

1 SENATE BILL 358

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

3 INTRODUCED BY

4 William E. Sharer

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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 THE TAXATION OF INTERNET SELLERS; REMOVING PERMISSION OF A TAX
19 INCREMENT DEVELOPMENT DISTRICT TO ISSUE BONDS AGAINST AN
20 INCREMENT OF THE GROSS RECEIPTS TAX; REPEALING CERTAIN CREDITS,
21 DEDUCTIONS AND EXEMPTIONS PURSUANT TO THE GROSS RECEIPTS AND
22 COMPENSATING TAX ACT; REPEALING THE INCOME TAX ACT, THE
23 CORPORATE INCOME AND FRANCHISE TAX ACT, THE ESTATE TAX ACT, THE
24 MOTOR VEHICLE EXCISE TAX ACT, THE LEASED VEHICLE GROSS RECEIPTS
25 TAX ACT, THE TAX ON BOATS, CERTAIN LOCAL OPTION GROSS RECEIPTS

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1 TAXES, THE SUPPLEMENTAL MUNICIPAL GROSS RECEIPTS TAX ACT, THE
2 LOCAL HOSPITAL GROSS RECEIPTS TAX ACT, THE COUNTY CORRECTIONAL
3 FACILITY GROSS RECEIPTS TAX ACT, THE SPECIAL COUNTY HOSPITAL
4 GASOLINE TAX ACT AND CERTAIN TAX CREDIT ACTS; REPLACING COUNTY
5 OBLIGATIONS TO THE COUNTY-SUPPORTED MEDICAID FUND AND SAFETY
6 NET CARE POOL FUND WITH STATE OBLIGATIONS; PROVIDING TEMPORARY
7 AMNESTY FROM PENALTIES AND INTEREST ON TAXES NOT PAID;
8 PROVIDING THAT THE REPEAL OF CERTAIN TAXES SHALL NOT IMPAIR
9 OUTSTANDING BONDS OR LOAN GUARANTEES; AMENDING, REPEALING AND
10 ENACTING SECTIONS OF THE NMSA 1978.

11
12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

13 SECTION 1. Section 3-31-1 NMSA 1978 (being Laws 1973,
14 Chapter 395, Section 3, as amended) is amended to read:

15 "3-31-1. REVENUE BONDS--AUTHORITY TO ISSUE--PLEDGE OF
16 REVENUES--LIMITATION ON TIME OF ISSUANCE.--

17 A. In addition to any other law and constitutional
18 home rule powers authorizing a municipality to issue revenue
19 bonds, a municipality may issue revenue bonds pursuant to
20 Chapter 3, Article 31 NMSA 1978 for the purposes specified in
21 this section. [~~The term "pledged revenues", as used in Chapter~~
22 ~~3, Article 31 NMSA 1978, means the revenues, net income or net~~
23 ~~revenues authorized to be pledged to the payment of particular~~
24 ~~revenue bonds as specifically provided in Subsections A through~~
25 ~~J of this section.~~

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1 ~~A.]~~ B. Utility revenue bonds may be issued for
2 acquiring, extending, enlarging, bettering, repairing or
3 otherwise improving a municipal utility or for any combination
4 of the foregoing purposes. The municipality may pledge
5 irrevocably any or all of the net revenues from the operation
6 of the municipal utility or of any one or more of other such
7 municipal utilities for payment of the interest on and
8 principal of the revenue bonds. [~~These bonds are sometimes~~
9 ~~referred to in Chapter 3, Article 31 NMSA 1978 as "utility~~
10 ~~revenue bonds" or "utility bonds".~~

11 ~~B.]~~ C. Joint utility revenue bonds may be issued
12 for acquiring, extending, enlarging, bettering, repairing or
13 otherwise improving joint water facilities, sewer facilities,
14 gas facilities or electric facilities or for any combination of
15 the foregoing purposes. The municipality may pledge
16 irrevocably any or all of the net revenues from the operation
17 of these municipal utilities for the payment of the interest on
18 and principal of the bonds. [~~These bonds are sometimes~~
19 ~~referred to in Chapter 3, Article 31 NMSA 1978 as "joint~~
20 ~~utility revenue bonds" or "joint utility bonds".~~

21 ~~C.~~ ~~For the purposes of this subsection, "gross~~
22 ~~receipts tax revenue bonds" means gross receipts tax revenue~~
23 ~~bonds or sales tax revenue bonds.]~~

24 D. Gross receipts tax revenue bonds may be issued
25 for any [~~one or more of the following purposes:~~

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1 ~~(1) constructing, purchasing, furnishing,~~
2 ~~equipping, rehabilitating, making additions to or making~~
3 ~~improvements to one or more public buildings or purchasing or~~
4 ~~improving any ground relating thereto, including but not~~
5 ~~necessarily limited to acquiring and improving parking lots, or~~
6 ~~any combination of the foregoing;~~

7 ~~(2) acquiring or improving municipal or public~~
8 ~~parking lots, structures or facilities or any combination of~~
9 ~~the foregoing;~~

10 ~~(3) purchasing, acquiring or rehabilitating~~
11 ~~firefighting equipment or any combination of the foregoing;~~

12 ~~(4) acquiring, extending, enlarging,~~
13 ~~bettering, repairing, otherwise improving or maintaining storm~~
14 ~~sewers and other drainage improvements, sanitary sewers, sewage~~
15 ~~treatment plants or water utilities, including but not~~
16 ~~necessarily limited to the acquisition of rights of way and~~
17 ~~water and water rights, or any combination of the foregoing;~~

18 ~~(5) reconstructing, resurfacing, maintaining,~~
19 ~~repairing or otherwise improving existing alleys, streets,~~
20 ~~roads or bridges or any combination of the foregoing or laying~~
21 ~~off, opening, constructing or otherwise acquiring new alleys,~~
22 ~~streets, roads or bridges or any combination of the foregoing;~~
23 ~~provided that any of the foregoing improvements may include but~~
24 ~~are not limited to the acquisition of rights of way;~~

25 ~~(6) purchasing, acquiring, constructing,~~

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1 ~~making additions to, enlarging, bettering, extending or~~
2 ~~equipping airport facilities or any combination of the~~
3 ~~foregoing, including without limitation the acquisition of~~
4 ~~land, easements or rights of way therefor;~~

5 ~~(7) purchasing or otherwise acquiring or~~
6 ~~clearing land or for purchasing, otherwise acquiring and~~
7 ~~beautifying land for open space;~~

8 ~~(8) acquiring, constructing, purchasing,~~
9 ~~equipping, furnishing, making additions to, renovating,~~
10 ~~rehabilitating, beautifying or otherwise improving public~~
11 ~~parks, public recreational buildings or other public~~
12 ~~recreational facilities or any combination of the foregoing;~~

13 ~~(9) acquiring, constructing, extending,~~
14 ~~enlarging, bettering, repairing, otherwise improving or~~
15 ~~maintaining solid waste disposal equipment, equipment for~~
16 ~~operation and maintenance of sanitary landfills, sanitary~~
17 ~~landfills, solid waste facilities or any combination of the~~
18 ~~foregoing; and~~

19 ~~(10) acquiring, constructing, extending,~~
20 ~~bettering, repairing or otherwise improving a public transit~~
21 ~~system or regional transit systems or facilities. The]~~
22 municipal purpose. A municipality may pledge irrevocably any
23 or all of the gross receipts tax revenue received by the
24 municipality pursuant to Section ~~[7-1-6.4 or]~~ 7-1-6.12 NMSA
25 1978 to the payment of the interest on and principal of the

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1 gross receipts tax revenue bonds [~~for any of the purposes~~
2 ~~authorized in this section or for specific purposes~~] or for any
3 area of municipal government services [~~including but not~~
4 ~~limited to those specified in Subsection C of Section 7-19D-9~~
5 ~~NMSA 1978, or for public purposes authorized by municipalities~~
6 ~~having constitutional home rule charters. A law that imposes~~
7 ~~or authorizes the imposition of a municipal gross receipts tax~~
8 ~~or that affects the municipal gross receipts tax, or a law~~
9 ~~supplemental thereto or otherwise appertaining thereto, shall~~
10 ~~not be repealed or amended or otherwise directly or indirectly~~
11 ~~modified in such a manner as to impair adversely any~~
12 ~~outstanding revenue bonds that may be secured by a pledge of~~
13 ~~such municipal gross receipts tax unless the outstanding~~
14 ~~revenue bonds have been discharged in full or provision has~~
15 ~~been fully made therefor~~]. Revenues in excess of the annual
16 principal and interest due on gross receipts tax revenue bonds
17 secured by a pledge of gross receipts tax revenue may be
18 accumulated in a debt service reserve account. The governing
19 body of the municipality may appoint a commercial bank trust
20 department to act as trustee of the gross receipts tax revenue
21 and to administer the payment of principal of and interest on
22 the bonds.

23 ~~[D. As used in this section, the term "public~~
24 ~~building" includes but is not limited to fire stations, police~~
25 ~~buildings, municipal jails, regional jails or juvenile~~

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1 ~~detention facilities, libraries, museums, auditoriums,~~
2 ~~convention halls, hospitals, buildings for administrative~~
3 ~~offices, city halls and garages for housing, repairing and~~
4 ~~maintaining city vehicles and equipment. As used in Chapter 3,~~
5 ~~Article 31 NMSA 1978, the term "gross receipts tax revenue~~
6 ~~bonds" means the bonds authorized in Subsection C of this~~
7 ~~section, and the term "gross receipts tax revenue" means the~~
8 ~~amount of money distributed to the municipality as authorized~~
9 ~~by Section 7-1-6.4 NMSA 1978 or the amount of money transferred~~
10 ~~to the municipality as authorized by Section 7-1-6.12 NMSA 1978~~
11 ~~for any municipal gross receipts tax imposed pursuant to the~~
12 ~~Municipal Local Option Gross Receipts Taxes Act. As used in~~
13 ~~Chapter 3, Article 31 NMSA 1978, the term "bond" means any~~
14 ~~obligation of a municipality issued under Chapter 3, Article 31~~
15 ~~NMSA 1978, whether designated as a bond, note, loan, warrant,~~
16 ~~debenture, lease-purchase agreement or other instrument~~
17 ~~evidencing an obligation of a municipality to make payments.]~~

18 E. Gasoline tax revenue bonds may be issued for
19 laying off, opening, constructing, reconstructing, resurfacing,
20 maintaining, acquiring rights of way, repairing and otherwise
21 improving municipal buildings, alleys, streets, public roads
22 and bridges or any combination of the foregoing purposes. The
23 municipality may pledge irrevocably any or all of the gasoline
24 tax revenue received by the municipality to the payment of the
25 interest on and principal of the gasoline tax revenue bonds.

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1 ~~[As used in Chapter 3, Article 31 NMSA 1978, "gasoline tax~~
2 ~~revenue bonds" means the bonds authorized in this subsection,~~
3 ~~and "gasoline tax revenue" means all or portions of the amounts~~
4 ~~of tax revenues distributed to municipalities pursuant to~~
5 ~~Sections 7-1-6.9 and 7-1-6.27 NMSA 1978, as from time to time~~
6 ~~amended and supplemented.]~~

7 F. Project revenue bonds may be issued for
8 acquiring, extending, enlarging, bettering, repairing,
9 improving, constructing, purchasing, furnishing, equipping and
10 rehabilitating any revenue-producing project, including, where
11 applicable, purchasing, otherwise acquiring or improving the
12 ground therefor, including ~~[but not necessarily limited to]~~
13 acquiring and improving parking lots, or for any combination of
14 the foregoing purposes. The municipality may pledge
15 irrevocably any or all of the net revenues from the operation
16 of the revenue-producing project for which the particular
17 project revenue bonds are issued to the payment of the interest
18 on and principal of the project revenue bonds. The net
19 revenues of any revenue-producing project may not be pledged to
20 the project revenue bonds issued for a revenue-producing
21 project that clearly is unrelated in nature; but nothing in
22 this subsection shall prevent the pledge to such project
23 revenue bonds of any revenues received from existing, future or
24 disconnected facilities and equipment that are related to and
25 that may constitute a part of the particular revenue-producing

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1 project. A general determination by the governing body that
2 any facilities or equipment is reasonably related to and
3 constitutes a part of a specified revenue-producing project
4 shall be conclusive if set forth in the proceedings authorizing
5 the project revenue bonds. [~~As used in Chapter 3, Article 31~~
6 ~~NMSA 1978:~~

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

9 ~~(2) "project revenues" means the net revenues~~
10 ~~of revenue-producing projects that may be pledged to project~~
11 ~~revenue bonds pursuant to this subsection.]~~

12 G. Fire district revenue bonds may be issued for
13 acquiring, extending, enlarging, bettering, repairing,
14 improving, constructing, purchasing, furnishing, equipping and
15 rehabilitating any fire district project, including, where
16 applicable, purchasing, otherwise acquiring or improving the
17 ground therefor, or for any combination of the foregoing
18 purposes. The municipality may pledge irrevocably any or all
19 of the revenues received by the fire district from the fire
20 protection fund as provided in the Fire Protection Fund Law and
21 any or all of the revenues provided for the operation of the
22 fire district project for which the particular bonds are issued
23 to the payment of the interest on and principal of the bonds.
24 The revenues of any fire district project shall not be pledged
25 to the bonds issued for a fire district project that clearly is

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1 unrelated in its purpose; but nothing in this section prevents
2 the pledge to such bonds of any revenues received from
3 existing, future or disconnected facilities and equipment that
4 are related to and that may constitute a part of the particular
5 fire district project. A general determination by the
6 governing body of the municipality that any facilities or
7 equipment is reasonably related to and constitutes a part of a
8 specified fire district project shall be conclusive if set
9 forth in the proceedings authorizing the fire district bonds.

10 H. Law enforcement protection revenue bonds may be
11 issued for the repair and purchase of law enforcement apparatus
12 and equipment that meet nationally recognized standards. The
13 municipality may pledge irrevocably any or all of the revenues
14 received by the municipality from the law enforcement
15 protection fund distributions pursuant to the Law Enforcement
16 Protection Fund Act to the payment of the interest on and
17 principal of the law enforcement protection revenue bonds.

18 ~~I. Economic development gross receipts tax revenue~~
19 ~~bonds may be issued for the purpose of furthering economic~~
20 ~~development projects as defined in the Local Economic~~
21 ~~Development Act. The municipality may pledge irrevocably any~~
22 ~~or all of the revenue received from the municipal~~
23 ~~infrastructure gross receipts tax to the payment of the~~
24 ~~interest on and principal of the economic development gross~~
25 ~~receipts tax revenue bonds for any of the purposes authorized~~

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

17 ~~J. Municipal higher education facilities gross~~
18 ~~receipts tax revenue bonds may be issued for the purpose of~~
19 ~~acquisition, construction, renovation or improvement of~~
20 ~~facilities of a four-year post-secondary public educational~~
21 ~~institution located in the municipality and acquisition of or~~
22 ~~improvements to land for those facilities. The municipality~~
23 ~~may pledge irrevocably any or all of the revenue received from~~
24 ~~the municipal higher education facilities gross receipts tax to~~
25 ~~the payment of the interest on and principal of the municipal~~

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

19 ~~K.]~~ I. Except for the purpose of refunding previous
20 revenue bond issues, no municipality may sell revenue bonds
21 payable from pledged revenues after the expiration of two years
22 from the date of the ordinance authorizing the issuance of the
23 bonds or, for bonds to be issued and sold to the New Mexico
24 finance authority as authorized in Subsection C of Section
25 3-31-4 NMSA 1978, after the expiration of two years from the

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1 date of the resolution authorizing the issuance of the bonds.
2 However, any period of time during which a particular revenue
3 bond issue is in litigation shall not be counted in determining
4 the expiration date of that issue."

5 SECTION 2. A new Section 3-31-1.1 NMSA 1978 is enacted to
6 read:

7 "3-31-1.1. [NEW MATERIAL] DEFINITIONS.--As used in
8 Chapter 3, Article 31 NMSA 1978:

9 A. "bond" means any obligation of a municipality
10 issued under Chapter 3, Article 31 NMSA 1978, whether
11 designated as a bond, note, loan, warrant, debenture, lease-
12 purchase agreement or other instrument evidencing an obligation
13 of a municipality to make payments;

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

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

19 D. "gross receipts tax revenue" means the amount of
20 money transferred to the municipality as authorized by Section
21 7-1-6.12 NMSA 1978 for any municipal gross receipts tax imposed
22 pursuant to the Municipal Local Option Gross Receipts Taxes
23 Act;

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

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

4 G. "pledged revenues" means the revenues, net
5 income or net revenues authorized to be pledged to the payment
6 of revenue bonds as specifically provided in Chapter 3, Article
7 31 NMSA 1978;

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

10 I. "utility revenue bonds" or "utility bonds" means
11 the bonds authorized by Subsection B of Section 3-31-1 NMSA
12 1978."

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

15 "3-37A-2. DEFINITIONS.--As used in the Small Cities
16 Assistance Act:

17 A. "municipality" means an incorporated city, town
18 or village, whether incorporated under general act, special act
19 or special charter, and incorporated counties and H-class
20 counties;

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

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1 C. "total municipal share" means the sum of all
2 municipal shares;

3 D. "statewide per capita average" means the
4 quotient of the total municipal share divided by the total
5 population in all municipalities;

6 E. "municipal per capita average" means the
7 quotient of the municipal share divided by the municipality's
8 population;

9 F. "population" means the most recent official
10 census or estimate determined by the United States census
11 bureau [~~of the census~~], or, if neither is available,
12 "population" means an estimate as determined by the local
13 government division of the department of finance and
14 administration;

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

18 H. "qualifying municipality" means a municipality
19 with a population of less than ten thousand that has enacted,
20 on or before the last day of the preceding fiscal year, an
21 ordinance or ordinances imposing a municipal gross receipts tax
22 pursuant to Section 7-19D-9 NMSA 1978 at a rate of [~~one-fourth~~
23 ~~of one~~] one hundred twenty-five thousandths percent or more;

24 I. "enacted" means adopted by a majority of the
25 members of the governing body of the municipality pursuant to

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1 Section 7-19D-9 NMSA 1978 and:

2 (1) for which no election has been called in
3 the manner and within the time provided by Section 7-19D-9 NMSA
4 1978; or

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

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

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

12 "3-51-32. POWER TO ISSUE BONDS.--

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

16 B. A city shall also have the power to issue
17 refunding bonds from time to time for the purpose of refunding,
18 paying and retiring:

19 [~~(1)~~] ~~any bonds issued by it pursuant to the~~
20 ~~Greater Municipality Parking Law or pursuant to Laws 1963,~~
21 ~~Chapter 313, as amended and supplemented;~~

22 ~~(2)]~~ (1) any bonds authorized for parking
23 facilities and payable from the revenues of any parking
24 facilities;

25 [~~(3)]~~ (2) any bonds authorized for parking

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1 facilities and payable from any parking meter revenues;

2 [~~(4)~~] (3) any [~~sales~~] gross receipts tax
3 revenue bonds authorized [~~for the purpose of any public~~
4 ~~building to be used for parking facilities and~~] pursuant to
5 Subsection D of Section [14-30-1C NMSA 1953] 3-31-1 NMSA 1978;

6 [~~(5)~~] (4) any gasoline tax revenue bonds
7 authorized [~~for the purpose of any public building to be used~~
8 ~~for parking facilities and~~] pursuant to Subsection E of Section
9 [14-30-1D NMSA 1953] 3-31-1 NMSA 1978;

10 [~~(6)~~] (5) any bonds authorized for parking
11 facilities and payable from any combination of the income and
12 revenue pledged to the bonds described in Paragraphs (1)
13 through [~~(5)~~] (4) of this subsection [~~B~~]; or

14 [~~(7)~~] (6) any bonds [~~which~~] that have refunded
15 the bonds described in Paragraphs (1) through [~~(6)~~] (5) of this
16 subsection [~~B~~].

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

19 SECTION 5. Section 3-65-8 NMSA 1978 (being Laws 2001,
20 Chapter 231, Section 8) is amended to read:

21 "3-65-8. AUTHORIZATION OF PROJECT.--

22 A. Pursuant to the provisions of Section 6-21-6
23 NMSA 1978, the legislature authorizes the authority to make a
24 loan from the public project revolving fund to a municipality
25 to acquire land for and to design, purchase, construct,

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1 remodel, renovate, rehabilitate, improve, equip or furnish a
2 minor league baseball stadium on terms and conditions
3 established by the authority.

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

22 C. The legislature or a municipality shall not
23 repeal, amend or otherwise modify any law or ordinance that
24 adversely affects or impairs the stadium surcharge or any loan
25 from the authority secured by a pledge of the stadium surcharge

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1 and gross receipts tax revenues, unless the loan has been paid
2 in full or provisions have been made for full payment."

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

5 "3-66-8. ISSUANCE OF BONDS.--

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

11 B. Revenue bonds issued by a municipality may be
12 secured by event center revenues, event center surcharge
13 receipts or gross receipts tax revenues distributed to that
14 municipality pursuant to Section [~~7-1-6.4 or~~] 7-1-6.12 NMSA
15 1978.

16 C. An action shall not be brought questioning the
17 legality of the pledge of event center revenues, event center
18 surcharge receipts or gross receipts tax revenues, bonds issued
19 pursuant to the Municipal Event Center Funding Act, issuance of
20 those bonds, an event center surcharge included in a vendor
21 contract or any other matter concerning the bonds after thirty
22 days from the date of publication of the ordinance authorizing
23 issuance of the bonds and the pledging of event center
24 receipts, event center surcharge receipts or gross receipts tax
25 revenues of a municipality to make debt service payments.

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1 D. The legislature or a municipality shall not
2 repeal, amend or otherwise modify any law or ordinance that
3 adversely affects or impairs the event center surcharge or any
4 bonds secured by a pledge of the event center revenues, event
5 center surcharge receipts or gross receipts tax revenues,
6 unless the bonds have been paid in full or provisions have been
7 made for full payment."

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

10 "4-48B-12. TAX LEVIES AUTHORIZED.--

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

19 (1) in class A counties as defined in Section
20 4-44-1 NMSA 1978, the mill levy shall not exceed a rate of six
21 dollars fifty cents (\$6.50), or any lower maximum amount
22 required by operation of the rate limitation provisions of
23 Section 7-37-7.1 NMSA 1978 upon a mill levy imposed pursuant to
24 this paragraph, on each one thousand dollars (\$1,000) of net
25 taxable value of property allocated to the county; [~~however, if~~

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1 ~~the county uses any portion, not to exceed one dollar fifty~~
2 ~~cents (\$1.50), of the rate authorized by this paragraph to meet~~
3 ~~the requirement of Section 27-10-4 NMSA 1978, the provisions of~~
4 ~~Section 7-37-7.1 NMSA 1978 do not apply to the portion of the~~
5 ~~rate necessary to produce the revenues required, provided that~~
6 ~~the portion of the rate does not exceed one dollar fifty cents~~
7 ~~(\$1.50)] and~~

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

15 B. The mill levies provided in Paragraphs (1) and
16 (2) of Subsection A of this section shall be made at the
17 direction of the county commissioners, but only to the extent
18 that the county commissioners deem it necessary to operate and
19 maintain county hospitals and to pay the amounts required in
20 the performance of any health care facilities contracts made
21 pursuant to the Hospital Funding Act [~~and to provide for a~~
22 ~~class A county's transfer to the county-supported medicaid fund~~
23 ~~pursuant to Section 27-10-4 NMSA 1978]~~.

24 C. In the event that the mill levy provided for in
25 Paragraph (1) of Subsection A of this section is not authorized

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

19 [~~D. A class A county imposing the mill levy~~
20 ~~provided for in Paragraph (1) of Subsection A of this section~~
21 ~~may enter into a mutual agreement with a state educational~~
22 ~~institution named in Article 12, Section 11 of the constitution~~
23 ~~of New Mexico operating the hospital permitting the transfer to~~
24 ~~the county-supported medicaid fund by the county pursuant to~~
25 ~~Section 27-10-4 NMSA 1978 of not to exceed the amount that~~

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1 ~~would be produced by a mill levy at a rate of one dollar fifty~~
2 ~~cents (\$1.50) applied to the net taxable value of property~~
3 ~~allocated to the county for the prior property tax year and~~
4 ~~also not to exceed the amount that would be produced by~~
5 ~~imposition of the county health care gross receipts tax.~~

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

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

12 "4-61-2. DEFINITIONS.--As used in the Small Counties
13 Assistance Act:

14 A. "adjustment factor" means a fraction, the
15 numerator of which is the net taxable value of the state for
16 the property tax year prior to the year in which the amount of
17 small counties assistance is being determined and the
18 denominator of which is the net taxable value for property tax
19 year 2002; the adjustment factor shall be calculated without
20 reference to assessed value determined pursuant to the Oil and
21 Gas Ad Valorem Production Tax Act, assessed value determined
22 pursuant to the Oil and Gas Production Equipment Ad Valorem Tax
23 Act or taxable value determined pursuant to the Copper
24 Production Ad Valorem Tax Act;

25 B. "ceiling valuation" means:

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

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

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

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

21 E. "population" means the official population shown
22 by the most recent federal decennial census, or, if there is a
23 change in boundaries after the date of the census, "population"
24 for each affected unit shall be the most current estimated
25 population for that unit provided in writing by the

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1 demographer; provided that after five years from the first day
2 of the calendar year of the most recent federal decennial
3 census, that census shall not be used, and "population" for the
4 period from that date until the date when the next following
5 official final decennial census population data are available
6 shall be the most current estimated population provided in
7 writing by the demographer;

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

9 (1) for the property tax year in which any
10 distribution under the Small Counties Assistance Act is made to
11 the county, imposed a property tax rate for general county
12 purposes pursuant to Paragraph (1) of Subsection B of Section
13 7-37-7 NMSA 1978 as limited by Section 7-37-7.1 NMSA 1978 of at
14 least eight dollars eighty-five cents (\$8.85) per one thousand
15 dollars (\$1,000) of net taxable value;

16 (2) by July 1 of the property tax year in
17 which any distribution under the Small Counties Assistance Act
18 is made to the county, received a written certification from
19 the director of the property tax division of the taxation and
20 revenue department that the county assessor of that county has
21 implemented an acceptable program of maintaining current and
22 correct property values for property taxation purposes as
23 required by Section 7-36-16 NMSA 1978 or has submitted to the
24 director an acceptable plan for the implementation of such a
25 program;

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

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

13 (5) a total valuation for the property tax
14 year preceding the year in which a distribution pursuant to the
15 Small Counties Assistance Act for that county is to be made
16 that is no greater than the ceiling valuation for that property
17 tax year;

18 G. "tax rate factor" means a fraction, the
19 numerator of which is the average rate imposed in Section
20 [~~7-9-7~~] 7-9-4 NMSA 1978 for the fiscal year one year prior to
21 the fiscal year in which the distribution is to be made and the
22 denominator of which is five percent; and

23 H. "total valuation" means the sum for a
24 jurisdiction for a property tax year of the net taxable value
25 determined pursuant to the Property Tax Code, the assessed

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

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

8 "4-61-3. SMALL COUNTIES ASSISTANCE FUND--
9 DISTRIBUTION.--

10 A. The "small counties assistance fund" is created
11 within the state treasury.

12 B. On or before September 1, 2003 and on or before
13 September 1 of each subsequent year, the demographer shall
14 certify in writing to the department of finance and
15 administration the population of the state and of each county
16 as of June 30 of the year.

17 C. On or before September 15, 2003 and on or before
18 September 15 of each subsequent year, the secretary of finance
19 and administration shall certify to the state treasurer with
20 respect to each qualifying county:

21 (1) its population as certified by the
22 demographer;

23 (2) its total valuation for the preceding
24 property tax year; and

25 (3) the distribution amount calculated for it.

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

12 If the county's total valuation for the preceding
13 property tax year is:

14	at least:	but less	and the county	then the
15		than:	population is:	distribution
16				amount is:
17	\$ 0	\$100,000,000	under 1,000	\$515,000
18	\$ 0	\$100,000,000	at least 1,000	
19			but under 4,000	\$370,000
20	\$ 0	\$100,000,000	at least 4,000	\$285,000
21	\$100,000,000	\$230,000,000	under 12,000	\$200,000
22	\$100,000,000	\$230,000,000	at least 12,000	\$145,000
23	\$230,000,000	\$1,400,000,000	under 48,000	\$85,000.

