IN LAW.--  
14 All references in law to the county-supported medicaid fund  
15 shall be deemed to be references to the medicaid fund.

16 SECTION 72. TEMPORARY PROVISION--EXHAUSTION OF  
17 CREDITS.--

18 A. If a taxpayer has met the eligibility  
19 requirements to apply for and claim a tax credit being  
20 repealed by Section 74 of this act for a period prior to the  
21 effective date of this act, the taxpayer may claim, and the  
22 taxation and revenue department may approve, the credit for  
23 those periods, including amounts that may be carried forward  
24 pursuant to those sections as they were in effect prior to  
25 the effective date of this act.

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1           B. If a taxpayer has claimed and been awarded a  
2 tax credit being repealed by Section 74 of this act but a  
3 portion of the credit claimed remains unused, the taxpayer  
4 may claim the unused portion, including amounts that could  
5 have been carried forward pursuant to those sections being  
6 repealed as they were in effect prior to the effective date  
7 of this act.

8           **SECTION 73. REPEAL.--**

9           A. Section 5-15-21 NMSA 1978 (being Laws 2006,  
10 Chapter 75, Section 21, as amended) is repealed.

11           B. Sections 5-15A-1 through 5-15A-3 NMSA 1978  
12 (being Laws 2007, Chapter 310, Section 1 and Laws 2007,  
13 Chapter 313, Section 1; Laws 2007, Chapter 310, Section 2 and  
14 Laws 2007, Chapter 313, Section 2; and Laws 2007, Chapter  
15 310, Section 3 and Laws 2007, Chapter 313, Section 3) are  
16 repealed.

17           C. Section 5-16-13 NMSA 1978 (being Laws 2006,  
18 Chapter 15, Section 13) is repealed.

19           D. Section 6-21-5.1 NMSA 1978 (being Laws 1998,  
20 Chapter 65, Section 1) is repealed.

21           E. Sections 7-1-6.4, 7-1-6.46, 7-1-6.47,  
22 7-1-6.52, 7-1-6.57, 7-1-6.60 and 7-1-69.2 NMSA 1978 (being  
23 Laws 1983, Chapter 211, Section 9, Laws 2004, Chapter 116,  
24 Sections 1 and 2, Laws 2005, Chapter 104, Section 1, Laws  
25 2007, Chapter 361, Section 1, Laws 2010, Chapter 31, Section

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1 2 and Laws 2016 (2nd S.S.), Chapter 3, Section 3, as amended)  
2 are repealed.

3 F. Sections 7-2A-1 through 7-2A-28 NMSA 1978  
4 (being Laws 1981, Chapter 37, Section 34, Laws 1986, Chapter  
5 20, Section 33, Laws 1981, Chapter 37, Sections 36 through  
6 38, Laws 1986, Chapter 20, Section 37, Laws 1981, Chapter 37,  
7 Sections 39 through 41, Laws 1983, Chapter 213, Sections 12  
8 and 13, Laws 1984, Chapter 34, Section 2, Laws 1998, Chapter  
9 97, Section 3, Laws 2003, Chapter 331, Section 8, Laws 1981,  
10 Chapter 37, Section 42, Laws 1986, Chapter 5, Section 1, Laws  
11 1990, Chapter 23, Section 2, Laws 1981, Chapter 37, Sections  
12 43 through 46, Laws 1983, Chapter 218, Section 1, Laws 1994,  
13 Chapter 115, Section 2, Laws 1997, Chapter 58, Section 1,  
14 Laws 2003, Chapter 400, Section 2, Laws 2001, Chapter 73,  
15 Section 2, Laws 2002, Chapter 59, Section 1, Laws 2007,  
16 Chapter 204, Sections 4 and 8, Laws 2009, Chapter 271,  
17 Section 2, Laws 2009, Chapter 279, Section 2, Laws 2010,  
18 Chapter 84, Section 2, Laws 2012, Chapter 55, Section 2 and  
19 Laws 2015, Chapter 130, Section 2, as amended) are repealed.

