

1 HOUSE BILL 156

2 **54TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2019**

3 INTRODUCED BY

4 Rebecca Dow

5  
6 ENDORSED BY THE NEW MEXICO FINANCE AUTHORITY

7 OVERSIGHT COMMITTEE

8  
9 AN ACT

10 RELATING TO TAXATION; EXPANDING THE ALLOWABLE USE OF EXCESS  
11 COUNTY CORRECTIONAL FACILITY GROSS RECEIPTS TAX REVENUE.

12  
13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

14 SECTION 1. Section 7-20F-3 NMSA 1978 (being Laws 1993,  
15 Chapter 303, Section 3, as amended) is amended to read:

16 "7-20F-3. COUNTY CORRECTIONAL FACILITY GROSS RECEIPTS  
17 TAX--AUTHORITY TO IMPOSE--RATE--ORDINANCE REQUIREMENTS--  
18 REFERENDUM.--

19 A. The majority of the members elected to the  
20 county board may enact an ordinance imposing on a countywide  
21 basis an excise tax not to exceed a rate of one-eighth percent  
22 of the gross receipts of any person engaging in business in the  
23 county, including all municipalities within the county.

24 B. The tax imposed pursuant to Subsection A of this  
25 section may be referred to as the "county correctional facility

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1 gross receipts tax".

2 C. Any ordinance imposing a county correctional  
3 facility gross receipts tax pursuant to this section shall:

4 (1) impose the tax in any number of increments  
5 of one-sixteenth percent not to exceed an aggregate amount of  
6 one-eighth percent;

7 (2) specify that the imposition of the tax  
8 will begin on either July 1 or January 1, whichever occurs  
9 first after the expiration of at least three months from the  
10 date that the department is notified personally or by mail by  
11 the county of adoption of the ordinance; and

12 (3) dedicate the revenue from the county  
13 correctional facility gross receipts tax:

14 (a) for the purpose of operating,  
15 maintaining, constructing, purchasing, furnishing, equipping,  
16 rehabilitating, expanding or improving a judicial-correctional  
17 or a county correctional facility or the grounds of a judicial-  
18 correctional or county correctional facility, including  
19 acquiring and improving parking lots, landscaping or any  
20 combination of the foregoing;

21 (b) for the purpose of transporting or  
22 extraditing prisoners; or

23 (c) to payment of principal and interest  
24 on revenue bonds or refunding bonds issued pursuant to the  
25 provisions of the County Correctional Facility Gross Receipts

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1 Tax Act.

2 D. An ordinance imposing a county correctional  
3 facility gross receipts tax pursuant to this section shall be  
4 subject to optional referendum selection by the governing body,  
5 as provided in Subsection A of Section 7-20E-3 NMSA 1978.

6 E. If the county has pledged the revenue from  
7 imposition of the county correctional ~~[facilities]~~ facility  
8 gross receipts tax to the repayment of bonds or other  
9 indebtedness, revenue produced by the imposition of a county  
10 correctional facility gross receipts tax that is in excess of  
11 the annual principal and interest due on bonds secured by a  
12 pledge of the county correctional facility gross receipts tax  
13 may be accumulated in a debt service reserve account until an  
14 amount equal to the maximum amount permitted ~~[pursuant to the~~  
15 ~~provisions of the]~~ by United States treasury regulations is  
16 accumulated in the debt service reserve account. After the  
17 debt service reserve account requirements have been met, the  
18 excess revenue ~~[shall]~~ may be accumulated in an extraordinary  
19 mandatory redemption fund and annually used to redeem the bonds  
20 prior to their stated maturity date or re-dedicated by the  
21 county for any of the purposes listed in Paragraph (3) of  
22 Subsection C of this section. If a debt service reserve  
23 account is not required for the repayment of bonds or other  
24 indebtedness, the excess revenue may be re-dedicated by the  
25 county for any of the purposes listed in that paragraph.

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F. If the county has pledged the revenue from imposition of the county correctional ~~[facilities]~~ facility gross receipts tax to the repayment of bonds or other indebtedness, when all outstanding bonds have been paid, whether from the debt service reserve, the redemption fund or maturity, the ordinance shall be repealed if the county correctional facility gross receipts tax revenue is no longer required for the purposes for which it may be used pursuant to the provisions of the County Correctional Facility Gross Receipts Tax Act.

G. The repeal of an ordinance imposing a county correctional facility gross receipts tax shall state that the repeal shall be effective on January 1 or July 1, whichever occurs first following the date the department is notified personally or by mail by the county of the repeal."