24 ~~[E. If the balance in the small counties~~
25 ~~assistance fund as of the preceding August 31 exceeds the sum~~

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1 ~~of the distributions to be made to qualifying counties~~
2 ~~pursuant to the provisions of Subsection D of this section,~~
3 ~~the department of finance and administration shall increase~~
4 ~~the distribution amount for each county receiving a~~
5 ~~distribution amount pursuant to the provisions of Subsection~~
6 ~~D of this section by:~~

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

12 ~~(2) twenty thousand dollars (\$20,000) 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 gross receipts~~
15 ~~tax increment of one-sixteenth percent; or~~

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

19 ~~F. If the balance in the small counties~~
20 ~~assistance fund as of the preceding August 31 is less than~~
21 ~~the sum of the distributions determined pursuant to~~
22 ~~Subsection D of this section plus the distribution increases~~
23 ~~authorized pursuant to Subsection E of this section, the~~
24 ~~distribution increases pursuant to Subsection E of this~~
25 ~~section shall be proportionately reduced.~~

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

10 ~~H.~~ F. Any interest accruing from the temporary
11 investment of the small counties assistance fund shall be
12 credited to the general fund.

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

21 ~~J.~~ H. If any date specified in Subsection B, C
22 or ~~I.~~ G. of this section falls on a Saturday, Sunday or legal
23 holiday, any action required to be performed as provided in
24 those subsections is timely if performed on the next day that
25 is not a Saturday, Sunday or legal holiday."

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

3 "4-62-1. REVENUE BONDS--AUTHORITY TO ISSUE--PLEDGE OF
4 REVENUES--LIMITATION ON TIME OF ISSUANCE.--

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

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

16 ~~(1) constructing, purchasing, furnishing,~~
17 ~~equipping, rehabilitating, making additions to or making~~
18 ~~improvements to one or more public buildings or purchasing or~~
19 ~~improving the ground of the building or buildings;~~

20 ~~(2) acquiring or improving county or public~~
21 ~~parking lots, structures or facilities;~~

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

24 ~~(4) acquiring, extending, enlarging,~~
25 ~~bettering, repairing or otherwise improving or maintaining~~

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1 ~~storm sewers and other drainage improvements, sanitary~~
2 ~~sewers, sewage treatment plants, water utilities or other~~
3 ~~water, wastewater or related facilities, which may include~~
4 ~~the acquisition of rights of way and water and water rights;~~

5 ~~(5) reconstructing, resurfacing,~~
6 ~~maintaining, repairing or otherwise improving existing~~
7 ~~alleys, streets, roads or bridges or laying off, opening,~~
8 ~~constructing or otherwise acquiring new alleys, streets,~~
9 ~~roads or bridges, which may include the acquisition of rights~~
10 ~~of way;~~

11 ~~(6) purchasing, acquiring, constructing,~~
12 ~~making additions to, enlarging, bettering, extending or~~
13 ~~equipping airport facilities, which may include the~~
14 ~~acquisition of land, easements or rights of way;~~

15 ~~(7) purchasing, otherwise acquiring or~~
16 ~~clearing land or purchasing, otherwise acquiring or~~
17 ~~beautifying land for open space;~~

18 ~~(8) acquiring, constructing, purchasing,~~
19 ~~equipping, furnishing, making additions to, renovating,~~
20 ~~rehabilitating, beautifying or otherwise improving public~~
21 ~~parks, public recreational buildings or other public~~
22 ~~recreational facilities;~~

23 ~~(9) acquiring, constructing, extending,~~
24 ~~enlarging, bettering, repairing, otherwise improving or~~
25 ~~maintaining solid waste disposal equipment, equipment for~~

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[bracketed material] = delete

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

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1 into a special bond fund for payment of the principal,
2 interest and expenses. At the end of each fiscal year, money
3 remaining in the special bond fund after the annual
4 obligations for the bonds are fully met may be transferred to
5 any other fund of the county. Revenues in excess of the
6 annual principal and interest due on gross receipts tax
7 revenue bonds secured by a pledge of gross receipts tax
8 revenue may be accumulated in a debt service reserve account.
9 The governing body of the county may appoint a commercial
10 bank trust department to act as trustee of the proceeds of
11 the tax and to administer the payment of principal of and
12 interest on the bonds.

13 ~~[G. Fire protection revenue bonds may be issued~~
14 ~~for acquiring, extending, enlarging, bettering, repairing,~~
15 ~~improving, constructing, purchasing, furnishing, equipping or~~
16 ~~rehabilitating an independent fire district project or~~
17 ~~facility, including, as applicable, purchasing, otherwise~~
18 ~~acquiring or improving the ground for the project. A county~~
19 ~~may pledge irrevocably any or all of the county fire~~
20 ~~protection excise tax revenue for payment of principal and~~
21 ~~interest due in connection with, and other expenses related~~
22 ~~to, fire protection revenue bonds. These bonds may be~~
23 ~~referred to in Chapter 4, Article 62 NMSA 1978 as "fire~~
24 ~~protection revenue bonds".~~

25 ~~D. Environmental revenue bonds may be issued for~~

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

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

19 F.] D. Utility revenue bonds or joint utility
20 revenue bonds may be issued for acquiring, extending,
21 enlarging, bettering, repairing or otherwise improving water
22 facilities, sewer facilities, gas facilities or electric
23 facilities. A county may pledge irrevocably any or all of
24 the net revenues from the operation of the utility or joint
25 utility for which the particular utility or joint utility

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1 bonds are issued to the payment of principal and interest due
2 in connection with, and other expenses related to, utility or
3 joint utility revenue bonds. [~~These bonds may be referred to~~
4 ~~in Chapter 4, Article 62 NMSA 1978 as "utility revenue bonds"~~
5 ~~or "joint utility revenue bonds"~~.

6 G.] E. Project revenue bonds may be issued for
7 acquiring, extending, enlarging, bettering, repairing,
8 improving, constructing, purchasing, furnishing, equipping or
9 rehabilitating any revenue-producing project, including, as
10 applicable, purchasing, otherwise acquiring or improving the
11 ground for the project and acquiring and improving parking
12 lots. The county may pledge irrevocably any or all of the
13 net revenues from the operation of the revenue-producing
14 project for which the particular project revenue bonds are
15 issued to the payment of the interest on and principal of the
16 project revenue bonds. The net revenues of any revenue-
17 producing project shall not be pledged to the project revenue
18 bonds issued for any other revenue-producing project that is
19 clearly unrelated in nature; but nothing in this subsection
20 prevents the pledge to any of the project revenue bonds of
21 the revenues received from existing, future or disconnected
22 facilities and equipment that are related to and that may
23 constitute a part of the particular revenue-producing
24 project. A general determination by the governing body that
25 facilities or equipment is reasonably related to and

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1 constitutes a part of a specified revenue-producing project
2 shall be conclusive if set forth in the proceedings
3 authorizing the project revenue bonds. [~~As used in Chapter~~
4 ~~4, Article 62 NMSA 1978:~~

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

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

10 H.] F. Fire district revenue bonds may be issued
11 for acquiring, extending, enlarging, bettering, repairing,
12 improving, constructing, purchasing, furnishing, equipping
13 and rehabilitating a fire district project, including, as
14 applicable, purchasing, otherwise acquiring or improving the
15 ground for the project. The county may pledge irrevocably
16 any or all of the revenues received by the fire district from
17 the fire protection fund as provided in the Fire Protection
18 Fund Law and any or all of the revenues provided for the
19 operation of the fire district project for which the
20 particular bonds are issued to the payment of the interest on
21 and principal of the bonds. The revenues of a fire district
22 project shall not be pledged to the bonds issued for a fire
23 district project that clearly is unrelated in its purpose;
24 but nothing in this section prevents the pledge to such bonds
25 of revenues received from existing, future or disconnected

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1 facilities and equipment that are related to and that may
2 constitute a part of the particular fire district project. A
3 general determination by the governing body of the county
4 that facilities or equipment is reasonably related to and
5 constitutes a part of a specified fire district project shall
6 be conclusive if set forth in the proceedings authorizing
7 the fire district revenue bonds.

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

16 [~~J.~~ ~~Hospital emergency gross receipts tax revenue~~
17 ~~bonds may be issued for acquiring, equipping, remodeling or~~
18 ~~improving a county hospital or county health facility. A~~
19 ~~county may pledge irrevocably to the payment of the interest~~
20 ~~on and principal of the hospital emergency gross receipts tax~~
21 ~~revenue bonds any or all of the revenues received by the~~
22 ~~county from a county hospital emergency gross receipts tax~~
23 ~~imposed pursuant to Section 7-20E-12.1 NMSA 1978 and~~
24 ~~dedicated to payment of bonds or a loan for acquiring,~~
25 ~~equipping, remodeling or improving a county hospital or~~

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1 ~~county health facility.~~

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

10 ~~L. County education gross receipts tax revenue~~
11 ~~bonds may be issued for public school or off-campus~~
12 ~~instruction program capital projects as authorized in Section~~
13 ~~7-20E-20 NMSA 1978. A county may pledge irrevocably any or~~
14 ~~all of the county education gross receipts tax revenue to the~~
15 ~~payment of interest on and principal of the county education~~
16 ~~gross receipts tax revenue bonds for the purpose authorized~~
17 ~~in this section.~~

18 ~~M. County area emergency communications and~~
19 ~~emergency medical and behavioral health services tax revenue~~
20 ~~bonds and countywide emergency communications and emergency~~
21 ~~medical and behavioral health services tax revenue bonds may~~
22 ~~be issued for the purpose of purchasing emergency~~
23 ~~communications equipment for an emergency communications~~
24 ~~center that has been determined by the local government~~
25 ~~division of the department of finance and administration to~~

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1 ~~be a consolidated public safety answering point if the useful~~
2 ~~life of the equipment exceeds the term in which the bonds~~
3 ~~mature. A county may pledge irrevocably any or all of the~~
4 ~~county area emergency communications and emergency medical~~
5 ~~and behavioral health services tax revenue and the countywide~~
6 ~~emergency communications and emergency medical and behavioral~~
7 ~~health services tax revenue to the payment of interest on and~~
8 ~~principal of county area emergency communications and~~
9 ~~emergency medical and behavioral health services tax revenue~~
10 ~~bonds and countywide emergency communications and emergency~~
11 ~~medical and behavioral health services tax revenue bonds for~~
12 ~~the purpose authorized in this section.~~

13 ~~N.]~~ H. PILT revenue bonds may be issued by a
14 county to repay all or part of the principal and interest of
15 an outstanding loan owed by the county to the New Mexico
16 finance authority. A county may pledge irrevocably all or
17 part of PILT revenue to the payment of principal of and
18 interest on new loans or preexisting loans provided by the
19 New Mexico finance authority to finance a public project as
20 "public project" is defined in Subsection E of Section 6-21-3
21 NMSA 1978.

22 ~~[G.]~~ I. Except for the purpose of refunding
23 previous revenue bond issues, no county may sell revenue
24 bonds payable from pledged revenue after the expiration of
25 two years from the date of the ordinance authorizing the

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1 issuance of the bonds or, for bonds to be issued and sold to
2 the New Mexico finance authority as authorized in Subsection
3 C of Section 4-62-4 NMSA 1978, after the expiration of two
4 years from the date of the resolution authorizing the
5 issuance of the bonds. However, any period of time during
6 which a particular revenue bond issue is in litigation shall
7 not be counted in determining the expiration date of that
8 issue.

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

22 [Q-] K. Any law that imposes or authorizes the
23 imposition of a county gross receipts tax [~~a county~~
24 ~~environmental services gross receipts tax, a county fire~~
25 ~~protection excise tax, a county infrastructure gross receipts~~

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

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

15 (1) ~~"county area emergency communications~~
16 ~~and emergency medical and behavioral health services tax~~
17 ~~revenue" means the revenue from the county area emergency~~
18 ~~communications and emergency medical and behavioral health~~
19 ~~services tax transferred pursuant to Section 7-1-6.13 NMSA~~
20 ~~1978;~~

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

25 (3) ~~"county education gross receipts tax~~

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1 ~~revenue" means the revenue from the county education gross~~
2 ~~receipts tax transferred to the county pursuant to Section~~
3 ~~7-1-6.13 NMSA 1978;~~

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

8 ~~(5) "county fire protection excise tax~~
9 ~~revenue" means the revenue from the county fire protection~~
10 ~~excise tax transferred to the county pursuant to Section~~
11 ~~7-1-6.13 NMSA 1978;~~

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

19 ~~(7) "county infrastructure gross receipts~~
20 ~~tax revenue" means the revenue from the county infrastructure~~
21 ~~gross receipts tax transferred to the county pursuant to~~
22 ~~Section 7-1-6.13 NMSA 1978;~~

23 ~~(8) "countywide emergency communications and~~
24 ~~emergency medical and behavioral health services tax revenue"~~
25 ~~means the revenue from the countywide emergency~~

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1 ~~communications and emergency medical and behavioral health~~
2 ~~services tax transferred to the county pursuant to Section~~
3 ~~7-1-6.13 NMSA 1978;~~

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

7 ~~(10) "PILT revenue" means revenue received~~
8 ~~by the county from the federal government as payments in lieu~~
9 ~~of taxes; and~~

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

17 ~~S. As used in Chapter 4, Article 62 NMSA 1978,~~
18 ~~"bond" means any obligation of a county issued under Chapter~~
19 ~~4, Article 62 NMSA 1978, whether designated as a bond, note,~~
20 ~~loan, warrant, debenture, lease-purchase agreement or other~~
21 ~~instrument, evidencing an obligation of a county to make~~
22 ~~payments.] "~~

23 SECTION 11. A new Section 4-62-1.1 NMSA 1978 is enacted
24 to read:

25 "4-62-1.1. [NEW MATERIAL] DEFINITIONS.--As used in

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~~[bracketed material] = delete~~

1 Chapter 4, Article 62 NMSA 1978:

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

7 B. "county gross receipts tax revenue" means the
8 revenue attributable to the county gross receipts tax
9 transferred to the county pursuant to Section 7-1-6.13 NMSA
10 1978 and any distribution made pursuant to Section 7-1-6.16
11 NMSA 1978;

12 C. "gasoline tax revenue" means all or portions
13 of the amounts of tax revenues distributed to municipalities
14 pursuant to Sections 7-1-6.9 and 7-1-6.27 NMSA 1978;

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

17 E. "PILT revenue" means revenue received by the
18 county from the federal government as payments in lieu of
19 taxes;

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

22 G. "project revenues" means the net revenues of
23 revenue-producing projects that may be pledged to project
24 revenue bonds; and

25 H. "utility revenue bonds" or "joint utility

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1 revenue bonds" means the bonds authorized by Subsection D of
2 Section 4-62-1 NMSA 1978."

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

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

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

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

18 C. "cultural facility" means a facility that is
19 owned by the state, a county, a municipality or a qualifying
20 entity that serves the public through preserving, educating
21 and promoting the arts and culture of a particular locale,
22 including theaters, museums, libraries, galleries, cultural
23 compounds, educational organizations, performing arts venues
24 and organizations, fine arts organizations, studios and media
25 laboratories and live-work housing facilities;

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1 D. "department" means the economic development
2 department;

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

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

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

11 G. "local government" means a municipality or
12 county;

13 H. "municipality" means an incorporated city,
14 town or village;

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

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

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

24 (2) a commercial enterprise for storing,
25 warehousing, distributing or selling products of agriculture,

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

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

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

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

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

23 (7) a business that is the developer of a
24 metropolitan redevelopment project;

25 (8) a cultural facility; and

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1 (9) a retail business;

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

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

12 (1) ten thousand or less; or

13 (2) more than ten thousand but less than
14 thirty-five thousand if:

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

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

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

23 "5-10-4. ECONOMIC DEVELOPMENT PROJECTS--RESTRICTIONS ON
24 PUBLIC EXPENDITURES OR PLEDGES OF CREDIT.--

25 A. No local or regional government shall provide

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1 public support for economic development projects as permitted
2 pursuant to Article 9, Section 14 of the constitution of
3 New Mexico except as provided in the Local Economic
4 Development Act or as otherwise permitted by law.

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

12 The limits of this subsection shall not apply to:

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

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

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1 contracts related to the implementation of any such economic
2 development plan adopted by the governing body;

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

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

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

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

23 C. A regional or local government that generates
24 revenue for economic development projects to which the limits
25 of Subsection B of this section do not apply shall create an

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1 economic development fund into which such revenues shall be
2 deposited. The economic development fund and income from the
3 economic development fund shall be deposited as provided by
4 law. Money in the economic development fund may be expended
5 only as provided in the Local Economic Development Act or the
6 Statewide Economic Development Finance Act.

7 D. In order to expend money from an economic
8 development fund for arts and cultural district purposes,
9 cultural facilities or retail businesses, the governing body
10 of a municipality or county that has imposed a municipal or
11 county local option infrastructure gross receipts tax for
12 furthering or implementing economic development plans and
13 projects as defined in the Local Economic Development Act or
14 projects as defined in the Statewide Economic Development
15 Finance Act by referendum of the majority of the voters
16 voting on the question approving the ordinance imposing the
17 municipal or county infrastructure gross receipts tax before
18 July 1, 2013 shall be required to adopt a resolution. The
19 resolution shall call for an election to approve arts and
20 cultural districts as a qualifying purpose and cultural
21 facilities or retail businesses as a qualifying entity before
22 any revenue generated by the municipal or county local option
23 gross receipts tax for furthering or implementing economic
24 development plans and projects as defined in the Local
25 Economic Development Act or projects as defined in the

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1 Statewide Economic Development Finance Act can be expended
2 from the economic development fund for arts and cultural
3 district purposes, cultural facilities or retail businesses.

4 E. The governing body shall adopt a resolution
5 calling for an election within seventy-five days of the date
6 the ordinance is adopted on the question of approving arts
7 and cultural districts as a qualifying purpose and cultural
8 facilities or retail businesses as a qualifying entity
9 eligible to utilize revenue generated by the Municipal Local
10 Option Gross Receipts Taxes Act or the County Local Option
11 Gross Receipts Taxes Act for furthering or implementing
12 economic development plans and projects as defined in the
13 Local Economic Development Act or projects as defined in the
14 Statewide Economic Development Finance Act.

15 F. The question shall be submitted to the voters
16 of the municipality or county as a separate question at a
17 regular local or county election or at a special election
18 called for that purpose by the governing body. A special
19 local election shall be called, conducted and canvassed as
20 provided in the Local Election Act. A special county
21 election shall be called, conducted and canvassed in
22 substantially the same manner as provided by law for general
23 elections.

24 G. If a majority of the voters voting on the
25 question approves the ordinance adding arts and cultural

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1 districts and cultural facilities or retail businesses as an
2 approved use of the local option municipal or county economic
3 development infrastructure gross receipts tax fund, the
4 ordinance shall become effective on July 1 or January 1,
5 whichever date occurs first after the expiration of three
6 months from the date of the adopted ordinance. The ordinance
7 shall include the effective date."

8 SECTION 14. Section 5-15-3 NMSA 1978 (being Laws 2006,
9 Chapter 75, Section 3) is amended to read:

10 "5-15-3. DEFINITIONS.--As used in the Tax Increment for
11 Development Act:

12 A. "base gross receipts taxes" means:

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

24 (2) any amount of gross receipts taxes that
25 would have been collected in such year if any applicable

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1 additional gross receipts taxes imposed after that year had
2 been imposed in that year;

3 B. "base property taxes" means:

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

20 (2) any amount of property taxes that would
21 have been collected in such year if any applicable additional
22 property taxes imposed after that year had been imposed in
23 that year;

24 C. "county ~~[option]~~ gross receipts ~~[taxes]~~ tax"
25 means the increment of the county gross receipts ~~[taxes]~~ tax

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~~[bracketed material] = delete~~

1 imposed by counties pursuant to the County Local Option Gross
2 Receipts Taxes Act and designated by the governing body of
3 the county to be available as part of the gross receipts tax
4 increment;

5 D. "district" means a tax increment development
6 district;

7 E. "district board" means a board formed in
8 accordance with the provisions of the Tax Increment for
9 Development Act to govern a tax increment development
10 district;

11 F. "enhanced services" means public services
12 provided by a municipality or county within the district at a
13 higher level or to a greater degree than otherwise available
14 to the land located in the district from the municipality or
15 county, including such services as public safety, fire
16 protection, street or sidewalk cleaning or landscape
17 maintenance in public areas; provided that "enhanced
18 services" does not include the basic operation and
19 maintenance related to infrastructure improvements financed
20 by the district pursuant to the Tax Increment for Development
21 Act;

22 G. "governing body" means the city council or
23 city commission of a city, the board of trustees or council
24 of a town or village or the board of county commissioners of
25 a county;

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

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

12 J. "local government" means a municipality or
13 county;

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

20 L. "municipality" means an incorporated city,
21 town or village;

22 M. "owner" means a person owning real property
23 within the boundaries of a district;

24 N. "person" means an individual, corporation,
25 association, partnership, limited liability company or other

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underscored material = new
[bracketed material] = delete

1 legal entity;

2 O. "project" means a tax increment development
3 project;

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

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

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

21 (1) sanitary sewage systems, including
22 collection, transport, treatment, dispersal, effluent use and
23 discharge;

24 (2) drainage and flood control systems,
25 including collection, transport, storage, treatment,

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[bracketed material] = delete

1 dispersal, effluent use and discharge;

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

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

11 (5) trails and areas for pedestrian,
12 equestrian, bicycle or other non-motor vehicle use for
13 travel, ingress, egress and parking;

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

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

20 (8) public buildings, public safety
21 facilities and fire protection and police facilities;

22 (9) electrical generation, transmission and
23 distribution facilities;

24 (10) natural gas distribution facilities;

25 (11) lighting systems;

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underscored material = new
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1 (12) cable or other telecommunications lines
2 and related equipment;

3 (13) traffic control systems and devices,
4 including signals, controls, markings and signage;

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

9 (15) library and other public educational or
10 cultural facilities;

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

14 (17) inspection, construction management,
15 planning and program management and other professional
16 services costs incidental to the project;

17 (18) workforce housing; and

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

21 S. "resident qualified elector" means a person
22 who resides within the boundaries of a tax increment
23 development district or proposed tax increment development
24 district and who is qualified to vote in the general
25 elections held in the state pursuant to Section 1-1-4 NMSA

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1 1978;

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

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

14 [~~V.~~] U. "tax increment development area" means
15 the land included within the boundaries of a tax increment
16 development district;

17 [~~W.~~] V. "tax increment development district"
18 means a district formed for the purposes of carrying out tax
19 increment development projects;

20 [~~X.~~] W. "tax increment development plan" means a
21 plan for the undertaking of a tax increment development
22 project;

23 [~~Y.~~] X. "tax increment development project" means
24 activities undertaken within a tax increment development area
25 to enhance the sustainability of the local, regional or

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underscored material = new
[bracketed material] = delete

1 statewide economy; to support the creation of jobs, schools
2 and workforce housing; and to generate tax revenue for the
3 provision of public improvements and may include:

4 (1) acquisition of land within a designated
5 tax increment development area or a portion of that tax
6 increment development area;

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

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

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

22 (5) payments for professional services
23 contracts necessary to implement a tax increment development
24 plan or project;

25 (6) borrowing to purchase land, buildings or

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1 infrastructure in an amount not to exceed the revenue stream
2 that may be derived from the gross receipts tax increment or
3 the property tax increment estimated to be received by a tax
4 increment development district; and

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

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

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

21 (1) determination of mortgage amounts and
22 payments are to be based on down payment rates and interest
23 rates generally available to lower- and moderate-income
24 households; and

25 (2) a renter-occupied housing unit is

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1 affordable to a household if the unit's monthly housing
2 costs, including rent and basic utility and energy costs, do
3 not exceed thirty-three percent of the household's gross
4 monthly income."

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

7 "5-15-15. TAX INCREMENT FINANCING--GROSS RECEIPTS TAX
8 INCREMENT.--

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

19 B. As to a district formed by a municipality, [~~a~~
20 ~~portion of any of the following~~] any number of increments of
21 the municipal gross receipts tax [~~increments~~] may be paid by
22 the state directly into a special fund of the district to pay
23 the principal of, the interest on and any premium due in
24 connection with the bonds of, loans or advances to, or any
25 indebtedness incurred by, whether funded, refunded, assumed

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1 or otherwise, the authority for financing or refinancing, in
2 whole or in part, a tax increment development project within
3 the tax increment development area.

4 ~~[(1) municipal gross receipts tax authorized~~
5 ~~pursuant to the Municipal Local Option Gross Receipts Taxes~~
6 ~~Act;~~

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

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

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

16 ~~(5) municipal regional transit gross~~
17 ~~receipts tax authorized pursuant to the Municipal Local~~
18 ~~Option Gross Receipts Taxes Act;~~

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

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

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

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[bracketed material] = delete

1 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 district for financing or refinancing, in
5 whole or in part, a tax increment development project within
6 the tax increment development area.

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

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

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

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

18 ~~(5) county regional transit gross receipts~~
19 ~~tax authorized pursuant to the County Local Option Gross~~
20 ~~Receipts Taxes Act;~~

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

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

24 D. The gross receipts tax increment generated by
25 the imposition of a municipal or county ~~[local option]~~ gross

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1 receipts [~~taxes specified by statute for particular purposes~~]
2 tax may [~~nonetheless~~] be dedicated for the purposes of the
3 Tax Increment for Development Act if intent to do so is set
4 forth in the tax increment development plan approved by the
5 governing body [~~if the purpose for which the increment is~~
6 ~~intended to be used is consistent with the purposes set forth~~
7 ~~in the statute authorizing the municipal or county local~~
8 ~~option gross receipts tax~~].

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

23 [~~F. An imposition of a gross receipts tax~~
24 ~~increment attributable to the imposition of the state gross~~
25 ~~receipts tax within a district less the distributions made~~

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

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

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

20 ~~(3) the use of the state gross receipts tax~~
21 ~~is likely to stimulate the creation of jobs, economic~~
22 ~~opportunities and general revenue for the state through the~~
23 ~~addition of new businesses to the state and the expansion of~~
24 ~~existing businesses within the state.~~

25 ~~G.]~~ F. The governing body of the jurisdiction in

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1 which a tax increment development district has been
2 established shall timely notify the assessor of the county in
3 which the district has been established, the taxation and
4 revenue department and the local government division of the
5 department of finance and administration when:

6 (1) a tax increment development plan has
7 been approved that contains a provision for the allocation of
8 a gross receipts tax increment;

9 (2) any outstanding bonds of the district
10 have been paid off; and

11 (3) the purposes of the district have
12 otherwise been achieved."

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

15 "5-16-3. DEFINITIONS.--As used in the Regional
16 Spaceport District Act:

17 A. "authority" means the spaceport authority
18 created pursuant to the Spaceport Development Act;

19 B. "board" means the board of directors of a
20 district;

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

23 D. "combination" means two or more governmental
24 units that exercise joint authority;

25 E. "district" means a regional spaceport district

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1 that is a political subdivision of the state created pursuant
2 to the Regional Spaceport District Act;

3 F. "governmental unit" means the state, a county
4 or a municipality of the state or an Indian nation, tribe or
5 pueblo located within the boundaries of the state;

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

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

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

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

22 "6-14-2. DEFINITIONS.--As used in the Public Securities
23 Act:

24 A. "net effective interest rate" means the
25 interest rate of public securities, compounded semiannually,

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1 necessary to discount the scheduled debt service payments of
2 principal and interest to the date of the public securities
3 and to the price paid to the public body for the public
4 securities, excluding any interest accrued to the date of
5 delivery and based upon a year with the same number of days
6 as the number of days for which interest is computed on the
7 public securities;

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

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

19 (1) the Industrial Revenue Bond Act;

20 (2) the County Improvement District Act;

21 (3) [~~Sections 3-33-1 through 3-33-43~~]

22 Chapter 3, Article 33 NMSA 1978;

23 (4) the Pollution Control Revenue Bond Act;

24 (5) the County Pollution Control Revenue

25 Bond Act;

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

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

10 "6-22-2. DEFINITIONS.--As used in the State Aid
11 Intercept Act:

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

16 B. "local government" means a municipality or
17 county;

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

22 D. "qualified local revenue bond" means a local
23 revenue bond for which a state distributions intercept
24 authorization has been granted pursuant to this section;

25 E. "secretary" means the secretary of finance and

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~~[bracketed material] = delete~~

1 administration; and

2 F. "state distributions" means any or all of the
3 funds distributed to local governments pursuant to [~~Sections~~
4 ~~7-1-6.4 and~~] Section 7-1-6.9 NMSA 1978."