20 G. Sections 7-2F-1 through 7-2F-12 NMSA 1978  
21 (being Laws 2002, Chapter 36, Section 1; Laws 2011, Chapter  
22 165, Section 2 and Laws 2011, Chapter 177, Section 3; Laws  
23 2003, Chapter 127, Section 2; Laws 2015, Chapter 143, Section  
24 4; Laws 2011, Chapter 165, Sections 4 and 5; Laws 2015,  
25 Chapter 62, Section 1; and Laws 2015, Chapter 143, Sections 5

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1 through 11, as amended) are repealed.

2 H. Sections 7-7-1 through 7-7-20 NMSA 1978 (being  
3 Laws 1973, Chapter 345, Sections 1 through 12 and Laws 1983,  
4 Chapter 209, Sections 1 through 6, as amended) are repealed.

5 I. Sections 7-9-7.1, 7-9-13.1, 7-9-13.3 through  
6 7-9-13.5, 7-9-15 through 7-9-18, 7-9-19 through 7-9-23.1,  
7 7-9-26.1, 7-9-29 through 7-9-31, 7-9-36 through 7-9-41.1,  
8 7-9-41.4, 7-9-46 through 7-9-54.5, 7-9-56.1 through 7-9-60,  
9 7-9-61.2 through 7-9-69, 7-9-71 through 7-9-78, 7-9-79  
10 through 7-9-86, 7-9-91 through 7-9-109 and 7-9-110.2 through  
11 7-9-115 NMSA 1978 (being Laws 1993, Chapter 45, Section 1;  
12 Laws 1989, Chapter 262, Section 4; Laws 2001, Chapter 231,  
13 Section 12; Laws 2002, Chapter 20, Section 1; Laws 2005,  
14 Chapter 351, Section 2; Laws 1970, Chapter 12, Section 1;  
15 Laws 1969, Chapter 144, Sections 9 through 12; Laws 1988,  
16 Chapter 82, Section 1; Laws 1969, Chapter 144, Section 15;  
17 Laws 1987, Chapter 247, Section 1; Laws 1969, Chapter 144,  
18 Section 16; Laws 1987, Chapter 247, Section 2; Laws 2003,  
19 Chapter 62, Section 1; Laws 1970, Chapter 12, Section 3; Laws  
20 1969, Chapter 144, Sections 23, 24 and 29 through 31; Laws  
21 1992, Chapter 50, Section 12 and Laws 1992, Chapter 67,  
22 Section 12; Laws 2002, Chapter 18, Section 2; Laws 1969,  
23 Chapter 144, Section 32; Laws 1970, Chapter 60, Section 2;  
24 Laws 1972, Chapter 61, Section 2; Laws 2007, Chapter 117,  
25 Section 1; Laws 2009, Chapter 62, Section 1; Laws 1969,

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underscoring material = new  
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1 Chapter 144, Sections 36 through 42; Laws 2012, Chapter 5,  
2 Section 6; Laws 1969, Chapter 144, Sections 43 and 44; Laws  
3 1992, Chapter 40, Section 1; Laws 1995, Chapter 183, Section  
4 2; Laws 2002, Chapter 37, Section 8; Laws 2003, Chapter 62,  
5 Section 4; Laws 2004, Chapter 16, Section 3; Laws 1998,  
6 Chapter 92, Sections 1 and 2; Laws 2003, Chapter 232, Section  
7 1; Laws 1969, Chapter 144, Section 47; Laws 1998, Chapter 92,  
8 Section 3; Laws 2002, Chapter 10, Section 1; Laws 1969,  
9 Chapter 144, Sections 48 and 49; Laws 1970, Chapter 12,  
10 Section 4; Laws 2000, Chapter 48, Section 1; Laws 1969,  
11 Chapter 144, Section 52; Laws 2000 (2nd S.S.), Chapter 4,  
12 Section 2; Laws 1969, Chapter 144, Sections 53, 54, 56 and  
13 57; Laws 1984, Chapter 129, Section 2; Laws 1969, Chapter  
14 144, Sections 58, 60, 61 and 63; Laws 1970, Chapter 78,  
15 Section 2; Laws 1991, Chapter 8, Section 3; Laws 1998,  
16 Chapter 95, Section 2 and Laws 1998, Chapter 99, Section 4;  
17 Laws 2014, Chapter 26, Section 1; Laws 1971, Chapter 217,  
18 Section 2; Laws 1972, Chapter 39, Section 2; Laws 1977,  
19 Chapter 288, Section 2; Laws 1979, Chapter 338, Section 7;  
20 Laws 1984, Chapter 2, Section 6; Laws 1966, Chapter 47,  
21 Section 15; Laws 1998, Chapter 96, Section 1; Laws 1969,  
22 Chapter 144, Section 65; Laws 1966, Chapter 47, Section 16;  
23 Laws 1989, Chapter 262, Section 8; Laws 2007, Chapter 204,  
24 Section 9; Laws 1993, Chapter 364, Sections 1 and 2; Laws  
25 1994, Chapter 43, Section 1; Laws 1995, Chapter 80, Section