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

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

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[bracketed material] = delete

1 such payments. At the end of each fiscal year, any money
2 remaining in the special fund after payment obligations are
3 met may be transferred to any other fund of the
4 municipality."

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

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

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

1 utility savings contract and related contracts or agreements
2 and shall designate the source of the pledged revenues. Any
3 revenues pledged for such contract payments shall be
4 deposited in a special fund, and the county shall not use any
5 other county or state revenue to make such payments. At the
6 end of each fiscal year, any money remaining in the special
7 fund after the payment obligations are met may be transferred
8 to any other fund of the county."

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

11 "6-25-7. PROJECT REVENUE BONDS.--

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

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~~[bracketed material]~~ = delete

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

17 B. The principal of and interest on project
18 revenue bonds issued pursuant to the Statewide Economic
19 Development Finance Act shall be secured by a pledge of the
20 revenues of the project being financed with the proceeds of
21 the bonds, may be secured by a mortgage of all or a part of
22 the project being financed or other collateral pledged by an
23 eligible entity, and may be secured by the lease of such
24 project, which collateral and lease may be assigned, in whole
25 or in part, by the department to the authority or to third

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

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

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~~[bracketed material] = delete~~

1 interest on the bonds or in the performance of any agreement.
2 No breach of any such agreement shall impose any pecuniary
3 liability upon the authority, the department or the state or
4 any charge against the general credit or taxing powers of the
5 state.

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

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

19 E. The project revenue bonds and the income from
20 the bonds, all mortgages or other instruments executed as
21 security for the bonds, all lease agreements made pursuant to
22 the provisions of the Statewide Economic Development Finance
23 Act and revenue derived from any sale or lease of a project
24 shall be exempt from all taxation by the state or any
25 political subdivision of the state. The authority may issue

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1 project revenue bonds the interest on which is exempt from
2 taxation under federal law.

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

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

9 "7-1-2. APPLICABILITY.--The Tax Administration Act
10 applies to and governs:

11 A. the administration and enforcement of the
12 following taxes or tax acts as they now exist or may
13 hereafter be amended:

- 14 [~~(1)~~] ~~Income Tax Act;~~
- 15 [~~(2)~~] ~~Withholding Tax Act;~~
- 16 [~~(3)~~] ~~Venture Capital Investment Act;~~
- 17 [~~(4)~~] (1) Gross Receipts and Compensating Tax
18 Act and any state gross receipts tax;
- 19 [~~(5)~~] (2) Liquor Excise Tax Act;
- 20 [~~(6)~~] (3) Local Liquor Excise Tax Act;
- 21 [~~(7)~~] (4) any municipal local option gross
22 receipts tax;
- 23 [~~(8)~~] (5) any county local option gross
24 receipts tax;
- 25 [~~(9)~~] (6) Special Fuels Supplier Tax Act;

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[bracketed material] = delete

1 [~~(10)~~] (7) Gasoline Tax Act;
2 [~~(11)~~] (8) petroleum products loading fee,
3 which fee shall be considered a tax for the purpose of the
4 Tax Administration Act;
5 [~~(12)~~] (9) Alternative Fuel Tax Act;
6 [~~(13)~~] (10) Cigarette Tax Act;
7 [~~(14)~~] ~~Estate Tax Act;~~
8 [~~(15)~~] (11) Railroad Car Company Tax Act;
9 [~~(16)~~] ~~Investment Credit Act, rural job tax~~
10 ~~credit, Laboratory Partnership with Small Business Tax Credit~~
11 ~~Act, Technology Jobs and Research and Development Tax Credit~~
12 ~~Act, Film Production Tax Credit Act, Affordable Housing Tax~~
13 ~~Credit Act and high-wage jobs tax credit;~~
14 ~~(17) Corporate Income and Franchise Tax Act;~~
15 ~~(18) Uniform Division of Income for Tax~~
16 ~~Purposes Act;~~
17 ~~(19) Multistate Tax Compact;~~
18 [~~(20)~~] (12) Tobacco Products Tax Act; and
19 [~~(21)~~] (13) the telecommunications relay
20 service surcharge imposed by Section 63-9F-11 NMSA 1978,
21 which surcharge shall be considered a tax for the purposes of
22 the Tax Administration Act;
23 B. the administration and enforcement of the
24 following taxes, surtaxes, advanced payments or tax acts as
25 they now exist or may hereafter be amended:

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- 1 (1) Resources Excise Tax Act;
2 (2) Severance Tax Act;
3 (3) any severance surtax;
4 (4) Oil and Gas Severance Tax Act;
5 (5) Oil and Gas Conservation Tax Act;
6 (6) Oil and Gas Emergency School Tax Act;
7 (7) Oil and Gas Ad Valorem Production Tax
8 Act;
9 (8) Natural Gas Processors Tax Act;
10 (9) Oil and Gas Production Equipment Ad
11 Valorem Tax Act;
12 (10) Copper Production Ad Valorem Tax Act;
13 (11) any advance payment required to be made
14 by any act specified in this subsection, which advance
15 payment shall be considered a tax for the purposes of the Tax
16 Administration Act;
17 (12) Enhanced Oil Recovery Act;
18 (13) Natural Gas and Crude Oil Production
19 Incentive Act; and
20 (14) intergovernmental production tax credit
21 and intergovernmental production equipment tax credit;
22 C. the administration and enforcement of the
23 following taxes, surcharges, fees or acts as they now exist
24 or may hereafter be amended:
25 (1) Weight Distance Tax Act;

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

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

5 (4) 911 emergency surcharge and the network
6 and database surcharge, which surcharges shall be considered
7 taxes for purposes of the Tax Administration Act;

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

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

14 (7) the gaming tax imposed pursuant to the
15 Gaming Control Act; and

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

21 **SECTION 23.** Section 7-1-3 NMSA 1978 (being Laws 1965,
22 Chapter 248, Section 3, as amended) is amended to read:

23 "7-1-3. DEFINITIONS.--Unless the context clearly
24 indicates a different meaning, the definitions of words and
25 phrases as they are stated in this section are to be used,

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~~[bracketed material] = delete~~

1 and whenever in the Tax Administration Act these words and
2 phrases appear, the singular includes the plural and the
3 plural includes the singular:

4 A. "automated clearinghouse transaction" means an
5 electronic credit or debit transmitted through an automated
6 clearinghouse payable to the state treasurer and deposited
7 with the fiscal agent of New Mexico;

8 B. "department" means the taxation and revenue
9 department, the secretary or any employee of the department
10 exercising authority lawfully delegated to that employee by
11 the secretary;

12 C. "electronic payment" means a payment made by
13 automated clearinghouse deposit, any funds wire transfer
14 system or a credit card, debit card or electronic cash
15 transaction through the internet;

16 D. "employee of the department" means any
17 employee of the department, including the secretary, or any
18 person acting as agent or authorized to represent or perform
19 services for the department in any capacity with respect to
20 any law made subject to administration and enforcement under
21 the provisions of the Tax Administration Act;

22 E. "financial institution" means any state or
23 federally chartered, federally insured depository
24 institution;

25 F. "hearing officer" means a person who has been

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1 designated by the chief hearing officer to serve as a hearing
2 officer and who is:

3 (1) the chief hearing officer;

4 (2) an employee of the administrative
5 hearings office; or

6 (3) a contractor of the administrative
7 hearings office;

8 G. "Internal Revenue Code" means the Internal
9 Revenue Code of 1986, as that code may be amended or its
10 sections renumbered;

11 H. "levy" means the lawful power, hereby invested
12 in the secretary, to take into possession or to require the
13 present or future surrender to the secretary or the
14 secretary's delegate of any property or rights to property
15 belonging to a delinquent taxpayer;

16 I. "local option gross receipts tax" means a tax
17 authorized to be imposed by a county or municipality upon the
18 taxpayer's gross receipts, as that term is defined in the
19 Gross Receipts and Compensating Tax Act, and required to be
20 collected by the department at the same time and in the same
21 manner as the gross receipts tax; [~~"local option gross
22 receipts tax" includes the taxes imposed pursuant to the
23 Municipal Local Option Gross Receipts Taxes Act, Supplemental
24 Municipal Gross Receipts Tax Act, County Local Option Gross
25 Receipts Taxes Act, Local Hospital Gross Receipts Tax Act and~~

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1 ~~County Correctional Facility Gross Receipts Tax Act and such~~
2 ~~other acts as may be enacted authorizing counties or~~
3 ~~municipalities to impose taxes on gross receipts, which taxes~~
4 ~~are to be collected by the department in the same time and in~~
5 ~~the same manner as it collects the gross receipts tax;]~~

6 J. "managed audit" means a review and analysis
7 conducted by a taxpayer under an agreement with the
8 department to determine the taxpayer's compliance with a tax
9 administered pursuant to the Tax Administration Act and the
10 presentation of the results to the department for assessment
11 of tax found to be due;

12 K. "net receipts" means the total amount of money
13 paid by taxpayers to the department in a month pursuant to a
14 tax or tax act less any refunds disbursed in that month with
15 respect to that tax or tax act;

16 L. "overpayment" means an amount paid, pursuant
17 to any law subject to administration and enforcement under
18 the provisions of the Tax Administration Act, by a person to
19 the department or withheld from the person in excess of tax
20 due from the person to the state at the time of the payment
21 or at the time the amount withheld is credited against tax
22 due;

23 M. "paid" includes the term "paid over";

24 N. "pay" includes the term "pay over";

25 O. "payment" includes the term "payment over";

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1 P. "person" means any individual, estate, trust,
2 receiver, cooperative association, club, corporation,
3 company, firm, partnership, limited liability company,
4 limited liability partnership, joint venture, syndicate,
5 other association or gas, water or electric utility owned or
6 operated by a county or municipality; "person" also means, to
7 the extent permitted by law, a federal, state or other
8 governmental unit or subdivision, or an agency, department or
9 instrumentality thereof; and "person", as used in Sections
10 7-1-72 through 7-1-74 NMSA 1978, also includes an officer or
11 employee of a corporation, a member or employee of a
12 partnership or any individual who, as such, is under a duty
13 to perform any act in respect of which a violation occurs;

14 Q. "property" means property or rights to
15 property;

16 R. "property or rights to property" means any
17 tangible property, real or personal, or any intangible
18 property of a taxpayer;

19 S. "return" means any tax or information return,
20 application or form, declaration of estimated tax or claim
21 for refund, including any amendments or supplements to the
22 return, required or permitted pursuant to a law subject to
23 administration and enforcement pursuant to the Tax
24 Administration Act and filed with the secretary or the
25 secretary's delegate by or on behalf of any person;

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1 T. "return information" means a taxpayer's name,
2 address, government-issued identification number and other
3 identifying information; any information contained in or
4 derived from a taxpayer's return; any information with
5 respect to any actual or possible administrative or legal
6 action by an employee of the department concerning a
7 taxpayer's return, such as audits, managed audits, denial of
8 credits or refunds, assessments of tax, penalty or interest,
9 protests of assessments or denial of refunds or credits,
10 levies or liens; or any other information with respect to a
11 taxpayer's return or tax liability that was not obtained from
12 public sources or that was created by an employee of the
13 department; but "return information" does not include
14 statistical data or other information that cannot be
15 associated with or directly or indirectly identify a
16 particular taxpayer;

17 U. "secretary" means the secretary of taxation
18 and revenue and, except for purposes of Subsection B of
19 Section 7-1-4 NMSA 1978, also includes the deputy secretary
20 or a division director or deputy division director delegated
21 by the secretary;

22 V. "secretary or the secretary's delegate" means
23 the secretary or any employee of the department exercising
24 authority lawfully delegated to that employee by the
25 secretary;

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1 W. "security" means money, property or rights to
2 property or a surety bond;

3 X. "state" means any state of the United States,
4 the District of Columbia, the commonwealth of Puerto Rico and
5 any territory or possession of the United States;

6 Y. "tax" means the total amount of each tax
7 imposed and required to be paid, withheld and paid or
8 collected and paid under provision of any law made subject to
9 administration and enforcement according to the provisions of
10 the Tax Administration Act, including the amount of any
11 interest or civil penalty relating thereto; "tax" also means
12 any amount of any abatement of tax made or any credit, rebate
13 or refund paid or credited by the department under any law
14 subject to administration and enforcement under the
15 provisions of the Tax Administration Act to any person
16 contrary to law, including the amount of any interest or
17 civil penalty relating thereto; and

18 ~~Z. "tax return preparer" means a person who~~
19 ~~prepares for others for compensation or who employs one or~~
20 ~~more persons to prepare for others for compensation any~~
21 ~~return of income tax, a substantial portion of any return of~~
22 ~~income tax, any claim for refund with respect to income tax~~
23 ~~or a substantial portion of any claim for refund with respect~~
24 ~~to income tax; provided that a person shall not be a "tax~~
25 ~~return preparer" merely because such person:~~

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1 ~~(1) furnishes typing, reproducing or other~~
2 ~~mechanical assistance;~~

3 ~~(2) is an employee who prepares an income~~
4 ~~tax return or claim for refund with respect to an income tax~~
5 ~~return of the employer, or of an officer or employee of the~~
6 ~~employer, by whom the person is regularly and continuously~~
7 ~~employed; or~~

8 ~~(3) prepares as a trustee or other fiduciary~~
9 ~~an income tax return or claim for refund with respect to~~
10 ~~income tax for any person; and~~

11 AA.] Z. "taxpayer" means a person liable for
12 payment of any tax; a person responsible for withholding and
13 payment or for collection and payment of any tax; a person to
14 whom an assessment has been made, if the assessment remains
15 unabated or the amount thereof has not been paid; or a person
16 who entered into a special agreement pursuant to Section
17 7-1-21.1 NMSA 1978 to assume the liability of gross receipts
18 tax or governmental gross receipts tax of another person and
19 the special agreement was approved by the secretary pursuant
20 to the Tax Administration Act."

21 SECTION 24. Section 7-1-4.4 NMSA 1978 (being Laws 2005,
22 Chapter 138, Section 1) is amended to read:

23 "7-1-4.4. NOTICE OF POTENTIAL ELIGIBILITY REQUIRED.--
24 The department shall include a notice with [~~an income~~] a
25 gross receipts tax refund or other notice sent to a taxpayer

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1 whose income is within one hundred thirty percent of federal
2 poverty guidelines as defined by the United States census
3 bureau that the taxpayer may be eligible for [~~food stamps~~]
4 the federal supplemental nutrition assistance program.

5 Included in the notice shall be general information about
6 [~~food stamps~~] the federal supplemental nutrition assistance
7 program, such as where to apply for [~~food stamps~~] the
8 program, based on information received by the department from
9 the human services department by January 30 of each calendar
10 year."

11 SECTION 25. Section 7-1-6 NMSA 1978 (being Laws 1978,
12 Chapter 55, Section 1, as amended) is amended to read:

13 "7-1-6. RECEIPTS--DISBURSEMENTS--FUNDS CREATED.--

14 A. All money received by the department with
15 respect to laws administered pursuant to the provisions of
16 the Tax Administration Act shall be deposited with the state
17 treasurer before the close of the next succeeding business
18 day after receipt of the money [~~except that for 1989 and~~
19 ~~every subsequent year, money received with respect to the~~
20 ~~Income Tax Act during the period starting with the fifth day~~
21 ~~prior to the due date for payment of income tax for the year~~
22 ~~and ending on the tenth day following that due date shall be~~
23 ~~deposited before the close of the tenth business day after~~
24 ~~receipt of the money~~].

25 B. Money received or disbursed by the department

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1 shall be accounted for by the department as required by law
2 or regulation of the secretary of finance and administration.

3 C. Disbursements for tax credits, tax rebates,
4 refunds, the payment of interest, the payment of fees charged
5 by attorneys or collection agencies for collection of
6 accounts as agent for the department, attorney fees and costs
7 awarded by a court or hearing officer, as the result of oil
8 and gas litigation, the payment of credit card service
9 charges on payments of taxes by use of credit cards,
10 distributions and transfers shall be made by the department
11 of finance and administration upon request and certification
12 of their appropriateness by the secretary or the secretary's
13 delegate.

14 D. There are hereby created in the state treasury
15 the "tax administration suspense fund", the "extraction taxes
16 suspense fund" and the "workers' compensation collections
17 suspense fund" for the purpose of making the disbursements
18 authorized by the Tax Administration Act.

19 E. All revenues collected or received by the
20 department pursuant to the provisions of the taxes and tax
21 acts set forth in Subsection A of Section 7-1-2 NMSA 1978
22 and, through June 30, 2009, federal funds from the temporary
23 assistance for needy families program pursuant to an
24 agreement that the department and the human services
25 department may enter into for the payment of tax refunds, tax

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1 rebates and tax credits to low-income families with dependent
2 children otherwise authorized by state and federal law shall
3 be credited to the tax administration suspense fund and are
4 appropriated for the purpose of making the disbursements
5 authorized in this section or otherwise authorized or
6 required by law to be made from the tax administration
7 suspense fund.

8 F. All revenues collected or received by the
9 department pursuant to the taxes or tax acts set forth in
10 Subsection B of Section 7-1-2 NMSA 1978 shall be credited to
11 the extraction taxes suspense fund and are appropriated for
12 the purpose of making the disbursements authorized in this
13 section or otherwise authorized or required by law to be made
14 from the extraction taxes suspense fund.

15 G. All revenues collected or received by the
16 department pursuant to the taxes or tax acts set forth in
17 Subsection C of Section 7-1-2 NMSA 1978 may be credited to
18 the tax administration suspense fund, unless otherwise
19 directed by law to be credited to another fund or agency, and
20 are appropriated for the purpose of making disbursements
21 authorized in this section or otherwise authorized or
22 required by law.

23 H. All revenues collected or received by the
24 department pursuant to the provisions of Section 52-5-19 NMSA
25 1978 shall be credited to the workers' compensation

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1 collections suspense fund and are appropriated for the
2 purpose of making the disbursements authorized in this
3 section or otherwise authorized or required by law to be made
4 from the workers' compensation collections suspense fund.

5 I. Disbursements to cover expenditures of the
6 department shall be made only upon approval of the secretary
7 or the secretary's delegate.

8 J. Miscellaneous receipts from charges made by
9 the department to defray expenses pursuant to the provisions
10 of Section 9-11-6.1 NMSA 1978 and similar charges are
11 appropriated to the department for its use.

12 ~~[K. From the tax administration suspense fund,~~
13 ~~there may be disbursed each month amounts approved by the~~
14 ~~secretary or the secretary's delegate necessary to maintain a~~
15 ~~fund hereby created and to be known as the "income tax~~
16 ~~suspense fund". The income tax suspense fund shall be used~~
17 ~~for the payment of income tax refunds.]"~~

18 SECTION 26. Section 7-1-6.2 NMSA 1978 (being Laws 1983,
19 Chapter 211, Section 7, as amended) is amended to read:

20 "7-1-6.2. DISTRIBUTION--SMALL CITIES ASSISTANCE FUND.--
21 A distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be
22 made to the small cities assistance fund in an amount equal
23 to [fifteen] three-thousandths percent of the net receipts
24 attributable to the compensating tax."

25 SECTION 27. Section 7-1-6.5 NMSA 1978 (being Laws 1983,

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1 Chapter 211, Section 10 and Laws 1983, Chapter 214, Section
2 6, as amended) is amended to read:

3 "7-1-6.5. DISTRIBUTION--SMALL COUNTIES ASSISTANCE
4 FUND.--A distribution pursuant to Section 7-1-6.1 NMSA 1978
5 shall be made to the small counties assistance fund in an
6 amount equal to ~~[ten]~~ one hundred seventy-five one hundred-
7 thousandths percent of the net receipts attributable to the
8 compensating tax."

9 SECTION 28. Section 7-1-6.7 NMSA 1978 (being Laws 1994,
10 Chapter 5, Section 2, as amended) is amended to read:

11 "7-1-6.7. DISTRIBUTIONS--STATE AVIATION FUND.--

12 ~~[A. A distribution pursuant to Section 7-1-6.1~~
13 ~~NMSA 1978 shall be made to the state aviation fund in an~~
14 ~~amount equal to four and seventy-nine hundredths percent of~~
15 ~~the taxable gross receipts attributable to the sale of fuel~~
16 ~~specially prepared and sold for use in turboprop or jet-type~~
17 ~~engines as determined by the department.~~

18 ~~B.]~~ 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 twenty-six hundredths percent of gasoline
21 taxes, exclusive of penalties and interest, collected
22 pursuant to the Gasoline Tax Act.

23 ~~[C. From July 1, 2013 through June 30, 2021, a~~
24 ~~distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be~~
25 ~~made to the state aviation fund in an amount equal to forty-~~

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1 ~~six thousandths percent of the net receipts attributable to~~
2 ~~the gross receipts tax distributable to the general fund.~~

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

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

9 ~~(2) one hundred sixty-seven thousand dollars~~
10 ~~(\$167,000) monthly from July 1, 2008 through June 30, 2009;~~
11 and

12 ~~(3)]~~ two hundred fifty thousand dollars
13 (\$250,000) [~~monthly after July 1, 2009~~]."

14 SECTION 29. Section 7-1-6.16 NMSA 1978 (being Laws
15 1983, Chapter 213, Section 27, as amended) is amended to
16 read:

17 "7-1-6.16. COUNTY EQUALIZATION DISTRIBUTION.--

18 A. Beginning on September 15, 1989 and on
19 September 15 of each year thereafter, the department shall
20 distribute to any county that has imposed or continued in
21 effect during the state's preceding fiscal year a county
22 gross receipts tax pursuant to Section 7-20E-9 NMSA 1978 an
23 amount equal to:

24 (1) the product of a fraction, the numerator
25 of which is the county's population and the denominator of

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1 which is the state's population, multiplied by the annual sum
2 for the county; less

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

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

15 C. As used in this section:

16 (1) "annual sum" means for each county the
17 sum of the monthly amounts for those months in the report
18 year that follow a month in which the county had in effect a
19 county gross receipts tax;

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

22 (a) the net receipts received by the
23 department in the month attributable to the state gross
24 receipts tax [~~plus five percent of the total amount of~~
25 ~~deductions claimed pursuant to Section 7-9-92 NMSA 1978 for~~

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1 ~~the month plus five percent of the total amount of deductions~~
2 ~~claimed pursuant to Section 7-9-93 NMSA 1978 for the month];~~
3 and

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

8 (3) "population" means the most recent
9 official census or estimate determined by the United States
10 census bureau for the unit or, if neither is available, the
11 most current estimated population for the unit provided in
12 writing by the bureau of business and economic research at
13 the university of New Mexico; and

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

18 SECTION 30. Section 7-1-6.33 NMSA 1978 (being Laws
19 1991, Chapter 212, Section 15, as amended) is amended to
20 read:

21 "7-1-6.33. DISTRIBUTION [~~TO COUNTY-SUPPORTED~~]-MEDICAID
22 FUND--SAFETY NET CARE POOL FUND--A distribution pursuant to
23 Section 7-1-6.1 NMSA 1978 shall be made to:

24 A. the [~~county-supported~~] medicaid fund in an
25 amount equal to fourteen-thousandths percent of the net

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1 receipts attributable to the [~~taxes imposed pursuant to~~
2 ~~Section 7-20E-18 NMSA 1978~~] gross receipts tax; and

3 B. the safety net care pool fund in an amount
4 equal to eighteen-thousandths percent of the net receipts
5 attributable to the gross receipts tax."

6 SECTION 31. Section 7-1-6.53 NMSA 1978 (being Laws
7 2005, Chapter 176, Section 11) is amended to read:

8 "7-1-6.53. DISTRIBUTION--ENERGY EFFICIENCY AND
9 RENEWABLE ENERGY BONDING FUND--GROSS RECEIPTS TAX.--A
10 distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be
11 made to the energy efficiency and renewable energy bonding
12 fund from the net receipts attributable to the gross receipts
13 tax imposed by the Gross Receipts and Compensating Tax Act in
14 an amount necessary to make the required bond debt service
15 payments pursuant to the Energy Efficiency and Renewable
16 Energy Bonding Act as determined by the New Mexico finance
17 authority. The distribution shall be made:

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

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

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

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1 SECTION 32. A new section of the Tax Administration Act
2 is enacted to read:

3 "[NEW MATERIAL] DISTRIBUTION--BONDS ISSUED BY A TAX
4 INCREMENT DEVELOPMENT DISTRICT.--A distribution pursuant to
5 Section 7-1-6.1 NMSA 1978 shall be made to a tax increment
6 development district from the net receipts attributable to
7 the gross receipts tax in an amount necessary to make the
8 required bond debt service payments for which revenue
9 attributable to the gross receipts tax is pledged pursuant to
10 Sections 5-15-21 and 5-15A-1 NMSA 1978, as those sections
11 were in effect prior to January 1, 2020, as determined by the
12 New Mexico finance authority. The distribution shall be
13 made:

14 A. contemporaneously with other distributions of
15 net receipts attributable to the gross receipts tax for
16 payment of debt service on outstanding bonds or to a fund
17 dedicated for that purpose; and

18 B. prior to any other distribution of net
19 receipts attributable to the gross receipts tax."

20 SECTION 33. Section 7-1-8.8 NMSA 1978 (being Laws 2009,
21 Chapter 243, Section 10, as amended) is amended to read:

22 "7-1-8.8. INFORMATION THAT MAY BE REVEALED TO OTHER
23 STATE AGENCIES.--An employee of the department may reveal to:

24 A. a committee of the legislature for a valid
25 legislative purpose, return information concerning any tax or

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1 fee imposed pursuant to the Cigarette Tax Act;

2 B. the attorney general, return information
3 acquired pursuant to the Cigarette Tax Act for purposes of
4 Section 6-4-13 NMSA 1978 and the master settlement agreement
5 defined in Section 6-4-12 NMSA 1978;

6 C. the commissioner of public lands, return
7 information for use in auditing that pertains to rentals,
8 royalties, fees and other payments due the state under land
9 sale, land lease or other land use contracts;

10 D. the secretary of human services or the
11 secretary's delegate under a written agreement with the
12 department, the last known address with date of all names
13 certified to the department as being absent parents of
14 children receiving public financial assistance, but only for
15 the purpose of enforcing the support liability of the absent
16 parents by the child support enforcement division or any
17 successor organizational unit;

18 E. the department of information technology, by
19 electronic media, a database updated quarterly that contains
20 the names, addresses, county of address and taxpayer
21 identification numbers of New Mexico [~~personal income~~] gross
22 receipts tax filers, but only for the purpose of producing
23 the random jury list for the selection of petit or grand
24 jurors for the state courts pursuant to Section 38-5-3 NMSA
25 1978;

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1 F. the state courts, the random jury lists
2 produced by the department of information technology under
3 Subsection E of this section;

4 G. the director of the New Mexico department of
5 agriculture or the director's authorized representative, upon
6 request of the director or representative, the names and
7 addresses of all gasoline or special fuel distributors,
8 wholesalers and retailers;

9 H. the public regulation commission, return
10 information with respect to the Corporate Income and
11 Franchise Tax Act required to enable the commission to carry
12 out its duties;

13 I. the state racing commission, return
14 information with respect to the state, municipal and county
15 gross receipts taxes paid by racetracks;

16 J. the gaming control board, tax returns of
17 license applicants and their affiliates as provided in
18 Subsection E of Section 60-2E-14 NMSA 1978;

19 K. the director of the workers' compensation
20 administration or to the director's representatives
21 authorized for this purpose, return information to facilitate
22 the identification of taxpayers that are delinquent or
23 noncompliant in payment of fees required by Section 52-1-9.1
24 or 52-5-19 NMSA 1978;

25 L. the secretary of workforce solutions or the

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1 secretary's delegate, return information for use in
2 enforcement of unemployment insurance collections pursuant to
3 the terms of a written reciprocal agreement entered into by
4 the department with the secretary of workforce solutions for
5 exchange of information;

6 M. the New Mexico finance authority, information
7 with respect to the amount of municipal and county gross
8 receipts taxes collected by municipalities and counties
9 pursuant to any local option municipal or county gross
10 receipts taxes imposed, and information with respect to the
11 amount of governmental gross receipts taxes paid by every
12 agency, institution, instrumentality or political subdivision
13 of the state pursuant to Section 7-9-4.3 NMSA 1978;

14 N. the secretary of human services or the
15 secretary's delegate; provided that a person who receives the
16 confidential return information on behalf of the human
17 services department shall not reveal the information and
18 shall be subject to the penalties in Section 7-1-76 NMSA 1978
19 if the person fails to maintain the confidentiality required:

20 (1) that return information needed for
21 reports required to be made to the federal government
22 concerning the use of federal funds for low-income working
23 families; and

24 (2) the names and addresses of low-income
25 taxpayers for the limited purpose of outreach to those

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1 taxpayers; provided that the human services department shall
2 pay the department for expenses incurred by the department to
3 derive the information requested by the human services
4 department if the information requested is not readily
5 available in reports for which the department's information
6 systems are programmed; and

7 O. the superintendent of insurance, return
8 information with respect to the premium tax and the health
9 insurance premium surtax."

10 SECTION 34. Section 7-1-10 NMSA 1978 (being Laws 1965,
11 Chapter 248, Section 15, as amended) is amended to read:

12 "7-1-10. RECORDS REQUIRED BY STATUTE--TAXPAYER
13 RECORDS--ACCOUNTING METHODS--REPORTING METHODS--INFORMATION
14 RETURNS.--

15 A. Every person required by the provisions of any
16 statute administered by the department to keep records and
17 documents and every taxpayer shall maintain books of account
18 or other records in a manner that will permit the accurate
19 computation of state taxes or provide information required by
20 the statute under which the person is required to keep
21 records.

22 B. Methods of accounting shall be consistent for
23 the same business. A taxpayer engaged in more than one
24 business may use a different method of accounting for each
25 business.

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1 C. Prior to changing the method of accounting in
2 keeping books and records for tax purposes, a taxpayer shall
3 first secure the consent of the secretary or the secretary's
4 delegate. If consent is not secured, the department upon audit
5 may require the taxpayer to compute the amount of tax due on
6 the basis of the accounting method earlier used.

7 D. Prior to changing the method of reporting taxes,
8 other than for changes required by law, a taxpayer shall first
9 secure the consent of the secretary or the secretary's
10 delegate. Consent shall be granted or withheld pursuant to the
11 provisions of Section 7-4-19 NMSA 1978. If consent is not
12 secured, the secretary or the secretary's delegate upon audit
13 may require the taxpayer to compute the amount of tax due on
14 the basis of the reporting method earlier used.

15 E. Upon the written application of a taxpayer and
16 at the sole discretion of the secretary or the secretary's
17 delegate, the secretary or the secretary's delegate may enter
18 into an agreement with a taxpayer allowing the taxpayer to
19 report values, gross receipts, deductions or the value of
20 property on an estimated basis for gross receipts and
21 compensating tax, oil and gas severance tax, oil and gas
22 conservation tax, oil and gas emergency school tax and oil and
23 gas ad valorem production tax purposes for a limited period of
24 time not to exceed four years. As used in this section,
25 "estimated basis" means a methodology that is reasonably

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1 expected to approximate the tax that will be due over the
2 period of the agreement using summary rather than detail data
3 or alternate valuation applications or methods, provided that:

4 (1) nothing in this section shall be construed
5 to require the secretary or the secretary's delegate to enter
6 into such an agreement; and

7 (2) the agreement must:

8 (a) specify the receipts, deductions or
9 values to be reported on an estimated basis and the methodology
10 to be followed by the taxpayer in making the estimates;

11 (b) state the term of the agreement and
12 the procedures for terminating the agreement prior to its
13 expiration;

14 (c) be signed by the taxpayer or the
15 taxpayer's representative and the secretary or the secretary's
16 delegate; and

17 (d) contain a declaration by the
18 taxpayer or the taxpayer's representative that all statements
19 of fact made by the taxpayer or the taxpayer's representative
20 in the taxpayer's application and the agreement are true and
21 correct as to every material matter.

22 F. The secretary may, by regulation, require any
23 person doing business in the state to submit to the department
24 information reports that are considered reasonable and
25 necessary for the administration of any provision of law to

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1 which the Tax Administration Act applies.

2 G. The secretary shall, by rule, require a seller
3 or marketplace provider, as that term is used in the Gross
4 Receipts and Compensating Tax Act, to provide information
5 reports regarding sales, leases or licenses made by the seller
6 or facilitated by the marketplace provider to this state if the
7 seller or marketplace provider is not subject to taxation in
8 this state."

9 SECTION 35. Section 7-1-13 NMSA 1978 (being Laws 1965,
10 Chapter 248, Section 18, as amended) is amended to read:

11 "7-1-13. TAXPAYER RETURNS--PAYMENT OF TAXES--EXTENSION OF
12 TIME.--

13 A. Taxpayers are liable for tax at the time of and
14 after the transaction or incident giving rise to tax until
15 payment is made. Taxes are due on and after the date on which
16 their payment is required until payment is made.

17 B. Every taxpayer shall, on or before the date on
18 which payment of any tax is due, complete and file a tax return
19 in a form prescribed and according to the regulations issued by
20 the secretary. Except as provided in Section 7-1-13.1 NMSA
21 1978 or by regulation, ruling, order or instruction of the
22 secretary, the payment of any tax or the filing of any return
23 may be accomplished by mail. When the filing of a tax return
24 or payment of a tax is accomplished by mail, the date of the
25 postmark shall be considered the date of submission of the

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1 return or payment.

2 ~~[G. If any adjustment is made in the basis for~~
3 ~~computation of any federal tax as a result of an audit by the~~
4 ~~internal revenue service or the filing of an amended federal~~
5 ~~return changing a prior election or making any other change for~~
6 ~~which federal approval is required by the Internal Revenue~~
7 ~~Code, the taxpayer affected shall, within one hundred eighty~~
8 ~~days of final determination of the adjustment, file an amended~~
9 ~~return with the department. Payment of any additional tax due~~
10 ~~shall accompany the return.~~

11 ~~D.]~~ C. Payment of the total amount of all taxes
12 that are due from the taxpayer shall precede or accompany the
13 return. Delivery to the department of a check that is not paid
14 upon presentment does not constitute payment.

15 ~~[E.]~~ D. The secretary or the secretary's delegate
16 may, for good cause, extend in favor of a taxpayer or a class
17 of taxpayers, for no more than a total of twelve months, the
18 date on which payment of any tax is required or on which any
19 return required by provision of the Tax Administration Act
20 shall be filed, but no extension shall prevent the accrual of
21 interest as otherwise provided by law. ~~[When an extension of~~
22 ~~time for income tax has been granted a taxpayer under the~~
23 ~~Internal Revenue Code, the extension shall serve to extend the~~
24 ~~time for filing New Mexico income tax; provided that a copy of~~
25 ~~the approved federal extension of time is attached to the~~

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1 ~~taxpayer's New Mexico income tax return. The secretary by~~
2 ~~regulation may also provide for the automatic extension for no~~
3 ~~more than six months of the date upon which payment of any New~~
4 ~~Mexico income tax or the filing of any New Mexico income tax~~
5 ~~return is required.]~~ If the secretary or the secretary's
6 delegate believes it necessary to ensure the collection of the
7 tax, the secretary or the secretary's delegate may require, as
8 a condition of granting any extension, that the taxpayer
9 furnish security in accordance with the provisions of Section
10 7-1-54 NMSA 1978.

11 ~~[F. As used in this section, "final determination"~~
12 ~~means:~~

13 ~~(1) the taxpayer has:~~

14 ~~(a) made payment on any additional~~
15 ~~income tax liability resulting from the federal audit; and~~

16 ~~(b) not filed a petition for~~
17 ~~redetermination or claim for refund for the portions of the~~
18 ~~audit on which payment was made;~~

19 ~~(2) the taxpayer has received a refund from~~
20 ~~the United States department of the treasury resulting from the~~
21 ~~federal audit;~~

22 ~~(3) the taxpayer has signed federal form 870~~
23 ~~or other internal revenue service form consenting to the~~
24 ~~deficiency or accepting any overassessment;~~

25 ~~(4) the taxpayer's time period for filing a~~

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1 ~~federal petition for redetermination to the United States tax~~
2 ~~court has expired;~~

3 ~~(5) the taxpayer enters into a closing~~
4 ~~agreement with the internal revenue service as provided in~~
5 ~~Section 7121 of the Internal Revenue Code; or~~

6 ~~(6) a decision from the United States tax~~
7 ~~court, United States district court, United States court of~~
8 ~~appeals, United States court of claims or United States supreme~~
9 ~~court becomes final.]"~~

10 SECTION 36. Section 7-1-14 NMSA 1978 (being Laws 1969,
11 Chapter 145, Section 1, as amended) is repealed and a new
12 Section 7-1-14 NMSA 1978 is enacted to read:

13 "7-1-14. [NEW MATERIAL] LOCATION WHERE CERTAIN GROSS
14 RECEIPTS ARE TO BE REPORTED.--

15 A. Gross receipts and deductions required to be
16 reported pursuant to the Gross Receipts and Compensating Tax
17 Act, Interstate Telecommunications Gross Receipts Tax Act,
18 Municipal Local Option Gross Receipts Taxes Act and County
19 Local Option Gross Receipts Taxes Act shall be reported as
20 follows:

21 (1) gross receipts and deductions from the
22 sale, lease or licensing of tangible personal property shall be
23 reported to the location of delivery of that tangible personal
24 property to the customer; provided that the reporting location
25 for receipts from leasing a vehicle is the location where the

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1 customer first makes use of the vehicle;

2 (2) gross receipts and deductions from the
3 sale of construction services and materials delivered to the
4 site of the construction project shall be reported to the
5 location of the construction project;

6 (3) gross receipts and deductions from the
7 sale, lease or granting of a license to use real property shall
8 be reported to the location of the real property; and

9 (4) the reporting location for gross receipts
10 and deductions from a customer for services provided by a
11 transportation network company pursuant to the Transportation
12 Network Company Services Act shall be the location where the
13 customer enters the vehicle offered for a prearranged ride.

14 B. The secretary may, by rule, provide for the
15 reporting of gross receipts and deductions from transactions
16 consistent with this section and for reporting the tax imposed
17 by taxing jurisdictions at that location, including the
18 reporting of receipts from locations outside a municipal
19 boundary but within property owned by the municipality."

20 SECTION 37. Section 7-1-26 NMSA 1978 (being Laws 1965,
21 Chapter 248, Section 28, as amended) is amended to read:

22 "7-1-26. DISPUTING LIABILITIES--CLAIM FOR CREDIT, REBATE
23 OR REFUND.--

24 A. A person who believes that an amount of tax has
25 been paid by or withheld from that person in excess of that for

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1 which the person was liable, who has been denied any credit or
2 rebate claimed or who claims a prior right to property in the
3 possession of the department pursuant to a levy made under
4 authority of Sections 7-1-31 through 7-1-34 NMSA 1978 may claim
5 a refund by directing to the secretary, within the time limited
6 by the provisions of Subsections F and G of this section, a
7 written claim for refund. At the time the written claim is
8 submitted, except as provided in Subsection K of this section,
9 a refund claim shall include:

10 (1) the taxpayer's name, address and
11 identification number;

12 (2) the type of tax for which a refund is
13 being claimed, the credit or rebate denied or the property
14 levied upon;

15 (3) the sum of money or other property being
16 claimed;

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

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

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

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1 B. A claim for refund that meets the requirements
2 of Subsection A of this section shall be deemed to be properly
3 before the department for consideration, regardless of whether
4 the department requests additional documentation after receipt
5 of the claim for refund; provided that the claim for refund is
6 filed within the time limitations provided in Subsections F and
7 G of this section.

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

15 D. The secretary or the secretary's delegate may
16 allow the claim in whole or in part or may deny the claim. If
17 the:

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

24 (2) department has neither granted nor denied
25 any portion of a complete claim for refund within one hundred

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1 eighty days of the date the claim was mailed or otherwise
2 delivered to the department, the person may elect to treat the
3 claim as denied and elect to pursue one, but not more than one,
4 of the remedies provided in Subsection [D] E of this section.

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

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

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

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

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

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

24 (2) commence a civil action in the district
25 court for Santa Fe county by filing a complaint setting forth

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

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

14 (1) within [~~three years~~] one year of [~~the end~~
15 ~~of the calendar year in which~~] when:

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

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

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1 or the Natural Gas Processors Tax Act;

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

4 (d) an overpayment of New Mexico tax
5 resulted from: 1) an internal revenue service audit adjustment
6 or a federal refund paid due to an adjustment of an audit by
7 the internal revenue service or an amended federal return; or
8 2) making a change to a federal return for which federal
9 approval is required by the Internal Revenue 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 or~~
15 ~~similar credit has been denied, the taxpayer may claim a refund~~
16 ~~of the credit no later than one year after the date of the~~
17 ~~denial;~~

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

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

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

9 ~~[(5)]~~ (4) when a taxpayer has been assessed a
10 tax on or after July 1, 1993 under Subsection B, C or D of
11 Section 7-1-18 NMSA 1978 and when the assessment applies to a
12 period ending at least three years prior to the beginning of
13 the year in which the assessment was made, the taxpayer may
14 claim a refund for the same tax for the period of the
15 assessment or for any period following that period within one
16 year of the date of the assessment unless a longer period for
17 claiming a refund is provided in this section.

18 G. No credit or refund shall be allowed or made to
19 any person claiming a refund of gasoline tax under Section
20 7-13-11 NMSA 1978 unless notice of the destruction of the
21 gasoline was given to the department within thirty days of the
22 actual destruction and the claim for refund is made within six
23 months of the date of destruction. No credit or refund shall
24 be allowed or made to any person claiming a refund of gasoline
25 tax under Section 7-13-17 NMSA 1978 unless the refund is

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1 claimed within six months of the date of purchase of the
2 gasoline and the gasoline has been used at the time the claim
3 for refund is made.

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

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

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

25 K. The filing of a fully completed original [~~income~~

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

11 SECTION 38. Section 7-1-29 NMSA 1978 (being Laws 1965,
12 Chapter 248, Section 31, as amended) is amended to read:

13 "7-1-29. AUTHORITY TO MAKE REFUNDS OR CREDITS.--

14 A. In response to a claim for refund, credit or
15 rebate made as provided in Section 7-1-26 NMSA 1978, but before
16 a court acquires jurisdiction of the matter, the secretary or
17 the secretary's delegate may authorize payment to a person in
18 the amount of the credit or rebate claimed or refund an
19 overpayment of tax determined by the secretary or the
20 secretary's delegate to have been erroneously made by the
21 person, together with allowable interest. A payment of a
22 credit rebate claimed or a refund of tax and interest
23 erroneously paid amounting to twenty thousand dollars (\$20,000)
24 or more shall be made with the prior approval of the attorney
25 general, except that the secretary or the secretary's delegate

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1 may make refunds with respect to the Oil and Gas Severance Tax
2 Act, the Oil and Gas Conservation Tax Act, the Oil and Gas
3 Emergency School Tax Act, the Oil and Gas Ad Valorem Production
4 Tax Act, the Natural Gas Processors Tax Act or the Oil and Gas
5 Production Equipment Ad Valorem Tax Act, Section 7-13-17 NMSA
6 1978 and the Cigarette Tax Act without the prior approval of
7 the attorney general regardless of the amount.

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

15 C. In the discretion of the secretary, any amount
16 of credit or rebate to be paid or tax to be refunded may be
17 offset against any amount of tax for which the person due to
18 receive the credit, rebate payment or refund is liable, or in
19 the case of a refund of sales tax, any compensating tax owed by
20 that person's customer as a result of transactions with that
21 person. The secretary or the secretary's delegate shall give
22 notice to the taxpayer that the credit, rebate payment or
23 refund will be made in this manner, and the taxpayer shall be
24 entitled to interest pursuant to Section 7-1-68 NMSA 1978 until
25 the tax liability is credited with the credit, rebate or refund

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1 amount.

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

17 E. When a taxpayer makes a payment identified to a
18 particular return or assessment, and the department determines
19 that the payment exceeds the amount due pursuant to that return
20 or assessment, the secretary may apply the excess to the
21 taxpayer's other liabilities pursuant to the tax acts to which
22 the return or assessment applies, without requiring the
23 taxpayer to file a claim for a refund. The liability to which
24 an overpayment is applied pursuant to this section shall be
25 deemed paid in the period in which the overpayment was made or

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1 the period to which the overpayment was applied, whichever is
2 later.

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

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

18 H. In response to a timely refund claim pursuant to
19 Section 7-1-26 NMSA 1978 and notwithstanding any other
20 provision of the Tax Administration Act, the secretary or the
21 secretary's delegate may refund or credit a portion of an
22 assessment of tax paid, including applicable penalties and
23 interest representing the amount of tax previously paid by
24 another person on behalf of the taxpayer on the same
25 transaction, provided that the requirements of equitable

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1 recoupment are met. For purposes of this subsection, the
2 refund claim may be filed by the taxpayer to whom the
3 assessment was issued or by another person who claims to have
4 previously paid the tax on behalf of the taxpayer. Prior to
5 granting the refund or credit, the secretary may require a
6 waiver of all rights to claim a refund or credit of the tax
7 previously paid by another person paying a tax on behalf of the
8 taxpayer."

9 **SECTION 39.** Section 7-1-61 NMSA 1978 (being Laws 1965,
10 Chapter 248, Section 62, as amended) is amended to read:

11 "7-1-61. DUTY OF SUCCESSOR IN BUSINESS.--

12 A. As used in Sections 7-1-61 through 7-1-63 NMSA
13 1978, "tax" means the amount of tax due, including penalties
14 and interest, imposed by provisions of the taxes or tax acts
15 set forth in Subsections A and B of Section 7-1-2 NMSA 1978
16 ~~[except the Income Tax Act].~~

17 B. The tangible and intangible property used in any
18 business remains subject to liability for payment of the tax
19 due on account of that business to the extent stated herein,
20 even though the business changes hands.

21 C. If any person liable for any amount of tax from
22 operating a business transfers that business to a successor,
23 the successor shall place in a trust account sufficient money
24 from the purchase price or other source to cover such amount of
25 tax until the secretary or secretary's delegate issues a

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1 certificate stating that no amount is due, or the successor
2 shall pay over the amount due to the department upon proper
3 demand for, or assessment of, that amount due by the
4 secretary."

5 SECTION 40. Section 7-1-67 NMSA 1978 (being Laws 1965,
6 Chapter 248, Section 68, as amended) is amended to read:

7 "7-1-67. INTEREST ON DEFICIENCIES.--

8 A. If a tax imposed is not paid on or before the
9 day on which it becomes due, interest shall be paid to the
10 state on that amount from the first day following the day on
11 which the tax becomes due, without regard to any extension of
12 time or installment agreement, until it is paid, except that:

13 [~~(1)~~] ~~for income tax imposed on a member of the~~
14 ~~armed services of the United States serving in a combat zone~~
15 ~~under orders of the president of the United States, interest~~
16 ~~shall accrue only for the period beginning the day after any~~
17 ~~applicable extended due date if the tax is not paid;~~

18 ~~(2)]~~ (1) if the amount of interest due at the
19 time payment is made is less than one dollar (\$1.00), then no
20 interest shall be due;

21 [~~(3)]~~ (2) if demand is made for payment of a
22 tax, including accrued interest, and if the tax is paid within
23 ten days after the date of the demand, no interest on the
24 amount paid shall be imposed for the period after the date of
25 the demand;

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1 [~~(4)~~] (3) if a managed audit is completed by
2 the taxpayer on or before the date required, as provided in the
3 agreement for the managed audit, and payment of any tax found
4 to be due is made in full within one hundred eighty days of the
5 date the secretary has mailed or delivered an assessment for
6 the tax to the taxpayer, no interest shall be due on the
7 assessed tax;

8 [~~(5)~~] (4) when, as the result of an audit or a
9 managed audit, an overpayment of a tax is credited against an
10 underpayment of tax pursuant to Section 7-1-29 NMSA 1978,
11 interest shall accrue from the date the tax was due until the
12 tax is deemed paid;

13 [~~(6)~~] (5) if the department does not issue an
14 assessment for the tax program and period within the time
15 provided in Subsection D of Section 7-1-11.2 NMSA 1978,
16 interest shall be paid from the first day following the day on
17 which the tax becomes due until the tax is paid, excluding the
18 period between either:

19 (a) the one hundred eightieth day after
20 giving a notice of outstanding records or books of account and
21 the date of the assessment of the tax; or

22 (b) the ninetieth day after the
23 expiration of the additional time requested by the taxpayer to
24 comply pursuant to Section 7-1-11.2 NMSA 1978, if such request
25 was granted, and the date of the assessment of the tax; and

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1 [~~7~~] (6) if the taxpayer was not provided
2 with proper notices as required in Section 7-1-11.2 NMSA 1978,
3 interest shall be paid from the first day following the day on
4 which the tax becomes due until the tax is paid, excluding the
5 period between one hundred eighty days prior to the date of
6 assessment and the date of assessment.

7 B. Interest due to the state under Subsection A or
8 D of this section shall be at the underpayment rate established
9 for individuals pursuant to Section 6621 of the Internal
10 Revenue Code computed on a daily basis; provided that if a
11 different rate is specified by a compact or other interstate
12 agreement to which New Mexico is a party, that rate shall be
13 applied to amounts due under the compact or other agreement.

14 C. Nothing in this section shall be construed to
15 impose interest on interest or interest on the amount of any
16 penalty.

17 D. If any tax required to be paid in accordance
18 with Section 7-1-13.1 NMSA 1978 is not paid in the manner
19 required by that section, interest shall be paid to the state
20 on the amount required to be paid in accordance with Section
21 7-1-13.1 NMSA 1978. If interest is due under this subsection
22 and is also due under Subsection A of this section, interest
23 shall be due and collected only pursuant to Subsection A of
24 this section."

25 SECTION 41. Section 7-1-68 NMSA 1978 (being Laws 1965,

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1 Chapter 248, Section 69, as amended) is amended to read:

2 "7-1-68. INTEREST ON OVERPAYMENTS.--

3 A. As provided in this section, interest shall be
4 allowed and paid on the amount of tax overpaid by a person that
5 is subsequently refunded or credited to that person.

6 B. Interest on overpayments of tax shall accrue and
7 be paid at the underpayment rate established pursuant to
8 Section 6621 of the Internal Revenue Code, computed on a daily
9 basis; provided that if a different rate is specified by a
10 compact or other interstate agreement to which New Mexico is a
11 party, that rate shall apply to amounts due under the compact
12 or other agreement.

13 C. Unless otherwise provided by this section,
14 interest on an overpayment not arising from an assessment by
15 the department shall be paid from the date of the claim for
16 refund until a date preceding by not more than thirty days the
17 date of the credit or refund to any person; and interest on an
18 overpayment arising from an assessment by the department shall
19 be paid from the date of overpayment until a date preceding by
20 not more than thirty days the date of the credit or refund to
21 any person.

22 D. No interest shall be allowed or paid with
23 respect to an amount credited or refunded if:

24 (1) the amount of interest due is less than
25 one dollar (\$1.00);

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1 (2) the credit or refund is made within:
2 [~~(a)~~ (a) fifty-five days of the date of the
3 complete claim for refund of income tax, pursuant to either the
4 Income Tax Act or the Corporate Income and Franchise Tax Act
5 for the tax year immediately preceding the tax year in which
6 the claim is made;
7 ~~(b)~~ (a) sixty days of the date of the
8 complete claim for refund of any tax not provided for in this
9 paragraph;
10 ~~(c)~~ (b) seventy-five days of the date
11 of the complete claim for refund of gasoline tax to users of
12 gasoline off the highways; or
13 ~~(d)~~ (c) one hundred twenty days of the
14 date of the complete claim for refund of tax imposed pursuant
15 to the Resources Excise Tax Act, the Severance Tax Act, the Oil
16 and Gas Severance Tax Act, the Oil and Gas Conservation Tax
17 Act, the Oil and Gas Emergency School Tax Act, the Oil and Gas
18 Ad Valorem Production Tax Act, the Natural Gas Processors Tax
19 Act or the Oil and Gas Production Equipment Ad Valorem Tax Act;
20 [~~or~~
21 ~~(e)~~ (e) one hundred twenty days of the date
22 of the complete claim for refund of income tax, pursuant to the
23 Income Tax Act or the Corporate Income and Franchise Tax Act,
24 for any tax year more than one year prior to the year in which
25 the claim is made;]

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1 (3) Sections 6611(f) and 6611(g) of the
2 Internal Revenue Code, as those sections may be amended or
3 renumbered, prohibit payment of interest for federal income tax
4 purposes;

5 (4) the credit results from overpayments found
6 in an audit of multiple reporting periods and applied to
7 underpayments found in that audit or refunded as a net
8 overpayment to the taxpayer pursuant to Section 7-1-29 NMSA
9 1978;

10 (5) the department applies the credit or
11 refund to an intercept program, to the taxpayer's estimated
12 payment prior to the due date for the estimated payment or to
13 offset prior liabilities of the taxpayer pursuant to Subsection
14 E of Section 7-1-29 NMSA 1978; or

15 (6) the credit or refund results from
16 overpayments the department finds pursuant to Subsection F of
17 Section 7-1-29 NMSA 1978 that exceed the refund claimed by the
18 taxpayer on the return. [~~or~~

19 ~~(7) the refund results from a tax credit~~
20 ~~pursuant to the Investment Credit Act, Laboratory Partnership~~
21 ~~with Small Business Tax Credit Act, Technology Jobs and~~
22 ~~Research and Development Tax Credit Act, Film Production Tax~~
23 ~~Credit Act, Affordable Housing Tax Credit Act or a rural job~~
24 ~~tax credit or high-wage jobs tax credit.]~~

25 E. Nothing in this section shall be construed to

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1 require the payment of interest upon interest."

2 SECTION 42. Section 7-1-69 NMSA 1978 (being Laws 1965,
3 Chapter 248, Section 70, as amended) is amended to read:

4 "7-1-69. CIVIL PENALTY FOR FAILURE TO PAY TAX OR FILE A
5 RETURN.--

6 A. Except as provided in Subsection C of this
7 section, in the case of failure due to negligence or disregard
8 of department rules and regulations, but without intent to
9 evade or defeat a tax, to pay when due the amount of tax
10 required to be paid, to pay in accordance with the provisions
11 of Section 7-1-13.1 NMSA 1978 when required to do so or to file
12 by the date required a return regardless of whether a tax is
13 due, there shall be added to the amount assessed a penalty in
14 an amount equal to the greater of:

15 (1) two percent per month or any fraction of a
16 month from the date the tax was due multiplied by the amount of
17 tax due but not paid, not to exceed twenty percent of the tax
18 due but not paid;

19 (2) two percent per month or any fraction of a
20 month from the date the return was required to be filed
21 multiplied by the tax liability established in the late return,
22 not to exceed twenty percent of the tax liability established
23 in the late return; or

24 (3) a minimum of five dollars (\$5.00), but the
25 five-dollar (\$5.00) minimum penalty shall not apply to taxes

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1 ~~[levied under the Income Tax Act or taxes]~~ administered by the
2 department pursuant to Subsection B of Section 7-1-2 NMSA 1978.

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

6 C. If a different penalty is specified in a compact
7 or other interstate agreement to which New Mexico is a party,
8 the penalty provided in the compact or other interstate
9 agreement shall be applied to amounts due under the compact or
10 other interstate agreement at the rate and in the manner
11 prescribed by the compact or other interstate agreement.

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

17 E. If demand is made for payment of a tax,
18 including penalty imposed pursuant to this section, and if the
19 tax is paid within ten days after the date of such demand, no
20 penalty shall be imposed for the period after the date of the
21 demand with respect to the amount paid.