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1 1; Laws 2001, Chapter 135, Section 1; Laws 2004, Chapter 116,  
2 Sections 5 and 6; Laws 2005, Chapter 104, Sections 23, 25 and  
3 26; Laws 2007, Chapter 361, Sections 7 and 8; Laws 2005,  
4 Chapter 169, Section 1; Laws 2005, Chapter 179, Section 1;  
5 Laws 2006, Chapter 35, Sections 1 and 2; Laws 2007, Chapter  
6 3, Sections 16 through 18; Laws 2012, Chapter 12, Sections 2  
7 and 3; Laws 2007, Chapter 33, Section 1; Laws 2007, Chapter  
8 45, Section 6; Laws 2007, Chapter 172, Sections 8 through 11;  
9 Laws 2011, Chapter 60, Section 2 and Laws 2011, Chapter 61,  
10 Section 2; Laws 2011, Chapter 60, Section 3 and Laws 2011,  
11 Chapter 61, Section 3; Laws 2007, Chapter 361, Section 6;  
12 Laws 2007, Chapter 204, Section 10; Laws 2010, Chapter 77,  
13 Section 1 and Laws 2010, Chapter 78, Section 1; and Laws 2015  
14 (1st S.S.), Chapter 2, Section 9, as amended) are repealed.

15 J. Sections 7-9A-1 through 7-9A-11 NMSA 1978  
16 (being Laws 1979, Chapter 347, Sections 1 and 2; Laws 2001,  
17 Chapter 57, Section 2 and Laws 2001, Chapter 337, Section 2;  
18 Laws 1979, Chapter 347, Sections 3 through 7; Laws 1983,  
19 Chapter 206, Section 6; Laws 1979, Chapter 347, Sections 8  
20 and 9; and Laws 1997, Chapter 62, Section 2, as amended) are  
21 repealed.

22 K. Sections 7-9E-1 through 7-9E-11 NMSA 1978  
23 (being Laws 2000 (2nd S.S.), Chapter 20, Sections 1 through 9  
24 and Laws 2007, Chapter 172, Sections 19 and 20, as amended)  
25 are repealed.

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1 L. Section 7-9G-1 NMSA 1978 (being Laws 2004,  
2 Chapter 15, Section 1, as amended) is repealed.

3 M. Sections 7-9J-1 through 7-9J-8 NMSA 1978  
4 (being Laws 2007, Chapter 204, Sections 11 through 18, as  
5 amended) are repealed.

6 N. Sections 7-9I-1 through 7-9I-6 NMSA 1978  
7 (being Laws 2005, Chapter 104, Sections 17 through 22, as  
8 amended) are repealed.