22 F. If a taxpayer makes electronic payment of a tax
23 but the payment does not include all of the information
24 required by the department pursuant to the provisions of
25 Section 7-1-13.1 NMSA 1978 and if the department does not

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1 receive the required information within five business days from
2 the later of the date a request by the department for that
3 information is received by the taxpayer or the due date, the
4 taxpayer shall be subject to a penalty of two percent per month
5 or any fraction of a month from the fifth day following the
6 date the request is received. If a penalty is imposed under
7 Subsection A of this section with respect to the same
8 transaction for the same period, no penalty shall be imposed
9 under this subsection.

10 G. No penalty shall be imposed on:

11 (1) tax due in excess of tax paid in
12 accordance with an approved estimated basis pursuant to Section
13 7-1-10 NMSA 1978;

14 (2) tax due as the result of a managed audit;
15 or

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

19 **SECTION 43.** Section 7-1B-8 NMSA 1978 (being Laws 2015,
20 Chapter 73, Section 8) is amended to read:

21 "7-1B-8. TAX PROTESTS--PROCEDURES.--

22 A. Upon timely receipt of a tax protest filed
23 pursuant to the provisions of Section 7-1-24 NMSA 1978, the
24 taxation and revenue department shall promptly acknowledge the
25 protest by letter to the protesting taxpayer or the taxpayer's

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1 representative. If the protest is not filed in accordance with
2 the provisions of Section 7-1-24 NMSA 1978, the department
3 shall inform the taxpayer of the deficiency and the opportunity
4 to correct it. Within forty-five days after receipt of a
5 protest filed pursuant to the provisions of Section 7-1-24 NMSA
6 1978 that has not been resolved, the taxation and revenue
7 department shall request from the administrative hearings
8 office a hearing and shall send to the office a copy of the
9 protest. The chief hearing officer shall promptly designate a
10 hearing officer and shall set a date for a hearing to take
11 place within ninety days after receipt of a protest filed
12 pursuant to Section 7-1-24 NMSA 1978.

13 B. A taxpayer may appear at the hearing on the
14 taxpayer's own behalf or may be represented by a bona fide
15 employee, an attorney or a certified public accountant [~~or,~~
16 ~~with respect only to tax imposed pursuant to the Income Tax~~
17 ~~Act, a person who is an enrolled agent for federal income tax~~
18 ~~purposes~~]. If the taxation and revenue department and the
19 taxpayer agree, the hearing may be conducted via
20 videoconference. At the beginning of the hearing, the hearing
21 officer shall inform the taxpayer of the taxpayer's right to
22 representation. A hearing shall not be open to the public
23 except upon request of the taxpayer. A hearing officer may
24 postpone or continue a hearing at the hearing officer's
25 discretion.

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1 C. Within thirty days after the hearing, the
2 hearing officer shall inform the taxation and revenue
3 department and the taxpayer in writing of the decision and,
4 pursuant to the provisions of Section 7-1-25 NMSA 1978, of the
5 aggrieved party's right to, and the requirements for perfection
6 of, an appeal from the decision to the court of appeals and of
7 the consequences of a failure to appeal. The written decision
8 shall embody an order granting or denying the relief requested
9 or granting or denying a part of the relief requested, as
10 appropriate.

11 D. A taxpayer with two or more protests containing
12 related issues may request that the protests be combined and
13 heard jointly. The hearing officer shall grant the request to
14 combine protests unless it would create an unreasonable burden
15 on the administrative hearings office or the taxation and
16 revenue department.

17 E. Nothing in this section shall be construed to
18 authorize a criminal proceeding or to authorize an
19 administrative protest of the issuance of a subpoena or
20 summons."

21 SECTION 44. Section 7-2C-2 NMSA 1978 (being Laws 1985,
22 Chapter 106, Section 2, as amended by Laws 2006, Chapter 52,
23 Section 1 and by Laws 2006, Chapter 53, Section 1) is amended
24 to read:

25 "7-2C-2. PURPOSE.--

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

3 (1) by enhancing the enforcement of child
4 support and medical support obligations;

5 (2) to aid collection of outstanding debts
6 owed for:

7 (a) overpayment of public assistance and
8 overissuance of food stamps;

9 (b) overpayment of unemployment
10 compensation benefits and nonpayment of contributions or
11 payments in lieu of contributions or other amounts due under
12 the Unemployment Compensation Law;

13 (c) nonpayment of reimbursements owed to
14 the uninsured employers' fund under the Workers' Compensation
15 Act; and

16 (d) nonpayment of the workers'
17 compensation fee due under the Workers' Compensation
18 Administration Act;

19 (3) to promote repayment of educational loans;

20 (4) to aid collection of fines, fees and costs
21 owed to the district, magistrate and municipal courts; and

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

24 ~~(6) to aid in the payment to the state~~
25 ~~investment officer of film production tax credit amounts owed~~

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1 ~~to the state investment officer due to loans made against the~~
2 ~~credit pursuant to Subsection D of Section 7-27-5.26 NMSA~~
3 ~~1978].~~

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

17 SECTION 45. Section 7-2C-3 NMSA 1978 (being Laws 1985,
18 Chapter 106, Section 3, as amended) is amended to read:

19 "7-2C-3. DEFINITIONS.--As used in the Tax Refund
20 Intercept Program Act:

21 A. "claimant agency" means the taxation and revenue
22 department or any of its divisions, the human services
23 department, the workforce transition services division of the
24 workforce solutions department, the higher education
25 department, the workers' compensation administration, any

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1 corporation authorized to be formed under the Educational
2 Assistance Act, a district, magistrate or municipal court or
3 the Bernalillo county metropolitan court;

4 B. "debt" means a legally enforceable obligation of
5 an employer subject to the Unemployment Compensation Law, the
6 Workers' Compensation Act and the Workers' Compensation
7 Administration Act, or an individual to pay a liquidated amount
8 of money that:

9 (1) is equal to or more than one hundred
10 dollars (\$100);

11 (2) is due and owing a claimant agency, which
12 a claimant agency is obligated by law to collect or which, in
13 the case of an educational loan, a claimant agency has lawfully
14 contracted to collect;

15 (3) has accrued through contract, tort,
16 subrogation or operation of law; and

17 (4) either:

18 (a) has been secured by a warrant of
19 levy and lien for amounts due under the Unemployment
20 Compensation Law or workers' compensation fees due under the
21 Workers' Compensation Administration Act; or

22 (b) has been reduced to judgment for all
23 other cases;

24 C. "debtor" means any employer subject to the
25 Unemployment Compensation Law, the Workers' Compensation Act

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1 and the Workers' Compensation Administration Act, or any
2 individual owing a debt;

3 D. "department" or "division" means, unless the
4 context indicates otherwise, the taxation and revenue
5 department, the secretary of taxation and revenue or any
6 employee of the department exercising authority lawfully
7 delegated to that employee by the secretary;

8 E. "educational loan" means any loan for
9 educational purposes owned by a public post-secondary
10 educational institution, originated and owned by the higher
11 education department or owned or guaranteed by any corporation
12 authorized to be formed under the Educational Assistance Act;

13 F. "medical support" means amounts owed to the
14 human services department pursuant to the provisions of
15 Subsection B of Section 40-4C-12 NMSA 1978;

16 G. "public post-secondary educational institution"
17 means a publicly owned or operated institution of higher
18 education or other publicly owned or operated post-secondary
19 educational facility located within New Mexico; and

20 ~~[H. "spouse" means an individual who is or was a~~
21 ~~spouse of the debtor and who has joined with the debtor in~~
22 ~~filing a joint return of income tax pursuant to the provisions~~
23 ~~of the Income Tax Act, which joint return has given rise to a~~
24 ~~refund that may be subject to the provisions of the Tax Refund~~
25 ~~Intercept Program Act; and~~

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1 ~~F.]~~ H. "refund" means a refund, including any
2 amount of tax rebates or credits, under the [~~Income Tax Act or~~
3 ~~the Corporate Income and Franchise~~] Gross Receipts and
4 Compensating Tax Act that the department has determined to be
5 due to [~~an individual or corporation~~] a taxpayer."

6 SECTION 46. Section 7-2C-5 NMSA 1978 (being Laws 1985,
7 Chapter 106, Section 5, as amended) is amended to read:

8 "7-2C-5. DEPARTMENT TO AID IN COLLECTION OF DEBTS THROUGH
9 SETOFF.--Subject to the limitations contained in the Tax Refund
10 Intercept Program Act, the department, upon request, shall
11 render assistance in the collection of any debt owed to a
12 claimant agency or any debt that a claimant agency is obligated
13 by law to collect. This assistance shall be provided by
14 withholding from any refund due to the debtor pursuant to the
15 [~~Income~~] Gross Receipts and Compensating Tax Act the amount of
16 debt meeting the requirements of the Tax Refund Intercept
17 Program Act and paying over to the claimant agency the amount
18 withheld."

19 SECTION 47. Section 7-2C-6 NMSA 1978 (being Laws 1985,
20 Chapter 106, Section 6, as amended by Laws 2006, Chapter 52,
21 Section 3 and by Laws 2006, Chapter 53, Section 3) is amended
22 to read:

23 "7-2C-6. PROCEDURES FOR SETOFF--NOTIFICATIONS TO
24 DEBTOR.--

25 A. Each year a claimant agency seeking to collect a

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1 debt through setoff shall notify the department in the manner
2 and by the date required by the department, which date shall be
3 in the period from November 1 through December 15. The notice
4 to the department shall include the amount of the debt, the
5 name and identification number of the debtor and such other
6 information as the department may require. The notice shall
7 also include certification that the debt is due and owing the
8 claimant agency or that the claimant agency is obligated by law
9 to collect the debt. This notice shall be effective only to
10 initiate setoff against refunds that would be made in the
11 calendar year subsequent to the year in which notification is
12 made to the department.

13 B. The claimant agency shall inform the department
14 within one week of any changes in the status of any debt
15 submitted by the claimant agency for setoff.

16 C. Upon proper and timely notification from the
17 claimant agency, the department shall determine whether the
18 debtor is entitled to a refund of at least fifty dollars
19 (\$50.00). The department shall notify the claimant agency in
20 writing, or in such other manner as the department and the
21 claimant agency may agree, with respect to each debt accepted
22 for setoff whether the debtor is due a refund of fifty dollars
23 (\$50.00) or more and, if so, the amount of refund and the
24 address of the debtor entered upon the return [~~and, if the~~
25 ~~refund arises from a joint return, the name and address of the~~

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1 ~~spouse as entered upon the return].~~

2 D. Within ten days after receiving the notification
3 from the department pursuant to Subsection C of this section,
4 the claimant agency shall send a notice by first class mail to
5 the debtor at the debtor's last known address. The notice
6 required by this subsection shall include:

7 (1) a statement that a transfer of the refund
8 will be made and that the claimant agency intends to set off
9 the amount of the transfer against a claimed debt;

10 (2) the amount of the debt asserted and a
11 description of how the debt asserted arose;

12 (3) the name, address and telephone number of
13 the claimant agency;

14 (4) the amount of refund to be set off against
15 the debt asserted;

16 (5) a statement that the debtor has thirty
17 days from the date indicated on the notice to contest the
18 setoff by applying to the claimant agency for a hearing with
19 respect to the validity of the debt asserted by that agency;
20 and

21 (6) a statement that failure of the debtor to
22 apply for a hearing within thirty days will be deemed a waiver
23 of the opportunity to contest the setoff and to a hearing.

24 ~~[E. If the refund against which a debt is intended~~
25 ~~to be set off results from a joint tax return, the claimant~~

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1 ~~agency shall send a notice by first class mail to the spouse~~
2 ~~named on the return within ten days after receiving the~~
3 ~~notification from the department pursuant to Subsection C of~~
4 ~~this section. The notice to the spouse shall contain the~~
5 ~~following information:~~

6 ~~(1) a statement that a transfer of the refund~~
7 ~~will be made and that the claimant agency intends to set off~~
8 ~~the amount of the transfer against a claimed debt;~~

9 ~~(2) the total amount of the refund and the~~
10 ~~amount of each claimed debt;~~

11 ~~(3) the name, address and telephone number of~~
12 ~~the claimant agency;~~

13 ~~(4) a statement that no debt is claimed~~
14 ~~against the spouse and that the spouse may be entitled to~~
15 ~~receive all or part of the refund regardless of the claimed~~
16 ~~debt against the debtor spouse;~~

17 ~~(5) a statement that to assert a claim to all~~
18 ~~or part of the refund, the spouse shall apply to the claimant~~
19 ~~agency for a hearing within thirty days from the date indicated~~
20 ~~on the notice with respect to the entitlement of the spouse to~~
21 ~~all or part of the refund from which a transfer will be made at~~
22 ~~the request of the claimant agency; and~~

23 ~~(6) a statement that failure of the spouse to~~
24 ~~apply for a hearing within thirty days may be deemed a waiver~~
25 ~~of any claim of the spouse with respect to the refund.~~

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1 ~~F.~~ E. A debtor may contest the setoff of a debt by
2 applying to the claimant agency for a hearing within thirty
3 days of the date the notice required by Subsection D of this
4 section is sent to the debtor. Failure of the debtor to apply
5 for a hearing within the time required shall constitute a
6 waiver of the right to contest the debt or the setoff of the
7 debt.

8 ~~[G. A spouse may contest the setoff of a debt~~
9 ~~against a refund to which the spouse claims entitlement in~~
10 ~~whole or in part by applying to the claimant agency for a~~
11 ~~hearing within thirty days of the date the notice required by~~
12 ~~Subsection E of this section was sent to the spouse. Failure~~
13 ~~of the spouse to apply for a hearing within the time required~~
14 ~~shall constitute a waiver of the right to contest the setoff of~~
15 ~~the debt against a refund to which the spouse may claim~~
16 ~~entitlement.~~

17 ~~H.~~ F. The department shall apply against the
18 refund the amount of the claimed debt, not to exceed the amount
19 of the refund, and shall transfer that amount to the claimant
20 agency with an accounting of the amount transferred. When the
21 amount of refund due exceeds the amount of all applied debts,
22 the department shall treat the excess as it does other refunds
23 relating to [~~income~~] gross receipts taxes.

24 ~~[I.]~~ G. Whether or not the refund due the debtor
25 exceeds the amount of the applied debt, the department shall

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1 notify the debtor at the time of the transfer to the claimant
2 agency of:

3 (1) the fact of the transfer and that the
4 claimant agency intends to set off the amount of the transfer
5 against the asserted debt;

6 (2) the total amount of the refund;

7 (3) the amount of debt asserted by the
8 claimant agency; and

9 (4) the name, address and telephone number of
10 the claimant agency.

11 [~~J~~] H. Once the department has sent to the debtor
12 the notice required by Subsection [~~F~~] G of this section,
13 together with any excess of the amount of refund over the
14 amount of asserted debts, the department shall be deemed to
15 have made the refund [~~required by the Income Tax Act or the~~
16 ~~Corporate Income and Franchise Tax Act~~]."

17 SECTION 48. Section 7-2C-10 NMSA 1978 (being Laws 1985,
18 Chapter 106, Section 10, as amended) is amended to read:

19 "7-2C-10. FINAL DETERMINATION AND NOTICE OF SETOFF.--

20 A. The determination of the validity and the amount
21 of the setoff asserted or the application of setoff to a refund
22 to which a debtor [~~or spouse~~] asserts entitlement in whole or
23 in part under the provisions of the Tax Refund Intercept
24 Program Act shall be final upon the exhaustion of the
25 administrative or appellate process as applicable.

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1 B. If during application of setoff procedures any
2 changes occur in the amount of the refund subject to setoff,
3 including any changes resulting from the filing of amended
4 returns or the filing of additional returns during the calendar
5 year for which the claimant agency has requested setoff with
6 respect to the debtor, the department shall notify the claimant
7 agency of these changes. The department shall promulgate
8 regulations or other appropriate administrative directives to
9 set forth the procedures by which such notice shall be made and
10 by which the amount held in suspense shall be adjusted when
11 required.

12 C. Upon final determination of the entitlement of a
13 debtor [~~or spouse~~] to any or all of that portion of a refund
14 that has been transferred to the claimant agency, as the amount
15 transferred may be adjusted in accordance with Subsection B of
16 this section, the claimant agency shall remit to the debtor [~~or~~
17 ~~spouse~~] from the suspense fund the amount determined to be due,
18 with an appropriate accounting. A copy of the accounting shall
19 be sent to the department.

20 D. Upon final determination, the claimant agency
21 shall remit to itself from the suspense account that amount
22 determined to be due the claimant agency and shall credit that
23 amount against the debt. In the case that the amount remitted
24 is not sufficient to extinguish the debt, the claimant agency
25 shall have the right to pursue collection of the remaining debt

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1 through any available remedy, including a proceeding under the
2 Tax Refund Intercept Program Act for other calendar years.

3 E. Upon remittance from the suspense fund to the
4 credit of the debtor's account pursuant to Subsection D of this
5 section, the claimant agency shall notify the debtor in writing
6 of the final determination of the setoff. A copy of the notice
7 shall be sent to the department. The notice shall include:

8 (1) a final accounting of the refund against
9 which the debt was set off, including the amount of the refund
10 to which the debtor was entitled prior to setoff;

11 (2) the final determination of the amount of
12 the debt that has been satisfied and the amount of debt, if
13 any, still due and owing; and

14 (3) the amount of the refund in excess of the
15 debt finally determined to be due and owing and the amount of
16 any interest due.

17 F. Upon remittance from the suspense fund to the
18 credit of the debtor's account pursuant to Subsection D of this
19 section, any amount finally determined to be due to the debtor
20 with respect to the refund amount shall be promptly paid by the
21 claimant agency from the suspense account to the debtor with an
22 appropriate accounting. Interest due the debtor with respect
23 to the amount of refund finally determined to be due the debtor
24 for any period after the transfer to the suspense fund by the
25 department pursuant to Subsection [H] F of Section 7-2C-6 NMSA

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1 1978 is authorized to be paid by the claimant agency from any
2 funds available to it for this purpose."

3 SECTION 49. Section 7-2C-11 NMSA 1978 (being Laws 1985,
4 Chapter 106, Section 11, as amended) is amended to read:

5 "7-2C-11. PRIORITY OF CLAIMS.--

6 A. Claims of the department take precedence over
7 the claim of any competing claimant agency, whether the
8 department asserts a claim or sets off an asserted debt under
9 the provisions of the Tax Refund Intercept Program Act or under
10 the provisions of any other law that authorizes the department
11 to apply amounts of tax owed against any refund due an
12 individual pursuant to the [~~Income~~] Gross Receipts and
13 Compensating Tax Act.

14 B. After claims of the department, claims shall
15 take priority in the following order before claims of any
16 competing claimant agency:

17 (1) claims of the human services department
18 resulting from child support enforcement liabilities;

19 (2) claims of the human services department
20 resulting from medical support liabilities;

21 (3) claims resulting from educational loans
22 made under the Educational Assistance Act;

23 (4) claims of the human services department
24 resulting from temporary assistance for needy families
25 liabilities;

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1 (5) claims of the human services department
2 resulting from supplemental nutrition assistance program
3 liabilities;

4 (6) claims of the workforce transition
5 services division of the workforce solutions department arising
6 under the Unemployment Compensation Law;

7 (7) claims of a district court for fines, fees
8 or costs owed to that court;

9 (8) claims of a magistrate court for fines,
10 fees or costs owed to that court;

11 (9) claims of the Bernalillo county
12 metropolitan court for fines, fees or costs owed to that court;

13 (10) claims of a municipal court for fines,
14 fees or costs owed to that court;

15 (11) claims of the workers' compensation
16 administration arising under the Workers' Compensation Act or
17 the Workers' Compensation Administration Act; and

18 (12) claims from educational loans made by the
19 higher education department."

20 SECTION 50. Section 7-3-3 NMSA 1978 (being Laws 1961,
21 Chapter 243, Section 3, as amended) is amended to read:

22 "7-3-3. TAX WITHHELD AT SOURCE.--

23 A. Every employer who deducts and withholds a
24 portion of an employee's wages for payment of income tax under
25 the provisions of the Internal Revenue Code shall deduct and

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1 withhold an amount for each payroll period computed from a
2 state withholding tax table furnished by the department;
3 provided:

4 (1) if the employee instructs the employer to
5 withhold a greater amount, the employer shall deduct and
6 withhold the greater amount;

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

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

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

23 C. If an individual requests in writing that the
24 payor deduct and withhold an amount from the amount of the
25 pension or annuity due the individual, the payor making payment

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

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

18 SECTION 51. Section 7-3-9 NMSA 1978 (being Laws 1961,
19 Chapter 243, Section 11, as amended) is amended to read:

20 "7-3-9. WITHHELD AMOUNTS CREDITED AGAINST TAX.--The
21 entire amount of income upon which tax was deducted and
22 withheld shall be included in the gross [~~income~~] wages of the
23 withholdee for [~~state income tax~~] gross receipts tax purposes.
24 The amount of tax deducted and withheld under the provisions of
25 the Withholding Tax Act during [~~the~~] a taxable [year] period

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1 shall be credited against any [~~state income tax~~] gross receipts
2 tax liability for that taxable [~~year~~] period."

3 SECTION 52. Section 7-3-13 NMSA 1978 (being Laws 2010,
4 Chapter 53, Section 7) is amended to read:

5 "7-3-13. WITHHOLDING INFORMATION RETURN REQUIRED--
6 PENALTY.--

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

13 B. The quarterly withholding information return
14 required by this section shall contain all information required
15 by the department, including:

16 (1) each employee's or payee's social security
17 number;

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

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

21 (4) each employee's or payee's [~~state income~~
22 ~~tax~~] gross receipts tax withheld; and

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

25 C. Each quarterly withholding information return

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1 shall be filed with the department using a department-approved
2 electronic medium.

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

8 SECTION 53. Section 7-3A-2 NMSA 1978 (being Laws 2003,
9 Chapter 86, Section 5, as amended) is amended to read:

10 "7-3A-2. DEFINITIONS.--As used in the Oil and Gas
11 Proceeds and Pass-Through Entity Withholding Tax Act:

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

16 B. "Internal Revenue Code" means the Internal
17 Revenue Code of 1986, as amended;

18 C. "net income" means [~~for any pass-through entity:~~
19 ~~(1) in the case of an owner that is taxed as a~~
20 ~~corporation for federal income tax purposes "net income" as~~
21 ~~defined in the Corporate Income and Franchise Tax Act; and~~
22 ~~(2) for all other owners "net income" as~~
23 ~~defined in the Income Tax Act] "adjusted gross income" as
24 defined in Section 62 of the Internal Revenue Code, as that
25 section may be amended or renumbered;~~

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1 D. "oil and gas" means crude oil, natural gas,
2 liquid hydrocarbons or any combination thereof, or carbon
3 dioxide;

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

20 F. "owner" means a partner in a partnership not
21 taxed as a corporation for federal income tax purposes for the
22 taxable year, a shareholder of an S corporation or of a
23 corporation other than an S corporation that is not taxed as a
24 corporation for federal income tax purposes for the taxable
25 year, a member of a limited liability company or any similar

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1 person holding an ownership interest in any pass-through
2 entity. "Owner" also means a performing artist to whom
3 payments are due from a personal services business;

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

9 H. "pass-through entity" means a personal services
10 business or any ~~other~~ business association other than:

11 (1) a sole proprietorship;

12 (2) an estate or trust that does not
13 distribute income to beneficiaries;

14 (3) a corporation, limited liability company,
15 partnership or other entity not a sole proprietorship taxed as
16 a corporation for federal income tax purposes for the taxable
17 year;

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

21 (5) a single member limited liability company
22 that is treated as a disregarded entity for federal income tax
23 purposes; or

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

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

9 J. "personal services business" means a business
10 organization that receives payments for the services of a
11 performing artist [~~for purposes of the film production tax~~
12 ~~credit~~];

13 K. "remittee" means a person that is entitled to
14 payment of oil and gas proceeds by a remitter; and

15 L. "remitter" means a person that pays oil and gas
16 proceeds to any remittee."

17 SECTION 54. Section 7-3A-3 NMSA 1978 (being Laws 2003,
18 Chapter 86, Section 6, as amended) is amended to read:

19 "7-3A-3. WITHHOLDING FROM OIL AND GAS PROCEEDS AND NET
20 INCOME.--

21 A. Except as otherwise provided in this section, a
22 remitter shall deduct and withhold from each payment of oil and
23 gas proceeds being made to a remittee for each quarter an
24 amount equal to the rate specified in Subsection D of this
25 section multiplied by the amount prior to withholding that

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1 otherwise would have been payable to the remittee.

2 B. Except as otherwise provided in this section, a
3 pass-through entity shall deduct and withhold from each owner's
4 allocable share of net income for that calendar year an amount
5 equal to the rate specified in Subsection D of this section
6 multiplied by the owner's allocable share of that net income,
7 reduced, but not below zero, by the amount required to be
8 withheld from the owner's allocable share of net income under
9 Subsection A of this section.

10 C. The obligation to deduct and withhold from
11 payments or allocable net income as provided in Subsections A
12 and B of this section does not apply to payments that are made
13 to:

14 (1) a corporation whose principal place of
15 business is in New Mexico or an individual who is a resident of
16 New Mexico;

17 (2) remittees with a New Mexico address as
18 shown on internal revenue service form 1099-Misc or a successor
19 form or on a pro forma 1099-Misc or a successor form for those
20 entities that do not receive an internal revenue service form
21 1099-Misc;

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

24 (4) any federally recognized Indian nation,
25 tribe or pueblo or any agency, instrumentality or political

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1 subdivision thereof; or

2 (5) organizations that have been granted
3 exemption from the federal income tax by the United States
4 commissioner of internal revenue as organizations described in
5 Section 501(c)(3) of the Internal Revenue Code. However, the
6 obligation to deduct and withhold from payments of allocable
7 net income to organizations identified in this paragraph
8 applies if that income constitutes unrelated business income.

9 D. ~~[Except as provided in Subsection H of this~~
10 ~~section]~~ The rate of withholding shall be set by a department
11 directive; provided that the rate may not exceed ~~[the higher~~
12 ~~of]~~ the ~~[maximum bracket rate]~~ sum of the rates set by ~~[Section~~
13 ~~7-2-7]~~ Sections 7-9-4, 7-19D-9 and 7-20E-9 NMSA 1978. ~~[for the~~
14 ~~taxable year or the maximum bracket rate set by Section 7-2A-5~~
15 ~~NMSA 1978 for the taxable year; and provided further that]~~
16 Remitters shall be given ninety days' notice of a change in the
17 rate.

18 E. If a remitter receives oil and gas proceeds from
19 which an amount has been deducted and withheld pursuant to the
20 Oil and Gas Proceeds and Pass-Through Entity Withholding Tax
21 Act or a pass-through entity has deducted and withheld an
22 amount pursuant to ~~[the Oil and Gas Proceeds and Pass-Through~~
23 ~~Entity Withholding Tax]~~ that act from the allocable share of
24 net income of an owner that is also a pass-through entity, the
25 remitter or payee pass-through entity may take credit for that

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1 amount in determining the amount the remitter or payee pass-
2 through entity must withhold and deduct pursuant to this
3 section.

4 F. If the amount to be withheld from all payments
5 to a remittee in a calendar quarter has not exceeded thirty
6 dollars (\$30.00) and a payment to a remittee is less than ten
7 dollars (\$10.00), no withholding is required. If the amount to
8 be withheld from an owner's allocable share of net income in
9 any calendar year is less than one hundred dollars (\$100), no
10 withholding is required.

11 G. ~~[Except as provided in Subsection H of this~~
12 ~~section]~~ At the option of a remitter or pass-through entity, a
13 remitter or pass-through entity may agree with a remittee or an
14 owner that the remittee or owner pay the amount that the
15 remitter or pass-through entity would have been required to
16 withhold and remit to the department on behalf of the remittee
17 or owner pursuant to the Oil and Gas Proceeds and Pass-Through
18 Entity Withholding Tax Act. The payments by the remittee or
19 owner shall be remitted on the dates set forth in Section
20 7-3A-6 NMSA 1978 on forms and in the manner required by the
21 department.

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

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1 ~~F.]~~ H. If the remittee or owner is an insurance
2 company and falls under the provisions of Section 59A-6-6 NMSA
3 1978, no withholding is required pursuant to this section."