9 O. Sections 7-14-1 through 7-14-11 NMSA 1978  
10 (being Laws 1988, Chapter 73, Sections 11 through 17, Laws  
11 1991, Chapter 197, Section 4, Laws 1988, Chapter 73, Sections  
12 18 and 19, Laws 1993, Chapter 347, Sections 4 and 5 and Laws  
13 1988, Chapter 73, Sections 20 and 21, as amended) are  
14 repealed.

15 P. Sections 7-14A-1 through 7-14A-11 NMSA 1978  
16 (being Laws 1991, Chapter 197, Sections 5 through 7, Laws  
17 1993, Chapter 359, Section 1 and Laws 1991, Chapter 197,  
18 Sections 8 through 15, as amended) are repealed.

19 Q. Sections 7-19-10 through 7-19-18 NMSA 1978  
20 (being Laws 1979, Chapter 397, Sections 1 through 8, Laws  
21 1997, Chapter 219, Section 4 and Laws 1979, Chapter 397,  
22 Section 9, as amended) are repealed.

23 R. Sections 7-19D-10 through 7-19D-18 NMSA 1978  
24 (being Laws 1990, Chapter 99, Section 51, Laws 1991, Chapter  
25 9, Section 3, Laws 2001, Chapter 172, Section 1, Laws 2005,

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1 Chapter 212, Section 2, Laws 2006, Chapter 15, Section 14,  
2 Laws 2007, Chapter 148, Section 1, Laws 2012, Chapter 58,  
3 Section 1 and Laws 2013, Chapter 160, Section 11, as amended)  
4 are repealed.

5 S. Sections 7-20C-1 through 7-20C-17 NMSA 1978  
6 (being Laws 1991, Chapter 176, Sections 1 through 9, Laws  
7 1993, Chapter 306, Section 4, Laws 1991, Chapter 176,  
8 Sections 10 through 15 and Laws 1996, Chapter 18, Sections 3  
9 and 4, as amended) are repealed.

10 T. Sections 7-20E-10 through 7-20E-28 NMSA 1978  
11 (being Laws 1983, Chapter 213, Sections 32 and 35, Laws 1989,  
12 Chapter 239, Section 1, Laws 1994, Chapter 14, Section 1,  
13 Laws 1987, Chapter 45, Sections 3 and 8, Laws 1979, Chapter  
14 398, Sections 3 and 8, Laws 1990, Chapter 99, Section 58,  
15 Laws 1991, Chapter 212, Section 7, Laws 1998, Chapter 90,  
16 Section 7, Laws 2001, Chapter 328, Section 1, Laws 2001,  
17 Chapter 172, Section 2, Laws 2002, Chapter 14, Section 1,  
18 Laws 2004, Chapter 17, Section 2, Laws 2005, Chapter 212,  
19 Section 1, Laws 2006, Chapter 15, Section 15, Laws 2007,  
20 Chapter 346, Section 1, Laws 2010, Chapter 31, Section 1 and  
21 Laws 2013, Chapter 160, Section 12, as amended) are repealed.

22 U. Sections 7-20F-1 through 7-20F-12 NMSA 1978  
23 (being Laws 1993, Chapter 303, Sections 1 through 12, as  
24 amended) are repealed.

25 V. Sections 7-24B-1 through 7-24B-9 NMSA 1978

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1 (being Laws 1987, Chapter 45, Sections 10 through 13, Laws  
2 1990, Chapter 88, Section 16 and Laws 1987, Chapter 45,  
3 Sections 15 through 18, as amended) are repealed.

4 W. Sections 27-5-2, 27-5-6.2, 27-10-2 and 27-10-4  
5 NMSA 1978 (being Laws 1965, Chapter 234, Section 2, Laws  
6 2014, Chapter 79, Section 16 and Laws 1991, Chapter 212,  
7 Sections 2 and 4, as amended) are repealed.