4 **SECTION 55.** Section 7-3A-7 NMSA 1978 (being Laws 2003,
5 Chapter 86, Section 10, as amended) is amended to read:

6 "7-3A-7. STATEMENTS OF WITHHOLDING.--

7 A. Every remitter shall:

8 (1) file an annual statement of withholding
9 for each remittee that:

10 (a) is in electronic format and includes
11 a form 1099-Misc or a successor form or on a pro forma 1099-
12 Misc or a successor form for those entities that do not receive
13 an internal revenue service form 1099-Misc;

14 (b) is filed with the department on or
15 before the last day of February of the year following that for
16 which the statement is made; and

17 (c) includes the total oil and gas
18 proceeds paid to the remittee and the total amount of tax
19 withheld for the calendar year; and

20 (2) provide a copy of the annual statement of
21 withholding to the remittee on or before February 15 of the
22 year following the year for which the statement is made.

23 B. The department shall develop and adopt rules
24 regarding the filing of a report pursuant to this section and
25 the attachment of form 1099-Misc or a successor form or a pro

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1 forma 1099-Misc or a successor form, if the remitter is not
2 able to file those forms in an electronic format.

3 C. Every remitter shall file an electronic report
4 of the remittees who have certified that the remittee is
5 responsible for filing the remittee's own oil and gas proceeds
6 tax report and for paying the remittee's oil and gas proceeds
7 tax liability due.

8 D. Every pass-through entity doing business in
9 New Mexico shall ~~[(1)]~~ file an annual information return with
10 the department that:

11 ~~[(a)]~~ (1) is filed on or before:

12 ~~[(1)]~~ (a) the due date of the entity's
13 federal return for the taxable year; or

14 ~~[(2)]~~ (b) if the entity's taxable year is
15 a calendar year, if the entity is approved by the department to
16 use electronic media for filing and if the entity uses
17 electronic media to file the annual information return, the end
18 of the month in which the entity's federal return is due;

19 ~~[(b)]~~ (2) is signed by the business manager or
20 one of the owners of the pass-through entity; and

21 ~~[(c)]~~ (3) contains all information required by
22 the department, including the pass-through entity's gross
23 income; the pass-through entity's net income; the amount of
24 each owner's allocable share of the pass-through entity's net
25 income; and the name, address and tax identification number of

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1 each owner entitled to an allocable share of net income [~~and~~
2 ~~(2) provide to each of its owners sufficient~~
3 ~~information to enable the owner to comply with the provisions~~
4 ~~of the Income Tax Act and the Corporate Income and Franchise~~
5 ~~Tax Act with respect to the owner's allocable share of net~~
6 ~~income].~~

7 E. The department shall compile each year the
8 annual statements of withholding received from the remitters
9 and the annual information returns received from pass-through
10 entities [~~and compare the compilations with the records of~~
11 ~~corporations, individuals, estates or trusts filing income tax~~
12 ~~returns]."~~

13 SECTION 56. Section 7-3A-8 NMSA 1978 (being Laws 2003,
14 Chapter 86, Section 11, as amended) is amended to read:

15 "7-3A-8. WITHHELD AMOUNTS CREDITED AGAINST [~~INCOME~~] GROSS
16 RECEIPTS TAX.--The entire amount of oil and gas proceeds and an
17 allocable share of net income upon which the tax was deducted
18 and withheld or upon which payments were made by owners in lieu
19 of withholding shall be included in the [~~base income~~] gross
20 receipts of the remittee for purposes of the [~~Income Tax Act~~
21 ~~and the Corporate Income and Franchise~~] Gross Receipts and
22 Compensating Tax Act. The amount of tax deducted and withheld
23 or payments made by owners in lieu of withholding pursuant to
24 the Oil and Gas Proceeds and Pass-Through Entity Withholding
25 Tax Act during the taxable year shall be credited against any

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1 ~~[income tax or corporate income]~~ gross receipts tax due from
2 the remittee or owner."

3 SECTION 57. Section 7-9-3 NMSA 1978 (being Laws 1978,
4 Chapter 46, Section 1, as amended) is amended to read:

5 "7-9-3. DEFINITIONS.--As used in the Gross Receipts and
6 Compensating Tax Act:

7 A. "buying" or "selling" means a transfer of
8 property for consideration or the performance of service for
9 consideration;

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

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

18 D. "initial use" or "initially used" means the
19 first employment for the intended purpose and does not include
20 the following activities:

21 (1) observation of tests conducted by the
22 performer of services;

23 (2) participation in progress reviews,
24 briefings, consultations and conferences conducted by the
25 performer of services;

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1 (3) review of preliminary drafts, drawings and
2 other materials prepared by the performer of the services;

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

5 (5) similar activities;

6 E. "leasing" means an arrangement whereby, for a
7 consideration, property is employed for or by any person other
8 than the owner of the property, except that the granting of a
9 license to use property is licensing and is not a lease;

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

22 G. "manufactured home" means a movable or portable
23 housing structure for human occupancy that exceeds either a
24 width of eight feet or a length of forty feet constructed to be
25 towed on its own chassis and designed to be installed with or

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1 without a permanent foundation;

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

5 I. "marketplace provider" means a person who
6 facilitates the sale, lease or license of tangible personal
7 property, services, digital goods or real property on a
8 seller's behalf, or on the marketplace provider's own behalf,
9 by:

10 (1) listing or advertising the sale, lease or
11 license, by any means, whether physical or electronic,
12 including by catalog, internet website or television or radio
13 broadcast; and

14 (2) either directly or indirectly, through
15 agreements or arrangements with third parties collecting
16 payment from the customer and transmitting that payment to the
17 seller, regardless of whether the marketplace provider receives
18 compensation or other consideration in exchange for the
19 marketplace provider's services;

20 [~~F.~~] J. "person" means:

21 (1) an individual, estate, trust, receiver,
22 cooperative association, club, corporation, company, firm,
23 partnership, limited liability company, limited liability
24 partnership, joint venture, syndicate or other entity,
25 including any gas, water or electric utility owned or operated

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1 by a county, municipality or other political subdivision of the
2 state; or

3 (2) a national, federal, state, Indian or
4 other governmental unit or subdivision, or an agency,
5 department or instrumentality of any of the foregoing;

6 [~~J.~~] K. "property" means real property, tangible
7 personal property, licenses other than the licenses of
8 copyrights, trademarks or patents and franchises. Tangible
9 personal property includes electricity and manufactured homes;

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

13 (~~1) advancing basic knowledge in a recognized~~
14 ~~field of natural science;~~

15 (~~2) advancing technology in a field of~~
16 ~~technical endeavor;~~

17 (~~3) developing a new or improved product,~~
18 ~~process or system with new or improved function, performance,~~
19 ~~reliability or quality, whether or not the new or improved~~
20 ~~product, process or system is offered for sale, lease or other~~
21 ~~transfer;~~

22 (~~4) developing new uses or applications for an~~
23 ~~existing product, process or system, whether or not the new use~~
24 ~~or application is offered as the rationale for purchase, lease~~
25 ~~or other transfer of the product, process or system;~~

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1 ~~(5) developing analytical or survey activities~~
2 ~~incorporating technology review, application, trade-off study,~~
3 ~~modeling, simulation, conceptual design or similar activities,~~
4 ~~whether or not offered for sale, lease or other transfer; or~~

5 ~~(6) designing and developing prototypes or~~
6 ~~integrating systems incorporating the advances, developments or~~
7 ~~improvements included in Paragraphs (1) through (5) of this~~
8 ~~subsection;]~~

9 L. "secretary" means the secretary of taxation and
10 revenue or the secretary's delegate;

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

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1 construction project to persons engaged in the construction
2 business are sales of tangible personal property; and

3 N. "use" or "using" includes use, consumption or
4 storage other than storage for subsequent sale in the ordinary
5 course of business or for use solely outside this state."

6 SECTION 58. Section 7-9-3.3 NMSA 1978 (being Laws 2003,
7 Chapter 272, Section 4) is amended to read:

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

12 [~~except that:~~

13 A.] "Engaging in business" [~~does not include:~~
14 ~~having a worldwide web site as a third-party content provider~~
15 ~~on a computer physically located in New Mexico but owned by~~
16 ~~another nonaffiliated person; and~~

17 B. ~~"engaging in business" does not include using a~~
18 ~~nonaffiliated third-party call center to accept and process~~
19 ~~telephone or electronic orders of tangible personal property or~~
20 ~~licenses primarily from non-New Mexico buyers, which orders are~~
21 ~~forwarded to a location outside New Mexico for filling, or to~~
22 ~~provide services primarily to non-New Mexico customers]~~

23 includes receiving receipts from sales, leases or licenses:

24 A. facilitated by a marketplace provider and that
25 are sourced to this state; provided that, in the previous

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1 calendar year, the marketplace provider facilitated at least
2 one hundred thousand dollars (\$100,000) in gross receipts from
3 those sales, leases or licenses; and

4 B. made by a seller that lacks physical presence
5 and that are sourced to this state; provided that, in the
6 previous calendar year, the seller had at least one hundred
7 thousand dollars (\$100,000) in gross receipts from those sales,
8 leases or licenses."

9 SECTION 59. Section 7-9-3.5 NMSA 1978 (being Laws 2003,
10 Chapter 272, Section 3, as amended) is amended to read:

11 "7-9-3.5. DEFINITION--GROSS RECEIPTS.--

12 A. As used in the Gross Receipts and Compensating
13 Tax Act:

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

25 (2) "gross receipts" includes:

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1 (a) any receipts from sales of tangible
2 personal property handled on consignment;

3 (b) the total commissions or fees
4 derived from the business of buying, selling or promoting the
5 purchase, sale or lease, as an agent or broker on a commission
6 or fee basis, of any property, service, stock, bond or
7 security;

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

12 (d) amounts received from transmitting
13 messages or conversations by persons providing telephone or
14 telegraph services;

15 (e) amounts received by a New Mexico
16 florist from the sale of flowers, plants or other products that
17 are customarily sold by florists where the sale is made
18 pursuant to orders placed with the New Mexico florist that are
19 filled and delivered outside New Mexico by an out-of-state
20 florist; ~~[and]~~

21 (f) the receipts of a home service
22 provider from providing mobile telecommunications services to
23 customers whose place of primary use is in New Mexico if: 1)
24 the mobile telecommunications services originate and terminate
25 in the same state, regardless of where the services originate,

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1 terminate or pass through; and 2) the charges for mobile
2 telecommunications services are billed by or for a customer's
3 home service provider and are deemed provided by the home
4 service provider. For the purposes of this section, "home
5 service provider", "mobile telecommunications services",
6 "customer" and "place of primary use" have the meanings given
7 in the federal Mobile Telecommunications Sourcing Act; and

8 (g) receipts collected by a marketplace
9 provider deemed to be engaging in business in the state from
10 sales, leases or licenses facilitated by the marketplace
11 provider and sourced to this state; and

12 (3) "gross receipts" excludes:

13 (a) cash discounts allowed and taken;

14 (b) New Mexico gross receipts tax and
15 governmental gross receipts tax [~~and leased vehicle gross~~
16 ~~receipts tax~~] payable on transactions for the reporting period;

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

20 (d) any gross receipts or sales taxes
21 imposed by an Indian nation, tribe or pueblo; provided that the
22 tax is approved, if approval is required by federal law or
23 regulation, by the secretary of the interior of the United
24 States; and provided further that the gross receipts or sales
25 tax imposed by the Indian nation, tribe or pueblo provides a

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1 reciprocal exclusion for gross receipts, sales or gross
2 receipts-based excise taxes imposed by the state or its
3 political subdivisions;

4 (e) any type of time-price differential;
5 and

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

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

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

24 SECTION 60. Section 7-9-4 NMSA 1978 (being Laws 1966,
25 Chapter 47, Section 4, as amended) is amended to read:

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1 "7-9-4. IMPOSITION AND RATE OF TAX--DENOMINATION AS
2 "GROSS RECEIPTS TAX".--

3 A. For the privilege of engaging in business, an
4 excise tax equal to [~~five and one eighth~~] one percent of gross
5 receipts is imposed on any person engaging in business in New
6 Mexico, except as provided in Subsection B of this section.

7 [~~B.~~] The tax imposed by this section shall be referred to as
8 the "gross receipts tax".

9 B. On July 1 of 2021, 2022 and 2023, the department
10 shall adjust the gross receipts tax rate to ensure that revenue
11 attributable to the tax in the previous fiscal year exceeds the
12 previous fiscal year's budget by no more than three percent and
13 no less than one and one-half percent. The department, in
14 consultation with the department of finance and administration
15 and the legislative finance committee, shall estimate the
16 revenue for fiscal years 2021, 2022 and 2023 no later than May
17 1 of those years."

18 SECTION 61. Section 7-9-4.3 NMSA 1978 (being Laws 1991,
19 Chapter 8, Section 2, as amended by Laws 1993, Chapter 332,
20 Section 1 and by Laws 1993, Chapter 352, Section 1) is amended
21 to read:

22 "7-9-4.3. IMPOSITION AND RATE OF TAX--DENOMINATION AS
23 "GOVERNMENTAL GROSS RECEIPTS TAX".--For the privilege of
24 engaging in certain activities by governments, there is imposed
25 on every agency, institution, instrumentality or political

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1 subdivision of the state, except any school district and any
2 entity licensed by the department of health that is principally
3 engaged in providing health care services, an excise tax of
4 [~~five~~] one percent of governmental gross receipts. The tax
5 imposed by this section shall be referred to as the
6 "governmental gross receipts tax".

7 SECTION 62. Section 7-9-5 NMSA 1978 (being Laws 1966,
8 Chapter 47, Section 5, as amended) is amended to read:

9 "7-9-5. PRESUMPTION OF TAXABILITY.--

10 A. To prevent evasion of the gross receipts tax and
11 to aid in its administration, it is presumed that all receipts
12 of a person engaging in business are subject to the gross
13 receipts tax. [~~Any~~] A person engaged solely in transactions
14 specifically exempt under the provisions of the Gross Receipts
15 and Compensating Tax Act shall not be required to register or
16 file a return under that act.

17 B. If receipts from nontaxable charges for mobile
18 telecommunications services are aggregated with and not
19 separately stated from taxable charges for mobile
20 telecommunications services, [~~then~~] the charges for nontaxable
21 mobile telecommunications services shall be subject to gross
22 receipts tax unless the home service provider can reasonably
23 identify nontaxable charges in its books and records that are
24 kept in the regular course of business. For the purposes of
25 this subsection, "charges for mobile telecommunications

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1 services", "home service provider" and "mobile
2 telecommunications services" have the meanings given in the
3 federal Mobile Telecommunications Sourcing Act.

4 C. A seller obligated to remit the taxes imposed
5 pursuant to the Gross Receipts and Compensating Tax Act is not
6 required to remit such taxes on receipts collected by a
7 marketplace provider on the seller's behalf if the seller has
8 obtained documentation from the marketplace provider indicating
9 that the marketplace provider is registered with the department
10 and will remit the taxes due on those receipts. The
11 documentation shall be provided in a form and manner prescribed
12 by the department. Marketplace providers deemed to be engaging
13 in business in this state are relieved of gross receipts tax
14 liability for having charged and collected the incorrect amount
15 of tax resulting from a marketplace provider reasonably relying
16 on erroneous information provided by the seller."

17 SECTION 63. Section 7-9-7 NMSA 1978 (being Laws 1966,
18 Chapter 47, Section 7, as amended) is amended to read:

19 "7-9-7. IMPOSITION AND RATE OF TAX--DENOMINATION AS
20 "COMPENSATING TAX".--

21 A. For the privilege of using tangible property in
22 New Mexico, there is imposed on the person using the property
23 an excise tax equal to [~~five and one eighth~~] one percent of the
24 value of tangible property that was:

25 (1) manufactured by the person using the

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1 property in the state;

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

7 (3) acquired as the result of a transaction
8 that was not initially subject to the compensating tax imposed
9 by Paragraph (2) of this subsection or the gross receipts tax
10 but which transaction, because of the buyer's subsequent use of
11 the property, should have been subject to the compensating tax
12 imposed by Paragraph (2) of this subsection or the gross
13 receipts tax.

14 B. For the purpose of Subsection A of this section,
15 value of tangible property shall be the adjusted basis of the
16 property for federal income tax purposes determined as of the
17 time of acquisition or introduction into this state or of
18 conversion to use, whichever is later. If no adjusted basis
19 for federal income tax purposes is established for the
20 property, a reasonable value of the property shall be used.

21 C. For the privilege of using services rendered in
22 New Mexico, there is imposed on the person using such services
23 an excise tax equal to [~~five~~] one percent of the value of the
24 services at the time they were rendered. The services, to be
25 taxable under this subsection, must have been rendered as the

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1 result of a transaction that was not initially subject to the
2 gross receipts tax but which transaction, because of the
3 buyer's subsequent use of the services, should have been
4 subject to the gross receipts tax.

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

7 SECTION 64. Section 7-9-7.1 NMSA 1978 (being Laws 1993,
8 Chapter 45, Section 1, as amended) is amended to read:

9 "7-9-7.1. DEPARTMENT BARRED FROM TAKING COLLECTION
10 ACTIONS WITH RESPECT TO CERTAIN ~~[COMPENSATING]~~ GROSS RECEIPTS
11 TAX LIABILITIES.--

12 ~~[A. The department shall take no action to enforce~~
13 ~~collection of compensating tax due on purchases made by an~~
14 ~~individual if:~~

15 ~~(1) the property is used only for nonbusiness~~
16 ~~purposes;~~

17 ~~(2) the property is not a manufactured home;~~
18 ~~and~~

19 ~~(3) the individual is not an agent for~~
20 ~~collection of compensating tax pursuant to Section 7-9-10 NMSA~~
21 ~~1978.~~

22 ~~B. The prohibition in Subsection A of this section~~
23 ~~does not prevent the department from enforcing collection of~~
24 ~~compensating tax on purchases from persons who are not~~
25 ~~individuals, who are agents for collection pursuant to Section~~

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1 ~~7-9-10 NMSA 1978 or who use the property in the course of~~
2 ~~engaging in business in New Mexico or from enforcing collection~~
3 ~~of compensating tax due on purchase of manufactured homes.]~~ The
4 department shall take no action to enforce collection of gross
5 receipts tax for a tax period prior to January 1, 2020 on
6 persons engaging in business if, for those tax periods, those
7 persons:

8 (1) lacked physical presence in the state; and

9 (2) did not report taxable gross receipts
10 prior to January 1, 2020."

11 SECTION 65. Section 7-9-13.2 NMSA 1978 (being Laws 1992,
12 Chapter 100, Section 3, as amended) is amended to read:

13 "7-9-13.2. EXEMPTION--GOVERNMENTAL GROSS RECEIPTS TAX--
14 RECEIPTS SUBJECT TO CERTAIN OTHER TAXES.--Exempted from the
15 governmental gross receipts tax are receipts from transactions
16 involving tangible personal property or services on which
17 receipts or transactions the gross receipts tax, compensating
18 tax, [~~motor vehicle excise tax~~] gasoline tax, [~~special fuel~~
19 ~~tax~~] special fuel excise tax, oil and gas emergency school tax,
20 resources tax, processors tax or service tax [~~or the excise tax~~
21 ~~imposed under Section 66-12-6.1 NMSA 1978~~] is imposed."

22 SECTION 66. Section 7-9-78.1 NMSA 1978 (being Laws 1999,
23 Chapter 231, Section 4) is amended to read:

24 "7-9-78.1. DEDUCTION--COMPENSATING TAX--URANIUM
25 ENRICHMENT PLANT EQUIPMENT.--Prior to July 1, 2035, the value
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1 of equipment and replacement parts for that equipment may be
2 deducted in computing the compensating tax due if the person
3 uses the equipment and replacement parts to enrich uranium in a
4 uranium enrichment plant."

5 SECTION 67. Section 7-9-90 NMSA 1978 (being Laws 1999,
6 Chapter 231, Section 3, as amended) is amended to read:

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

9 A. Prior to July 1, 2035, receipts from selling
10 uranium hexafluoride and from providing the service of
11 enriching uranium may be deducted from gross receipts.

12 B. The department shall annually report to the
13 revenue stabilization and tax policy committee aggregate
14 amounts of deductions taken pursuant to this section, the
15 number of taxpayers claiming the deduction and any other
16 information that is necessary to determine that the deduction
17 is performing a purpose that is beneficial to the state.

18 C. A taxpayer deducting gross receipts pursuant to
19 this section shall report the amount deducted separately and
20 attribute the amount of the deduction to the authorization
21 provided in this section in a manner required by the department
22 that facilitates the evaluation by the legislature for the
23 benefit to the state of this deduction."

24 SECTION 68. Section 7-9-110.1 NMSA 1978 (being Laws 2011,
25 Chapter 60, Section 1 and Laws 2011, Chapter 61, Section 1) is

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1 amended to read:

2 "7-9-110.1. DEDUCTION--GROSS RECEIPTS TAX--COMPENSATING
3 TAX--LOCOMOTIVE ENGINE FUEL.--

4 A. Prior to July 1, 2035, receipts from the sale of
5 fuel to a common carrier to be loaded or used in a locomotive
6 engine may be deducted from gross receipts.

7 B. Prior to July 1, 2035, the value of fuel to be
8 loaded or used by a common carrier in a locomotive engine may
9 be deducted in computing the compensating tax due. To be
10 eligible for the deduction provided by this subsection, a
11 common carrier shall deliver an appropriate nontaxable
12 transaction certificate to the seller and the sale shall be
13 made to a common carrier that, on or after July 1, 2012, made a
14 capital investment of fifty million dollars (\$50,000,000) or
15 more in new railroad infrastructure improvements, including
16 railroad facilities, track, signals and supporting railroad
17 network, located in New Mexico; provided that the new railroad
18 infrastructure improvements are not required by a regulatory
19 agency to correct problems, such as regular or preventive
20 maintenance, specifically identified by that agency as
21 requiring necessary corrective action.

22 C. The purpose of the deductions provided by this
23 section is to encourage the construction, renovation,
24 maintenance and operation of railroad locomotive refueling
25 facilities and other railroad capital investments in New

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1 Mexico. To be eligible for the deduction provided by this
2 section, the fuel shall be used or loaded by a common carrier
3 that, on or after July 1, 2012, made a capital investment of
4 fifty million dollars (\$50,000,000) or more in new railroad
5 infrastructure improvements, including railroad facilities,
6 track, signals and supporting railroad network, located in New
7 Mexico; provided that the new railroad infrastructure
8 improvements are not required by a regulatory agency to correct
9 problems, such as regular or preventive maintenance,
10 specifically identified by that agency as requiring necessary
11 corrective action.

12 D. The economic development department shall
13 promulgate rules for the issuance of a certificate of
14 eligibility for the purposes of claiming a deduction on fuel
15 loaded or used by a common carrier in a locomotive engine from
16 gross receipts or compensating tax. A common carrier may
17 request a certificate of eligibility from the economic
18 development department to provide to the taxation and revenue
19 department to establish eligibility for a nontaxable
20 transaction certificate for the deduction on fuel loaded or
21 used by a common carrier in a locomotive engine from gross
22 receipts. The taxation and revenue department shall issue
23 nontaxable transaction certificates to a common carrier upon
24 the presentation of a certificate of eligibility obtained from
25 the economic development department pursuant to this

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1 subsection.

2 E. The economic development department shall keep a
3 record of temporary and permanent jobs from all railroad
4 activity where a capital investment is made by a common carrier
5 that claims a deduction on fuel loaded or used by a common
6 carrier in a locomotive engine from gross receipts tax or from
7 compensating tax. The economic development department and the
8 taxation and revenue department shall estimate the amount of
9 state revenue that is attributable to all railroad activity
10 where a capital investment is made by a common carrier that
11 claims a deduction on fuel loaded or used by a common carrier
12 in a locomotive engine from gross receipts tax or from
13 compensating tax.

14 F. The economic development department and the
15 taxation and revenue department shall compile an annual report
16 with the number of taxpayers who claim a deduction on fuel
17 loaded or used by a common carrier in a locomotive engine from
18 gross receipts tax and from compensating tax, the number of
19 jobs created as a result of that deduction, the amount of
20 deduction taken, the net revenue to the state as a result of
21 that deduction and any other information required by the
22 legislature to aid in evaluating the effectiveness of that
23 deduction. To be eligible for a deduction pursuant to this
24 section, a taxpayer shall provide the departments with the
25 information required to compile the report. The departments

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1 shall present the report before the revenue stabilization and
2 tax policy committee by November of each year.

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

6 SECTION 69. A new section of the Gross Receipts and
7 Compensating Tax Act is enacted to read:

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

14 SECTION 70. A new section of the Gross Receipts and
15 Compensating Tax Act is enacted to read:

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

17 A. A New Mexico resident who files a gross receipts
18 tax return or on whose behalf wages are withheld pursuant to
19 the Withholding Tax Act or the Gross Receipts and Compensating
20 Tax Act may, by April 15 of each calendar year, claim a credit
21 in the appropriate amount shown in the following table against
22 gross receipts tax paid during the previous calendar year and
23 based upon the claimant's percentage of income for federal
24 purposes and adjusted for family size for the previous federal
25 income tax period in relation to the federal poverty guidelines

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1 as defined by the United States census bureau. Income for
2 federal purposes, adjusted for family size, as a percentage of
3 federal poverty guidelines, is:

4	Over:	But Not Over:	Tax Credit Is:
5	0%	100%	1.64 x gross receipts tax paid
6	100%	110%	1.50 x gross receipts tax paid
7	110%	120%	1.36 x gross receipts tax paid
8	120%	130%	1.21 x gross receipts tax paid
9	130%	140%	1.07 x gross receipts tax paid
10	140%	150%	0.93 x gross receipts tax paid
11	150%	160%	0.79 x gross receipts tax paid
12	160%	170%	0.64 x gross receipts tax paid
13	170%	180%	0.50 x gross receipts tax paid
14	180%	190%	0.36 x gross receipts tax paid
15	190%	200%	0.21 x gross receipts tax paid
16	200%	210%	0.07 x gross receipts tax paid.

17 B. The tax credit provided for in this section
18 shall first be deducted from the taxpayer's gross receipts tax
19 liability. If the tax credit exceeds the taxpayer's gross
20 receipts tax liability, the excess shall be refunded to the
21 taxpayer. The credit shall not be transferred to another
22 taxpayer.

23 C. The taxpayer shall claim the refund in a form
24 provided by the department. The department shall refund the
25 amount of the credit in excess of the gross receipts tax

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1 liability within one hundred twenty days after the date the
2 taxpayer claimed the credit.

3 D. A taxpayer who is or may be claimed as a
4 dependent pursuant to the Internal Revenue Code of 1986 shall
5 not claim the credit provided by this section. In no event
6 shall the department allow a person who is or may be claimed as
7 a dependent pursuant to the Internal Revenue Code of 1986 to
8 claim the credit provided by this section.

9 E. For purposes of this section, a person who filed
10 a joint federal income tax return with the person's spouse for
11 the preceding taxable year shall be deemed to have an income
12 for federal purposes for that taxable year equal to one-half of
13 the income for federal purposes reported on the joint return."

14 SECTION 71. Section 7-19D-5 NMSA 1978 (being Laws 1993,
15 Chapter 346, Section 5, as amended) is amended to read:

16 "7-19D-5. SPECIFIC EXEMPTIONS.--No tax authorized by the
17 provisions of the Municipal Local Option Gross Receipts Taxes
18 Act shall be imposed on the gross receipts arising from:

19 A. prior to July 1, 2021, transporting persons or
20 property for hire by railroad, motor vehicle, air
21 transportation or any other means from one point within the
22 municipality to another point outside the municipality; or

23 B. a business located outside the boundaries of a
24 municipality on land owned by that municipality for which a
25 state gross receipts tax distribution is made pursuant to

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1 Section 7-1-6.4 NMSA 1978."

2 SECTION 72. Section 7-19D-9 NMSA 1978 (being Laws 1978,
3 Chapter 151, Section 1, as amended) is repealed and a new
4 Section 7-19D-9 NMSA 1978 is enacted to read:

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

7 A. The majority of the members of the governing
8 body of a municipality may impose by ordinance an excise tax at
9 a rate not to exceed one-half percent of the gross receipts of
10 a person engaging in business in the municipality for the
11 privilege of engaging in business. The tax may be imposed in
12 increments of five-hundredths percent or any multiple of five-
13 hundredths percent.