8 X. Section 60-2E-47.1 NMSA 1978 (being Laws 2010,  
9 Chapter 31, Section 3) is repealed.

10 Y. Section 66-12-6.1 NMSA 1978 (being Laws 1987,  
11 Chapter 247, Section 9) is repealed.

12 SECTION 74. ADDITIONAL REPEAL.--

13 A. That version of Section 7-2-7 NMSA 1978 (being  
14 Laws 2005 (1st S.S.), Chapter 3, Section 2) is repealed.

15 B. Sections 7-2-4, 7-2-5.2, 7-2-5.6 through  
16 7-2-5.11, 7-2-7.2, 7-2-7.3, 7-2-14 through 7-2-18.29 and  
17 7-2-32 through 7-2-37 NMSA 1978 (being Laws 1965, Chapter  
18 202, Section 4; Laws 1985, Chapter 114, Section 1; Laws 1995,  
19 Chapter 93, Section 8; Laws 2002, Chapter 58, Section 1; Laws  
20 2005, Chapter 104, Sections 5 and 6; Laws 2006, Chapter 50,  
21 Section 1; Laws 2007, Chapter 45, Section 11; Laws 2005 (1st  
22 S.S.), Chapter 3, Sections 3 and 4; Laws 1972, Chapter 20,  
23 Section 2; Laws 1994, Chapter 111, Sections 1 through 3; Laws  
24 1977, Chapter 196, Section 1; Laws 1981, Chapter 170, Section  
25 1; Laws 1984, Chapter 34, Section 1; Laws 1994, Chapter 115,

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underscored material = new  
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1 Section 1; Laws 1998, Chapter 97, Section 2; Laws 2000,  
2 Chapter 64, Section 1 and Laws 2000, Chapter 78, Section 1;  
3 Laws 2001, Chapter 73, Section 1; Laws 2003, Chapter 331,  
4 Section 7; Laws 2003, Chapter 400, Section 1; Laws 2005,  
5 Chapter 267, Section 1; Laws 2006, Chapter 93, Section 1;  
6 Laws 2007, Chapter 45, Sections 9 and 10; Laws 2007, Chapter  
7 172, Section 1; Laws 2007, Chapter 204, Sections 2, 3 and 7;  
8 Laws 2007, Chapter 361, Section 2; Laws 2008 (2nd S.S.),  
9 Chapter 3, Section 1; Laws 2009, Chapter 271, Section 1; Laws  
10 2009, Chapter 279, Section 1; Laws 2010, Chapter 84, Section  
11 1; Laws 2011, Chapter 89, Section 1; Laws 2012, Chapter 55,  
12 Section 1; Laws 2015, Chapter 130, Section 1; Laws 1997,  
13 Chapter 259, Section 8; Laws 1999, Chapter 205, Section 1;  
14 Laws 2005, Chapter 113, Section 1; and Laws 2015 (1st S.S.),  
15 Chapter 2, Section 3, as amended) are repealed.

16 C. Sections 7-2D-1 through 7-2D-14 NMSA 1978  
17 (being Laws 1993, Chapter 313, Sections 1, 2 and 4 through 8,  
18 Laws 1995, Chapter 89, Section 8 and Laws 1993, Chapter 313,  
19 Sections 9 through 14, as amended) are repealed.

20 D. Section 7-2E-1.1 NMSA 1978 (being Laws 2007,  
21 Chapter 172, Section 2, as amended) is repealed.

22 E. Sections 7-9F-1 through 7-9F-13 NMSA 1978  
23 (being Laws 2000 (2nd S.S.), Chapter 22, Sections 1 through  
24 6, 8 and 9, Laws 2015 (1st S.S.), Chapter 2, Section 17, Laws  
25 2000 (2nd S.S.), Chapter 22, Sections 10 through 12 and Laws

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1 2015 (1st S.S.), Chapter 2, Section 18, as amended) are  
2 repealed.

3 F. Section 7-9G-2 NMSA 1978 (being Laws 2007,  
4 Chapter 229, Section 1, as amended) is repealed.

5 SECTION 75. APPLICABILITY.--The provisions of Sections  
6 35 and 36 of this act apply to taxable years beginning on or  
7 after January 1, 2019.

8 SECTION 76. EFFECTIVE DATE.--The effective date of the  
9 provisions of this act is January 1, 2019.