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

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

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1 the general fund of the 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 imposing
11 the tax. The governing body shall adopt a resolution calling
12 for an election on the question of imposing the tax at the next
13 regular municipal election. The question shall be submitted to
14 the voters of the municipality as a separate question. If the
15 question of imposing the tax fails, the governing body shall
16 not again propose the imposition of any increment of the tax
17 for a period of one year from the date of the election."

18 SECTION 73. Section 7-20E-9 NMSA 1978 (being Laws 1983,
19 Chapter 213, Section 30, as amended) is repealed and a new
20 Section 7-20E-9 NMSA 1978 is enacted to read:

21 "7-20E-9. [NEW MATERIAL] COUNTY GROSS RECEIPTS TAX--
22 AUTHORITY TO IMPOSE RATE.--

23 A. The majority of the members of the governing
24 body of a county may impose by ordinance an excise tax at a
25 rate not to exceed one-half percent of the gross receipts of a

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1 person engaging in business in the county or county area for
2 the privilege of engaging in business. The tax may be imposed
3 in an increment of five-hundredths percent or any multiple of
4 five-hundredths percent.

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

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

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

22 E. Except as provided in Subsection D of this
23 section, an ordinance imposing an increment of the county gross
24 receipts tax shall not go into effect until after an election
25 is held and a simple majority of the qualified electors of the

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

17 **SECTION 74.** Section 7-27-5.26 NMSA 1978 (being Laws 2000
18 (2nd S.S.), Chapter 6, Section 2, as amended) is amended to
19 read:

20 "7-27-5.26. INVESTMENT IN FILMS TO BE PRODUCED IN
21 NEW MEXICO.--

22 A. No more than six percent of the market value of
23 the severance tax permanent fund may be invested in New Mexico
24 film private equity funds or a New Mexico film project under
25 this section.

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

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

13 (1) are filmed wholly or substantially in New
14 Mexico;

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

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

21 (4) have posted a completion bond that has
22 been approved by the New Mexico film division; provided that a
23 completion bond shall not be required if the fund or project is
24 guaranteed pursuant to Paragraph (5) of this subsection; and

25 (5) have obtained a full, unconditional and

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1 irrevocable guarantee of repayment of the invested amount in
2 favor of the severance tax permanent fund:

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

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

8 (c) by providing a full, unconditional
9 and irrevocable letter of credit from a United States
10 incorporated bank with a credit rating of not less than A by a
11 national rating agency; or

12 (d) from a substantial and solvent
13 entity as determined by the council in accordance with its
14 standards and practices; or

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

19 ~~[D. The state investment officer may loan at a~~
20 ~~market rate of interest, with respect to an eligible New Mexico~~
21 ~~film project, up to eighty percent of an expected and estimated~~
22 ~~film production tax credit available to a film production~~
23 ~~company pursuant to the provisions of Section 7-2F-1 NMSA 1978;~~
24 ~~provided that the film production company agrees to name the~~
25 ~~state investment officer as its agent for the purpose of filing~~

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1 ~~an application for the film production tax credit to which the~~
2 ~~company is entitled if the company does not apply for the film~~
3 ~~production tax credit. The New Mexico film division of the~~
4 ~~economic development department shall determine the estimated~~
5 ~~amount of a film production tax credit. The council shall~~
6 ~~establish guidelines for the state investment officer's~~
7 ~~initiation of a loan and the terms of the loan.~~

8 E.] D. As used in this section:

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

17 (2) "New Mexico film private equity fund"
18 means any limited partnership, limited liability company or
19 corporation organized and operating in the United States that:

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

23 (b) holds out the prospects for capital
24 appreciation from such investments; and

25 (c) accepts investments only from

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1 accredited investors as that term is defined in Section 2 of
2 the federal Securities Act of 1933, as amended, and rules
3 promulgated pursuant to that section."

4 SECTION 75. Section 7-36-21.3 NMSA 1978 (being Laws 2000,
5 Chapter 21, Section 1, as amended) is amended to read:

6 "7-36-21.3. LIMITATION ON INCREASE IN VALUE FOR
7 SINGLE-FAMILY DWELLINGS OCCUPIED BY LOW-INCOME OWNERS
8 SIXTY-FIVE YEARS OF AGE OR OLDER OR DISABLED--REQUIREMENTS--
9 PENALTIES.--

10 A. For the 2001 and subsequent tax years, the
11 valuation for property taxation purposes of a single-family
12 dwelling owned and occupied by a person who is sixty-five years
13 of age or older and whose modified gross income, as defined in
14 the Income Tax Act, as that act was in effect prior to January
15 1, 2020, for the prior taxable year did not exceed the greater
16 of eighteen thousand dollars (\$18,000) or the amount calculated
17 pursuant to Subsection I of this section shall not be greater
18 than the valuation of the property for property taxation
19 purposes in the:

- 20 (1) 2001 tax year;
- 21 (2) year in which the owner's sixty-fifth
22 birthday occurs, if that is after 2001; or
- 23 (3) tax year following the tax year in which
24 an owner who turns sixty-five or is sixty-five years of age or
25 older first owns and occupies the property, if that is after

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1 2001.

2 B. For the 2009 and subsequent tax years, the
3 valuation for property taxation purposes of a single-family
4 dwelling owned and occupied by a person who is sixty-five years
5 of age or older or disabled and whose modified gross income, as
6 defined in the Income Tax Act, as that act was in effect prior
7 to January 1, 2020, for the prior taxable year did not exceed
8 the greater of thirty-two thousand dollars (\$32,000) or the
9 amount calculated pursuant to Subsection I of this section
10 shall not be greater than the valuation of the property for
11 property taxation purposes in:

12 (1) the 2009 tax year, if the person owns and
13 occupies the property in the 2009 tax year;

14 (2) the tax year in which the owner's
15 sixty-fifth birthday occurs, if that is after 2009; or

16 (3) the tax year following the tax year in
17 which an owner who is sixty-five years of age or older first
18 owns and occupies the property, if that is after 2009.

19 C. For the 2003 and subsequent tax years, the
20 valuation for property taxation purposes of a single-family
21 dwelling owned and occupied by a person who is disabled and
22 whose modified gross income, as defined in the Income Tax Act,
23 as that act was in effect prior to January 1, 2020, for the
24 prior taxable year did not exceed the greater of eighteen
25 thousand dollars (\$18,000) or the amount calculated pursuant to

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1 Subsection I of this section shall not be greater than the
2 valuation of the property for property taxation purposes in
3 the:

4 (1) 2003 tax year;

5 (2) year in which the owner is determined to
6 be disabled, if that is after 2003; or

7 (3) tax year following the tax year in which
8 an owner who is disabled or who is determined in that year to
9 be disabled first owns and occupies the property, if that is
10 after 2003.

11 D. An owner who is entitled to a limitation in
12 valuation pursuant to more than one subsection of this section
13 may designate the subsection pursuant to which the limitation
14 shall be applied.

15 E. The limitation of value specified in Subsections
16 A, B and C of this section shall be claimed in order to be
17 allowed. The limitations may be claimed by filing proof of
18 eligibility with the county assessor on an application form for
19 the limitation furnished by the assessor. The application form
20 shall be designed by the department and shall provide for proof
21 of age or disability, occupancy and income eligibility. An
22 owner who applies for the limitation of value specified in this
23 section and files proof of income eligibility for the three
24 consecutive years immediately prior to the tax year for which
25 the application is made need not claim the limitation for

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1 subsequent tax years if there is no change in eligibility. The
2 county assessor shall apply that limitation automatically in
3 subsequent tax years until a change in eligibility occurs.

4 F. An owner who has claimed and been allowed the
5 limitation of value specified in this section for the three
6 consecutive tax years immediately prior to the 2014 tax year
7 need not claim the limitation for subsequent tax years if there
8 is no change in eligibility. The county assessor shall apply
9 that limitation automatically in subsequent tax years until a
10 change in eligibility occurs.

11 G. A person who has had a limitation applied to a
12 tax year and subsequently becomes ineligible for the limitation
13 because of a change in the person's status or income or a
14 change in the ownership of the property against which the
15 limitation was applied shall notify the county assessor of the
16 loss of eligibility for the limitation by the last day of
17 February of the tax year immediately following the year in
18 which loss of eligibility occurs.

19 H. A person who knowingly violates the provisions
20 of this section by intentionally claiming and receiving the
21 benefit of a limitation to which the person is not entitled or
22 who fails to comply with the provisions of Subsection G of this
23 section shall be liable for all taxes due, interest and a civil
24 penalty of no more than three times the amount of additional
25 taxes due.

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1 I. For the 2002 tax year and each subsequent tax
2 year, the maximum amount of modified gross income in
3 Subsections A, B and C of this section shall be adjusted to
4 account for inflation. The department shall make the
5 adjustment by multiplying the maximum amount for tax year 2000
6 by a fraction, the numerator of which is the consumer price
7 index ending during the prior tax year and the denominator of
8 which is the consumer price index ending in tax year 2000. The
9 result of the multiplication shall be rounded down to the
10 nearest one hundred dollars (\$100), except that if the result
11 would be an amount less than the corresponding amount for the
12 preceding tax year, then no adjustment shall be made. For
13 purposes of this subsection, "consumer price index" means the
14 consumer price index for all urban consumers published by the
15 United States department of labor for the month ending
16 September 30. The department shall publish annually the amount
17 determined by the calculation and distribute it to each county
18 assessor no later than December 1 of each tax year.

19 J. The limitation of value specified in Subsections
20 A, B and C of this section does not apply to:

21 (1) a change in valuation resulting from any
22 physical improvements made to the property during the year
23 immediately prior to the tax year or a change in the permitted
24 use or zoning of the property during the year immediately prior
25 to the tax year; or

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1 (2) a residential property in the first tax
2 year that is valued for property taxation purposes.

3 K. As used in this section, "disabled" means a
4 person who has been determined to be blind or permanently
5 disabled with medical improvement not expected pursuant to
6 42 USCA 421 for purposes of the federal Social Security Act or
7 is determined to have a permanent total disability pursuant to
8 the Workers' Compensation Act."

9 **SECTION 76.** Section 7-37-7.1 NMSA 1978 (being Laws 1979,
10 Chapter 268, Section 1, as amended) is amended to read:

11 "7-37-7.1. ADDITIONAL LIMITATIONS ON PROPERTY TAX
12 RATES.--

13 A. Except as provided in Subsections D and E of
14 this section, in setting the general property tax rates for
15 residential and nonresidential property authorized in
16 Subsection B of Section 7-37-7 NMSA 1978, the other rates and
17 impositions authorized in Paragraphs (2) and (3) of Subsection
18 C of Section 7-37-7 NMSA 1978, except the portion of the rate
19 authorized in Paragraph (1) of Subsection A of Section 4-48B-12
20 NMSA 1978 used to meet the requirements of Section 27-10-4 NMSA
21 1978, and benefit assessments authorized by law to be levied
22 upon net taxable value of property, assessed value or a similar
23 term, neither the department of finance and administration nor
24 any other entity authorized to set or impose a rate or
25 assessment shall set a rate or impose a tax or assessment that

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1 will produce revenue from either residential or nonresidential
2 property in a particular governmental unit in excess of the sum
3 of a dollar amount derived by multiplying the appropriate
4 growth control factor by the revenue due from the imposition on
5 residential or nonresidential property, as appropriate, for the
6 prior property tax year in the governmental unit of the rate,
7 imposition or assessment for the specified purpose [~~plus, for~~
8 ~~the calculation for the rate authorized for county operating~~
9 ~~purposes by Subsection B of Section 7-37-7 NMSA 1978 with~~
10 ~~respect to residential property, any applicable tax rebate~~
11 ~~adjustment~~]. The calculation described in this subsection
12 shall be separately made for residential and nonresidential
13 property. Except as provided in Subsections D and E of this
14 section, no tax rate or benefit assessment that will produce
15 revenue from either class of property in a particular
16 governmental unit in excess of the dollar amount allowed by the
17 calculation shall be set or imposed. The rates imposed
18 pursuant to Sections 7-32-4 and 7-34-4 NMSA 1978 shall be the
19 rates for nonresidential property that would have been imposed
20 but for the limitations in this section. As used in this
21 section, "growth control factor" is a percentage equal to the
22 sum of "percent change I" plus V where:

$$(1) \quad V = (\text{base year value} + \text{net new value}),$$
$$\frac{\quad}{\text{base year value}}$$

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1 expressed as a percentage, but if the percentage calculated is
2 less than one hundred percent, then V shall be set and used as
3 one hundred percent;

4 (2) "base year value" means the value for
5 property taxation purposes of all residential or nonresidential
6 property, as appropriate, subject to valuation under the
7 Property Tax Code in the governmental unit for the specified
8 purpose in the prior property tax year;

9 (3) "net new value" means the additional value
10 of residential or nonresidential property, as appropriate, for
11 property taxation purposes placed on the property tax schedule
12 in the current year resulting from the elements in
13 Subparagraphs (a) through (d) of this paragraph reduced by the
14 value of residential or nonresidential property, as
15 appropriate, removed from the property tax schedule in the
16 current year and, if applicable, the reductions described in
17 Subparagraph (e) of this paragraph:

18 (a) residential or nonresidential
19 property, as appropriate, valued in the current year that was
20 not valued at all in the prior year;

21 (b) improvements to existing residential
22 or nonresidential property, as appropriate;

23 (c) additions to residential or
24 nonresidential property, as appropriate, or values that were
25 omitted from previous years' property tax schedules even if

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1 part or all of the property was included on the schedule, but
2 no additions of values attributable to valuation maintenance
3 programs or reappraisal programs shall be included;

4 (d) additions to nonresidential property
5 due to increases in annual net production values of mineral
6 property valued in accordance with Section 7-36-23 or 7-36-25
7 NMSA 1978 or due to increases in market value of mineral
8 property valued in accordance with Section 7-36-24 NMSA 1978;
9 and

10 (e) reductions to nonresidential
11 property due to decreases in annual net production values of
12 mineral property valued in accordance with Section 7-36-23 or
13 7-36-25 NMSA 1978 or due to decreases in market value of
14 mineral property valued in accordance with Section 7-36-24 NMSA
15 1978; and

16 (4) "percent change I" means a percent not in
17 excess of five percent that is derived by dividing the annual
18 implicit price deflator index for state and local government
19 purchases of goods and services, as published in the United
20 States department of commerce monthly publication entitled
21 "survey of current business" or any successor publication, for
22 the calendar year next preceding the prior calendar year into
23 the difference between the prior year's comparable annual index
24 and that next preceding year's annual index if that difference
25 is an increase, and if the difference is a decrease, the

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1 "percent change I" is zero. In the event that the annual
2 implicit price deflator index for state and local government
3 purchases of goods and services is no longer prepared or
4 published by the United States department of commerce, the
5 department shall adopt by regulation the use of any comparable
6 index prepared by any agency of the United States.

7 B. If, as a result of the application of the
8 limitation imposed under Subsection A of this section, a
9 property tax rate for residential or nonresidential property,
10 as appropriate, authorized in Subsection B of Section 7-37-7
11 NMSA 1978 is reduced below the maximum rate authorized in that
12 subsection, no governmental unit or entity authorized to impose
13 a tax rate under Paragraph (2) of Subsection C of Section
14 7-37-7 NMSA 1978 shall impose any portion of the rate
15 representing the difference between a maximum rate authorized
16 under Subsection B of Section 7-37-7 NMSA 1978 and the reduced
17 rate resulting from the application of the limitation imposed
18 under Subsection A of this section.

19 C. If the net new values necessary to make the
20 computation required under Subsection A of this section are not
21 available for any governmental unit at the time the calculation
22 must be made, the department of finance and administration
23 shall use a zero amount for net new values when making the
24 computation for the governmental unit.

25 D. Any part of the maximum tax rate authorized for

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1 each governmental unit for residential and nonresidential
2 property by Subsection B of Section 7-37-7 NMSA 1978 that is
3 not imposed for a governmental unit for any property tax year
4 for reasons other than the limitation required under Subsection
5 A of this section may be authorized by the department of
6 finance and administration to be imposed for that governmental
7 unit for residential and nonresidential property for the
8 following tax year subject to the restriction of Subsection D
9 of Section 7-38-33 NMSA 1978.

10 E. If the base year value necessary to make the
11 computation required under Subsection A of this section is not
12 available for any governmental unit at the time the calculation
13 must be made, the department of finance and administration
14 shall set a rate for residential and nonresidential property
15 that will produce in that governmental unit a dollar amount
16 that is not in excess of the property tax revenue due for all
17 property for the prior property tax year for the specified
18 purpose of that rate in that governmental unit.

19 F. For the purposes of this section, [~~(1)~~]
20 "nonresidential property" does not include any property upon
21 which taxes are imposed pursuant to the Oil and Gas Ad Valorem
22 Production Tax Act, the Oil and Gas Production Equipment Ad
23 Valorem Tax Act or the Copper Production Ad Valorem Tax Act
24 [~~and~~

25 ~~(2) "tax rebate adjustment" means, for those~~

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1 ~~counties that have an ordinance in effect providing the~~
2 ~~property tax rebate pursuant to the Income Tax Act for the~~
3 ~~property tax year and that have not imposed for the property~~
4 ~~tax year either a property tax, the revenue from which is~~
5 ~~pledged for payment of the income tax revenue reduction~~
6 ~~resulting from the provision of the property tax rebate, or a~~
7 ~~property transfer tax, the estimated amount of the property tax~~
8 ~~rebate to be allowed with respect to the property tax year, and~~
9 ~~for any other governmental unit or purpose, zero; provided that~~
10 ~~any estimate of property tax rebate to be allowed is subject to~~
11 ~~review for appropriateness and approval by the department of~~
12 ~~finance and administration]."~~

13 SECTION 77. Section 10-7-18 NMSA 1978 (being Laws 1987,
14 Chapter 289, Section 5) is amended to read:

15 "10-7-18. STATUS OF SALARY REDUCTION.--

16 A. The amount by which an eligible public
17 employee's salary is reduced pursuant to a salary reduction
18 agreement shall continue to be included as compensation for the
19 purpose of computing retirement benefits under the Public
20 Employees Retirement Act, the Educational Retirement Act and
21 the Judicial Retirement Act; provided this inclusion does not
22 conflict with federal law, including federal regulations,
23 pertaining to the Federal Insurance Contributions Act or to
24 Internal Revenue Code, Section 125 pertaining to cafeteria
25 plans.

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1 B. The amount by which an eligible public
2 employee's salary is reduced pursuant to a salary reduction
3 agreement shall not be considered as gross income for purposes
4 of computing [~~New Mexico income tax~~] state unemployment tax and
5 state worker's compensation and federal income taxes to be
6 withheld and paid on behalf of the employee."

7 **SECTION 78.** Section 17-2A-3 NMSA 1978 (being Laws 1996,
8 Chapter 89, Section 5, as amended) is amended to read:

9 "17-2A-3. HUNTING GUIDES AND OUTFITTERS.--

10 A. Effective April 1, 1997, it is unlawful to be a
11 hunting guide or outfitter in New Mexico without being
12 registered, except for a private landowner or [~~his~~] the
13 landowner's authorized agent who outfits or guides pursuant to
14 a landowner permit issued by the department of game and fish
15 for the landowner's property or for the landowner's shared
16 private and public unit.

17 B. The state game commission shall adopt
18 regulations by September 1, 1997 to govern the granting of
19 non-interim registration, permits and certificates to hunting
20 guides and outfitters and to regulate the operations and
21 professional conduct of registered hunting guides and
22 outfitters. Regulations shall be adopted in accordance with
23 the following procedures and standards:

24 (1) the commission shall establish dates and
25 locations for a public hearing and provide reasonable prior

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1 public notice of a hearing. A public hearing shall be held at
2 a place within any quadrant of the state affected by the
3 proposed regulation when the commission determines there is
4 substantial public interest in holding a hearing in that
5 quadrant;

6 (2) a hearing shall be held within six months
7 of the date a proposed regulation is issued;

8 (3) notice of a hearing shall:

9 (a) include the date, time and location
10 of the hearing;

11 (b) include a statement of the
12 recommended action;

13 (c) include an indication of the
14 location and availability of the public file on the regulation;

15 (d) indicate where and by what date
16 written and oral comments and testimony may be received; and

17 (e) specify that the public record shall
18 remain open for comments for thirty days after the date of the
19 final hearing; and

20 (4) the commission shall make its decision and
21 take action based upon relevant and reliable evidence.

22 C. No person shall be allowed to work as a
23 registered hunting guide or outfitter in New Mexico:

24 (1) without being registered by the state game
25 commission;

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1 (2) if the person has had a guide or outfitter
2 license, registration, permit or certificate revoked in another
3 state;

4 (3) if the person has had a guide or outfitter
5 license, registration, permit or certificate suspended in
6 another state and it has not been reinstated; or

7 (4) if the person has been convicted of a
8 felony.

9 D. The state game commission shall develop a point
10 system for the suspension or revocation of a guide or outfitter
11 registration. The point system shall be similar to the point
12 system that governs individual hunting and fishing license
13 privileges.

14 E. To be granted a registration to be a guide, an
15 applicant shall, in addition to any other reasonable criteria
16 adopted by the state game commission, and except as provided
17 for persons granted an interim registration:

18 (1) be at least eighteen years of age; and

19 (2) pass a written or oral examination
20 approved by the department of game and fish at a date and time
21 approved by the department.

22 F. A registered or interim registered guide shall
23 work only under the supervision of a New Mexico registered or
24 interim registered outfitter and in an area designated by the
25 registered or interim registered outfitter.

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1 G. The department of game and fish may provide a
2 registration for a temporary emergency guide, provided the
3 registration is limited to a maximum seven-day period and is
4 granted only in emergency circumstances as determined by the
5 department. The fee for a temporary emergency guide
6 registration is ten dollars (\$10.00).

7 H. To be granted a registration to be an outfitter,
8 an applicant shall, in addition to any other reasonable
9 criteria adopted by the state game commission, and except as
10 provided for persons granted an interim registration:

- 11 (1) be at least twenty-one years of age;
- 12 (2) have operated as a New Mexico registered
13 guide for at least three years or have been granted an interim
14 outfitter's registration;
- 15 (3) not be a convicted felon or have a history
16 of violation of federal or state game and fish laws or
17 regulations or federal or state guide or outfitter licensing or
18 registration laws or regulations; and
- 19 (4) pass a written or oral examination
20 approved by the department of game and fish at a date and time
21 determined by the department.

22 I. A registered outfitter shall:
23 (1) provide proof of commercial liability
24 insurance of at least five hundred thousand dollars (\$500,000);
25 (2) responsibly supervise each registered

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1 guide working under [~~his~~] the outfitter's direction;

2 (3) provide a written contract for outfitting
3 services, signed by the registered outfitter and identifying
4 the outfitter's registration number, to each resident and
5 nonresident who seeks to use the services of a registered
6 outfitter;

7 (4) register with the taxation and revenue
8 department and provide proof of that registration to the
9 department of game and fish; and

10 (5) provide at least one registered guide or
11 outfitter for every four or fewer resident or nonresident
12 hunters who have contracted for an outfitter's guided services.

13 J. The department of game and fish shall provide to
14 the taxation and revenue department a copy of each outfitter
15 registration that is granted.

16 K. Except as provided in this subsection, no person
17 shall be allowed to charge a processing or other fee to obtain
18 for a resident or nonresident a license that is granted from a
19 special drawing for a hunt on public lands pursuant to the
20 provisions of Section 17-3-16 NMSA 1978, except that nothing in
21 this subsection shall prohibit the department of game and fish
22 from collecting an application fee. Persons involved in
23 licensing services, booking agencies or license brokering that
24 do not provide direct guide and outfitter services shall not be
25 required to register with the department of game and fish and

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1 may charge a fee, other than the application fee for a license,
2 for their services.

3 L. A New Mexico resident registered outfitter shall
4 be a registered outfitter who is a resident as defined in
5 Section 17-3-4 NMSA 1978. The state game commission shall
6 adopt regulations that set forth additional requirements and
7 that shall include at a minimum that a resident registered
8 outfitter shall maintain a business address in New Mexico and,
9 except as provided in Subsection Q of this section, derive at
10 least fifty percent of ~~[his]~~ the outfitter's guiding or
11 outfitting income from guiding or outfitting in New Mexico, as
12 determined by gross receipts ~~[or corporate or individual~~
13 ~~income]~~ tax returns for the immediately preceding three years.

14 M. The department of game and fish shall maintain
15 for public distribution a list of New Mexico registered
16 outfitters.

17 N. The annual registration fee for a registered
18 guide in New Mexico is fifty dollars (\$50.00) for a resident
19 and one hundred dollars (\$100) for a nonresident.

20 O. The annual registration fee to be a registered
21 outfitter in New Mexico is five hundred dollars (\$500) for
22 either a resident or a nonresident.

23 P. Annual registration fees for guides and
24 outfitters shall be deposited in the game protection fund.

25 Q. A resident interim registered or registered

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1 outfitter may apply for inactive status of [~~his~~] the
2 registration for any period in which [~~he~~] the outfitter does
3 not operate as an outfitter. The state game commission shall
4 reactivate an outfitter registration at the request of the
5 outfitter and upon proof that the outfitter complies with the
6 provisions of this section and upon payment of the annual
7 registration fee for the year the registration is being
8 reinstated and payment of a reinstatement fee of not to exceed
9 fifty dollars (\$50.00).

10 R. The state game commission shall adopt by
11 September 1, 1996 interim regulations, consistent to the
12 greatest extent practicable with the provisions of this
13 section, to provide for the granting of interim registrations
14 to guides and outfitters. The commission shall issue interim
15 registrations prior to mailing applications for 1997 licensed
16 hunts to persons who qualify for interim registration and
17 submit applications to the department of game and fish.

18 S. A person adversely affected by an action, other
19 than a regulation, taken pursuant to the provisions of this
20 section, including the denial, suspension or revocation of a
21 registration, license, permit or certificate, may seek review
22 of the action pursuant to the provisions of the Uniform
23 Licensing Act.

24 T. A person adversely affected by a regulation
25 adopted by the state game commission pursuant to this section

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1 may appeal to the court of appeals. All appeals shall be made
2 upon the record at the hearing and shall be taken to the court
3 of appeals within thirty days following the date of the action.
4 The date of the action shall be the date of the filing of the
5 regulation by the commission, pursuant to the provisions of the
6 State Rules Act.

7 U. Upon appeal, the court of appeals shall set
8 aside a regulation only if it is found to be:

9 (1) arbitrary, capricious or an abuse of
10 discretion;

11 (2) not supported by substantial evidence in
12 the record; or

13 (3) otherwise not in accordance with law.

14 V. After a hearing and a showing of good cause by
15 the appellant, a stay of a regulation being appealed may be
16 granted:

17 (1) by the state game commission; or

18 (2) by the court of appeals if the state game
19 commission denies a stay or fails to act upon an application
20 for a stay within sixty days after receipt of the application.

21 W. The appellant shall pay all costs for any appeal
22 found to be frivolous by the court of appeals."

23 SECTION 79. Section 20-1-8 NMSA 1978 (being Laws 2003,
24 Chapter 136, Section 1, as amended) is amended to read:

25 "20-1-8. STATE BENEFITS FOR MEMBERS OF ARMED FORCES

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1 CALLED TO ACTIVE DUTY AND DEPLOYED--BENEFITS FOR SURVIVING
2 CHILDREN OF A MEMBER KILLED IN THE LINE OF DUTY.--

3 A. A New Mexico resident who is a member of the New
4 Mexico national guard or of a branch of the federal armed
5 forces and who is called to active duty and is deployed and
6 serves during the period beginning on [~~the effective date of~~
7 ~~this section~~] April 1, 2012 and ending on the date the
8 president of the United States declares that the emergency
9 requiring the call-up is terminated is entitled to the
10 following benefits, notwithstanding any provision of law to the
11 contrary:

12 (1) a free game hunting and fishing license
13 for the year following the year of the member's deactivation
14 and return to the state;

15 [~~(2) an extension of one year after the return~~
16 ~~of the member to the state of the date the member is required~~
17 ~~to file a state personal income tax return if the filing date~~
18 ~~occurs while the member is on active duty and deployed;~~

19 ~~(3)]~~ (2) an extension for one month after the
20 member's return to the state of the date to renew a driver's
21 license if the renewal date occurs while the member is on
22 active duty and deployed; and

23 [~~(4)]~~ (3) a refund or credit of tuition paid
24 to a state post-secondary educational institution for
25 attendance during a period when the attendance of the member

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1 was interrupted by activation and deployment.

2 B. The surviving children of a New Mexico resident
3 who was a member of the New Mexico national guard or of a
4 branch of the federal armed forces and who was killed in the
5 line of duty after being called to active duty and deployed
6 during the period beginning on April 3, 2003 and ending on the
7 date the president of the United States declares that the
8 emergency requiring the call-up is terminated are entitled to
9 waivers of tuition for four consecutive years at a state post-
10 secondary educational institution, notwithstanding any
11 provision of law to the contrary."

12 SECTION 80. Section 27-2-10 NMSA 1978 (being Laws 1973,
13 Chapter 376, Section 14, as amended) is amended to read:

14 "27-2-10. FOOD STAMP PROGRAM.--The income support
15 division of the human services department:

16 A. is authorized to establish a food stamp program
17 to carry out the federal [~~Food Stamp Act~~] supplemental
18 nutrition assistance program, as may be amended from time to
19 time, and regulations issued pursuant to that [~~act~~] program,
20 subject to the continuation of [~~the~~] that federal [~~food stamp~~]
21 program and the availability of federal funds; and

22 B. shall by January 30 of each calendar year notify
23 the taxation and revenue department of the location of food
24 stamp offices in New Mexico for inclusion in a notice sent with
25 [~~an income~~] gross receipts tax refund or other notice to a

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1 taxpayer whose income is within one hundred thirty percent of
2 federal poverty guidelines."

3 SECTION 81. Section 27-5-6 NMSA 1978 (being Laws 1965,
4 Chapter 234, Section 6, as amended) is amended to read:

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

7 A. may budget for expenditure on ambulance
8 services, burial expenses, hospital or medical expenses for
9 indigent residents of that county and for costs of development
10 of a countywide or [~~multi-county~~] multicounty health plan. The
11 combined costs of administration and planning shall not exceed
12 the following percentages of revenues based on the previous
13 fiscal year revenues for a fund that has existed for at least
14 one fiscal year or based on projected revenues for the year
15 being budgeted for a fund that has existed for less than one
16 fiscal year. The percentage of the revenues in the fund that
17 may be used for such combined administrative and planning costs
18 is equal to the sum of the following:

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

21 (2) eight percent of the amount of the
22 revenues in the fund over five hundred thousand dollars
23 (\$500,000) but not over one million dollars (\$1,000,000); and

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

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1 B. may accept contributions of public funds for
2 county health care services, which shall be deposited in the
3 fund;

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

6 ~~[D. shall transfer to the state by the last day of~~
7 ~~March, June, September and December of each year an amount~~
8 ~~equal to one-fourth of the county's payment pursuant to Section~~
9 ~~16 of this 2014 act. This money shall be deposited in the~~
10 ~~safety net care pool fund;~~

11 ~~E.]~~ D. shall, in carrying out the provisions of the
12 Indigent Hospital and County Health Care Act, comply with the
13 standards of the federal Health Insurance Portability and
14 Accountability Act of 1996; and

15 ~~[F. may provide for the transfer of money from the~~
16 ~~fund to the county-supported medicaid fund to meet the~~
17 ~~requirements of the Statewide Health Care Act; and~~

18 ~~G.]~~ E. may contract with ambulance providers,
19 hospitals or health care providers for the provision of
20 services for indigent patients domiciled within the county."

21 SECTION 82. Section 27-5-6.1 NMSA 1978 (being Laws 1993,
22 Chapter 321, Section 18, as amended) is amended to read:

23 "27-5-6.1. SAFETY NET CARE POOL FUND CREATED.--

24 A. The "safety net care pool fund" is created in
25 the state treasury. The safety net care pool fund, which shall

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1 be administered by the department, shall consist of public
2 funds [~~provided through intergovernmental transfers from~~
3 ~~counties or other public entities and transferred from counties~~
4 ~~pursuant to Section 16 of this 2014 act~~]. Money in the fund
5 shall be invested by the state treasurer as other state funds
6 are invested. Any unexpended or unencumbered balance remaining
7 in the fund at the end of any fiscal year shall not revert.

8 B. Money in the safety net care pool fund is
9 appropriated to the department to make payments to qualifying
10 hospitals. No safety net care pool fund payments or money in
11 the safety net care pool fund shall be used to supplant any
12 general fund support for the state medicaid program."

13 SECTION 83. Section 27-10-1 NMSA 1978 (being Laws 1991,
14 Chapter 212, Section 1) is amended to read:

15 "27-10-1. SHORT TITLE.--~~[Sections 1 through 4 of this~~
16 ~~act]~~ Chapter 27, Article 10 NMSA 1978 may be cited as the
17 "Statewide Health Care Act"."

18 SECTION 84. Section 27-10-3 NMSA 1978 (being Laws 1991,
19 Chapter 212, Section 3, as amended) is amended to read:

20 "27-10-3. [~~COUNTY-SUPPORTED~~] MEDICAID FUND CREATED--USE--
21 APPROPRIATION BY THE LEGISLATURE.--

22 A. There is created in the state treasury the
23 "[~~county-supported~~] medicaid fund". The fund shall be invested
24 by the state treasurer as other state funds are invested.
25 Income earned from investment of the fund shall be credited to

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1 the ~~[county-supported]~~ medicaid fund. The fund shall not
2 revert in any fiscal year.

3 B. Money in the ~~[county-supported]~~ medicaid fund is
4 subject to appropriation by the legislature to support the
5 state medicaid program and to institute or support primary care
6 health care services pursuant to Subsections D and E of Section
7 24-1A-3.1 NMSA 1978. Of the amount appropriated each year,
8 nine percent shall be appropriated to the department of health
9 to institute or support primary care health care services
10 pursuant to Subsections D and E of Section 24-1A-3.1 NMSA 1978.

11 C. Up to three percent of the ~~[county-supported]~~
12 medicaid fund each year may be expended for administrative
13 costs related to medicaid or developing new primary care health
14 care centers or facilities.

15 D. In the event federal funds for medicaid are not
16 received by New Mexico for any eighteen-month period, the
17 unencumbered balance remaining in the ~~[county-supported]~~
18 medicaid fund and the safety net care pool fund at the end of
19 the fiscal year following the end of any eighteen-month period
20 shall be paid within a reasonable time to each county for
21 deposit in the county health care assistance fund. [~~in~~
22 ~~proportion to the payments made by each county through tax~~
23 ~~revenues or transfers in the previous fiscal year as certified~~
24 ~~by]~~ The local government division of the department of finance
25 and administration [~~The department will~~] shall provide for

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1 budgeting and accounting of payments to the fund."

2 SECTION 85. Section 38-5-3 NMSA 1978 (being Laws 1991,
3 Chapter 71, Section 2, as amended) is amended to read:

4 "38-5-3. SOURCE FOR JUROR SELECTION.--

5 A. Each county clerk shall make available to the
6 secretary of state a database of registered voters of the
7 clerk's county. The secretary of state shall preserve and make
8 available to the department of information technology, by
9 electronic media, a database of New Mexico registered voters,
10 by county, which shall be updated every six months. The
11 director of the motor vehicle division of the taxation and
12 revenue department shall make available by electronic media to
13 the department of information technology a database of driver's
14 license holders in each county, which shall be updated every
15 six months. The secretary of taxation and revenue shall make
16 available to the department of information technology, by
17 electronic media, a database of New Mexico [~~personal income~~
18 gross receipts tax filers by county, which shall be updated
19 every six months. The updates shall occur in June and
20 December.

21 B. The department of information technology shall
22 program the merger of the registered voter, driver's license
23 and [~~personal income~~ gross receipts tax filer databases from
24 each county to form a master jury database and write a computer
25 program so that a random selection of jurors can be made. A

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1 discrimination shall not be exercised except for the
2 elimination of persons who are not eligible for jury service.
3 The administrative office of the courts shall provide
4 specifications for the merging of the registered voter,
5 driver's license and [~~personal income~~] gross receipts tax filer
6 databases to form the master jury database. The master jury
7 database shall be the database that produces the random jury
8 list for the selection of petit or grand jurors for the state
9 courts.

10 C. The secretary of veterans' services and the
11 adjutant general of the department of military affairs shall
12 make available, by electronic media, to the administrative
13 office of the courts a database of service members who were
14 killed or missing in action during military service, which
15 shall be updated every six months. The administrative office
16 of the courts shall remove the names of service members who
17 were killed or missing in action during military service from
18 the master jury database that produces the random jury list for
19 the state courts.

20 D. The court shall, by order, designate the number
21 of potential jurors to be selected and the date on which the
22 jurors are to report for empaneling. Within fifteen days after
23 receipt of a copy of the order, the administrative office of
24 the courts shall provide the random jury list to the court.
25 The department of information technology shall print the random

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1 jury list and jury summons mailer forms within ten days after
2 receiving the request from the administrative office of the
3 courts. Upon issuance of the order, the department of
4 information technology shall draw from the most current
5 registered voter, driver's license and [~~personal income~~] gross
6 receipts tax filer databases to create the random jury list.

7 E. The department of information technology may
8 transfer the master jury database to a court that has
9 compatible equipment to accept such a transfer. The court
10 accepting the master jury database shall transfer the
11 information to a programmed computer used for the random
12 selection of petit or grand jurors."

13 SECTION 86. Section 53-8-28 NMSA 1978 (being Laws 1975,
14 Chapter 217, Section 28, as amended) is amended to read:

15 "53-8-28. SHARES OF STOCK AND DIVIDENDS PROHIBITED
16 [~~EXEMPTION FROM FRANCHISE TAX~~].--[A.] A corporation shall not
17 have or issue shares of stock. No dividend shall be paid and
18 no part of the income, profit or assets of a corporation shall
19 be distributed to its members, directors or officers. A
20 corporation may pay compensation in a reasonable amount to its
21 members, directors or officers for services rendered and may
22 confer benefits upon its members in conformity with its
23 purposes and upon dissolution or final liquidation may make
24 distributions as permitted by the Nonprofit Corporation Act.

25 [~~B. A corporation incorporated under the Nonprofit~~

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1 ~~Corporation Act shall not be subject to or required to pay a~~
2 ~~franchise tax, unless the corporation receives unrelated~~
3 ~~business income, as that term is defined in the Internal~~
4 ~~Revenue Code of 1986, as amended.]"~~

5 SECTION 87. Section 53-11-2 NMSA 1978 (being Laws 1967,
6 Chapter 81, Section 2, as amended) is amended to read:

7 "53-11-2. DEFINITIONS.--As used in the Business
8 Corporation Act, unless the text otherwise requires:

9 A. "corporation" or "domestic corporation" means a
10 corporation for profit subject to the provisions of the
11 Business Corporation Act, except a foreign corporation;

12 B. "foreign corporation" means a corporation for
13 profit organized under laws other than the laws of this state
14 for a purpose for which a corporation may be organized under
15 the Business Corporation Act;

16 C. "articles of incorporation" means the original
17 or restated articles of incorporation or articles of
18 consolidation and all amendments thereto, including articles of
19 merger;

20 D. "shares" means the units into which the
21 proprietary interests in a corporation are divided;

22 E. "subscriber" means one who subscribes for shares
23 in a corporation, whether before or after incorporation;

24 F. "shareholder" means one who is a holder of
25 record of shares in a corporation;

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1 G. "authorized shares" means the shares of all
2 classes ~~[which]~~ that the corporation is authorized to issue;

3 H. "annual report" means the corporate report
4 required by the Corporate Reports Act;

5 I. "distribution" means a direct or indirect
6 transfer of money or other property (except its own shares) or
7 incurrence of indebtedness, by a corporation to or for the
8 benefit of any of its shareholders in respect of any of its
9 shares, whether by dividend or by purchase redemption or other
10 acquisition of its shares, or otherwise;

11 ~~[J. "franchise tax" means the franchise tax imposed
12 by the Corporate Income and Franchise Tax Act;~~

13 ~~K.]~~ J. "fees" means the fees imposed by Section
14 53-2-1 NMSA 1978;

15 ~~[L.]~~ K. "commission" ~~[means the]~~ or "public
16 regulation commission" ~~[or its delegate]~~ means the secretary of
17 state or the secretary's designee;

18 ~~[M.]~~ L. "address" means:

19 (1) the mailing address and the street
20 address, if within a municipality; or

21 (2) the mailing address and a rural route
22 number and box number, if any, or the geographical location,
23 using well-known landmarks, if outside a municipality; and

24 ~~[N.]~~ M. "delivery" means:

25 (1) if personally served, the date on which

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1 the documentation is received by the [~~corporations bureau of~~
2 ~~the~~] commission; and

3 (2) if mailed, the date of the postmark plus
4 three days, upon proof thereof by the party delivering the
5 documentation."

6 SECTION 88. Section 58-31-3 NMSA 1978 (being Laws 2005,
7 Chapter 128, Section 3, as amended) is amended to read:

8 "58-31-3. DEFINITIONS.--As used in the Spaceport
9 Development Act:

10 A. "authority" means the spaceport authority;

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

16 C. "revenue" means municipal [~~regional spaceport~~]
17 gross receipts tax and county [~~regional spaceport~~] gross
18 receipts tax revenue received from a regional spaceport
19 district, revenue generated by a project and any other legally
20 available funds of the authority;

21 D. "space vehicle" means a vehicle capable of being
22 flown in space or launching a payload into space; and

23 E. "spaceport" means a facility in New Mexico at
24 which space vehicles may be launched or landed, including all
25 facilities and support infrastructure related to launch,

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1 landing or payload processing."

2 SECTION 89. Section 58-31-5 NMSA 1978 (being Laws 2005,
3 Chapter 128, Section 5, as amended) is amended to read:

4 "58-31-5. AUTHORITY POWERS AND DUTIES.--

5 A. The authority shall:

6 (1) hire an executive director, who shall
7 employ the necessary professional, technical and clerical staff
8 to enable the authority to function efficiently and shall
9 direct the affairs and business of the authority, subject to
10 the direction of the authority;

11 (2) be located within fifty miles of a
12 southwest regional spaceport;

13 (3) advise the governor, the governor's staff
14 and the New Mexico finance authority oversight committee on
15 methods, proposals, programs and initiatives involving a
16 southwest regional spaceport that may further stimulate space-
17 related business and employment opportunities in New Mexico;

18 (4) initiate, develop, acquire, own,
19 construct, maintain and lease space-related projects;

20 (5) make and execute all contracts and other
21 instruments necessary or convenient to the exercise of its
22 powers and duties;

23 (6) create programs to expand high-technology
24 economic opportunities within New Mexico;

25 (7) create avenues of communication among

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1 federal government agencies, the space industry, users of space
2 launch services and academia concerning space business;

3 (8) promote legislation that will further the
4 goals of the authority and development of space business;

5 (9) oversee and fund production of promotional
6 literature related to the authority's goals;

7 (10) identify science and technology trends
8 that are significant to space enterprise and the state and act
9 as a clearinghouse for space enterprise issues and information;

10 (11) coordinate and expedite the involvement
11 of the state executive branch's space-related development
12 efforts; and

13 (12) perform environmental, transportation,
14 communication, land use and other technical studies necessary
15 or advisable for projects and programs or to secure licensing
16 by appropriate United States agencies.

17 B. The authority may:

18 (1) advise and cooperate with municipalities,
19 counties, state agencies and organizations, appropriate federal
20 agencies and organizations and other interested persons and
21 groups;

22 (2) solicit and accept federal, state, local
23 and private grants of funds or property and financial or other
24 aid for the purpose of carrying out the provisions of the
25 Spaceport Development Act;

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1 (3) adopt rules governing the manner in which
2 its business is transacted and the manner in which the powers
3 of the authority are exercised and its duties performed;

4 (4) operate spaceport facilities, including
5 acquisition of real property necessary for spaceport facilities
6 and the filing of necessary documents with appropriate
7 agencies;

8 (5) construct, purchase, accept donations of
9 or lease projects located within the state;

10 (6) sell, lease or otherwise dispose of a
11 project upon terms and conditions acceptable to the authority
12 and in the best interests of the state;

13 (7) issue revenue bonds and borrow money for
14 the purpose of defraying the cost of acquiring a project by
15 purchase or construction and of securing the payment of the
16 bonds or repayment of a loan;

17 (8) enter into contracts with regional
18 spaceport districts and issue bonds on behalf of regional
19 spaceport districts for the purpose of financing the purchase,
20 construction, renovation, equipping or furnishing of a regional
21 spaceport or a spaceport-related project;

22 (9) refinance a project;

23 (10) contract with any competent private or
24 public organization or individual to assist in the fulfillment
25 of its duties;

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1 (11) fix, alter, charge and collect tolls,
2 fees or rentals and impose any other charges for the use of or
3 for services rendered by any authority facility, program or
4 service; and

5 (12) contract with regional spaceport
6 districts to receive municipal [~~spaceport~~] gross receipts tax
7 and county [~~regional spaceport~~] gross receipts tax revenues.

8 C. The authority shall not:

9 (1) incur debt as a general obligation of the
10 state or pledge the full faith and credit of the state to repay
11 debt; or

12 (2) expend funds or incur debt for the
13 improvement, maintenance, repair or addition to property unless
14 it is owned by the authority, the state or a political
15 subdivision of the state."

16 SECTION 90. Section 58-31-6 NMSA 1978 (being Laws 2005,
17 Chapter 128, Section 6, as amended) is amended to read:

18 "58-31-6. SPACEPORT AUTHORITY--BONDING AUTHORITY--POWER
19 TO ISSUE REVENUE BONDS.--

20 A. The authority may issue revenue bonds on its own
21 behalf or on behalf of a regional spaceport district, for
22 regional spaceport purposes and spaceport-related projects.
23 Revenue bonds so issued may be considered appropriate
24 investments for the severance tax permanent fund or collateral
25 for the deposit of public funds if the bonds are rated not less

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1 than "A" by a national rating service and both the principal
2 and interest of the bonds are fully and unconditionally
3 guaranteed by a lease agreement executed by an agency of the
4 United States government or by a corporation organized and
5 operating within the United States, that corporation or the
6 long-term debt of that corporation being rated not less than
7 "A" by a national rating service. All bonds issued by the
8 authority are legal and authorized investments for banks, trust
9 companies, savings and loan associations and insurance
10 companies.

11 B. The authority may pay from the bond proceeds all
12 expenses, premiums and commissions that the authority deems
13 necessary or advantageous in connection with the authorization,
14 sale and issuance of the bonds.

15 C. Authority revenue bonds:

16 (1) may have interest or appreciated principal
17 value or any part thereof payable at intervals determined by
18 the authority;

19 (2) may be subject to prior redemption or
20 mandatory redemption at the authority's option at the time and
21 upon such terms and conditions with or without the payment of a
22 premium as may be provided by resolution of the authority;

23 (3) may mature at any time not exceeding
24 twenty years after the date of issuance if secured by revenue
25 from ~~[the]~~ a county or municipal ~~[regional spaceport]~~ gross

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1 receipts tax or thirty years if secured by revenue from other
2 sources;

3 (4) may be serial in form and maturity;
4 consist of one or more bonds payable at one time or in
5 installments; or may be in such other form as determined by the
6 authority;

7 (5) may be in registered or bearer form or in
8 book-entry form through facilities of a securities depository
9 either as to principal or interest or both;

10 (6) shall be sold for cash at, above or below
11 par and at a price that results in a net effective interest
12 rate that conforms to the Public Securities Act; and

13 (7) may be sold at public or negotiated sale.

14 D. Subject to the approval of the state board of
15 finance, the authority may enter into other financial
16 arrangements if it determines that the arrangements will assist
17 the authority."

18 SECTION 91. Section 59A-6-6 NMSA 1978 (being Laws 1984,
19 Chapter 127, Section 106, as amended) is amended to read:

20 "59A-6-6. PREEMPTION AND IN LIEU PROVISION.--The state
21 government of New Mexico preempts the field of taxation of
22 insurers, nonprofit health care plans, health maintenance
23 organizations, prepaid dental plans, prearranged funeral plans
24 and insurance producers as such, and payment of the taxes,
25 licenses and fees provided for in the Insurance Code shall be

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1 in lieu of all other taxes, licenses and fees of every kind now
2 or hereafter imposed by this state or any political subdivision
3 thereof on any of the foregoing specified entities, excepting
4 the regular state, county and city taxes on property located in
5 New Mexico [~~and excepting the income tax on insurance~~
6 ~~producers~~]. No provision of law enacted after January 1, 1985
7 shall be deemed to modify this provision except by express
8 reference to this section."

9 SECTION 92. Section 59A-6-6 NMSA 1978 (being Laws 1984,
10 Chapter 127, Section 106, as amended) is amended to read:

11 "59A-6-6. PREEMPTION AND IN LIEU PROVISION.--The state
12 government of New Mexico preempts the field of taxation of
13 insurers, nonprofit health care plans, health maintenance
14 organizations, prepaid dental plans, prearranged funeral plans
15 and insurance producers as such. The payment of the taxes,
16 licenses and fees provided for in the Insurance Premium Tax Act
17 and the Insurance Code shall be in lieu of all other taxes,
18 licenses and fees of every kind now or hereafter imposed by
19 this state or any political subdivision thereof on any of the
20 foregoing specified entities, excepting the regular state,
21 county and city taxes on property located in New Mexico [~~and~~
22 ~~excepting the income tax on insurance producers~~]. The
23 provisions of this section shall not apply to revenues or
24 receipts that are not directly attributable to persons,
25 entities and activities subject to the provisions of the

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1 Insurance Code."

2 SECTION 93. Section 59A-23D-4 NMSA 1978 (being Laws 1995,
3 Chapter 93, Section 4, as amended) is amended to read:

4 "59A-23D-4. MEDICAL CARE SAVINGS ACCOUNT PROGRAM.--

5 A. Except as otherwise provided by statute,
6 contract or collective bargaining agreement, an employer may
7 establish a medical care savings account program for [~~his~~]
8 employees.

9 B. In establishing the program, the employer shall:

10 (1) provide a qualified higher deductible
11 health plan for the benefit of [~~his~~] the employees;

12 (2) contribute to medical care savings
13 accounts for the employees; and

14 (3) appoint an account administrator to
15 administer the savings accounts.

16 [~~G. Principal contributed to and interest earned on~~
17 ~~a medical care savings account and money paid for eligible~~
18 ~~medical expenses are exempt from taxation under the Income Tax~~
19 ~~Act.~~

20 ~~D.]~~ C. Before establishing a program, the employer
21 shall notify all employees in writing of the federal tax status
22 of the program and how federal income taxation affects New
23 Mexico income taxes.

24 [~~E.]~~ D. Any compensation required by the account
25 administrator to administer the program shall be paid by the

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1 employer, and the employer shall not require the employee to
2 contribute to such compensation while the employee participates
3 in the program. If the employee ceases to participate in the
4 program, [~~he~~] the employee shall be responsible for costs
5 associated with [~~his~~] the employee's account.

6 [~~F.~~] E. Nothing in the Medical Care Savings Account
7 Act prohibits the employer from requiring the employee to
8 contribute to the qualified higher deductible health plan or
9 the medical care savings account.

10 [~~G.~~] F. Nothing in the Medical Care Savings Account
11 Act requires an employee to participate in a program. The
12 employer shall offer the program to all employees on a
13 nondiscriminatory basis."

14 **SECTION 94.** Section 59A-23D-5 NMSA 1978 (being Laws 1995,
15 Chapter 93, Section 5, as amended) is amended to read:

16 "59A-23D-5. ACCOUNT ADMINISTRATOR--EMPLOYER AND EMPLOYEE
17 RESPONSIBILITIES.--

18 A. An employer, in conjunction with an account
19 administrator, shall provide a current written statement to
20 employees that details how money in their medical care savings
21 accounts is or will be invested and the rate of return
22 employees may reasonably anticipate on the investment of the
23 savings accounts. The account administrator shall file the
24 statement with the department.

25 B. Except as provided in Section 59A-23D-6 NMSA

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1 1978, money in a savings account shall be used solely for the
2 purpose of paying the eligible medical expenses of an employee
3 and ~~[his]~~ the employee's dependents.

4 C. Payments may be made by the employee directly to
5 a health care provider through the use of a debit card or check
6 that accesses the employee's medical savings account. If the
7 account administrator determines that the employee paid for
8 goods or services that do not qualify as eligible medical
9 expenses, the employee shall be required to reimburse ~~[his]~~ the
10 employee's medical savings account, and ~~[he]~~ the employee shall
11 be liable for any federal and state taxes and penalties. If
12 the employee chooses to be reimbursed for eligible medical
13 expenses, the account administrator shall reimburse the
14 employee from the employee's medical care savings account.
15 When seeking reimbursement, the employee shall submit
16 documentation of eligible medical expenses paid by the
17 employee.

18 D. If an employer makes contributions to a program
19 on a periodic installment basis, the employer may advance to an
20 employee, interest free, an amount necessary to cover eligible
21 medical expenses incurred that exceed the amount in the
22 employee's savings account if the employee agrees to repay the
23 advance from future installments or when ~~[he]~~ the employee
24 ceases to be an employee of the employer or a participant in
25 the program. ~~[Such advances shall be exempt from taxation~~

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1 ~~under the Income Tax Act.]"~~

2 SECTION 95. TEMPORARY PROVISION--OUTSTANDING REVENUE
3 BONDS AND LOAN GUARANTEES.--

4 A. The repeal of certain taxes made in this act
5 shall not impair outstanding revenue bonds or loan guarantees
6 that are secured by a pledge of those taxes.

7 B. If a municipality or county has issued a revenue
8 bond or made a loan guarantee that is secured by a pledge of
9 any tax being repealed by this act, the municipality or county
10 shall:

11 (1) enact an ordinance imposing an increment
12 of the municipal gross receipts tax or county gross receipts
13 tax, as applicable, that is transferred to the municipality
14 pursuant to Section 7-1-6.12 NMSA 1978 or the county pursuant
15 to Section 7-1-6.13 NMSA 1978 and will result in the amount of
16 revenue necessary to make the required bond debt service
17 payments or loan guarantee payments, as determined by the
18 department of finance and administration and the taxation and
19 revenue department; and

20 (2) pledge the increment imposed pursuant to
21 Paragraph (1) of this subsection to the payment of the revenue
22 bond or loan guarantee until the revenue bond or loan guarantee
23 has been discharged in full or provision has been fully made
24 therefor.

25 C. Notwithstanding the provisions of Sections

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1 7-19D-9 and 7-20E-9 NMSA 1978, an ordinance enacted pursuant to
2 Paragraph (1) of Subsection B of this section shall not be
3 subject to referendum.

4 SECTION 96. TEMPORARY PROVISION--AMNESTY FOR INTEREST AND
5 PENALTIES IMPOSED ON CERTAIN TAXES OWED.--Notwithstanding the
6 provisions of Sections 7-1-67 and 7-1-69 NMSA 1978 and prior to
7 July 1, 2021, no interest or penalty shall be assessed for
8 nonpayment of a tax if that tax was due prior to January 1,
9 2020; provided that the taxpayer pays the tax on or before July
10 1, 2021 and the taxation and revenue department has not issued
11 a notice of commencement of an audit to the taxpayer pursuant
12 to Section 7-1-11.2 NMSA 1978 before the tax is paid.

13 SECTION 97. TEMPORARY PROVISION--REFERENCES IN LAW.-- All
14 references in law to the county-supported medicaid fund shall
15 be deemed to be references to the medicaid fund.

16 SECTION 98. TEMPORARY PROVISION--EXHAUSTION OF CREDITS.--

17 A. If a taxpayer has met the eligibility
18 requirements to apply for and claim a tax credit being repealed
19 by this act for a period prior to the effective date of this
20 act, the taxpayer may claim, and the taxation and revenue
21 department may approve, the credit for those periods to be
22 applied against the taxpayer's tax liabilities pursuant to the
23 Gross Receipts and Compensating Tax Act, including amounts that
24 may be carried forward pursuant to those sections as they were
25 in effect prior to the effective date of this act.

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1 B. If a taxpayer has claimed and been awarded a tax
2 credit being repealed by this act but a portion of the credit
3 claimed remains unused, the taxpayer may claim the unused
4 portion against the taxpayer's tax liabilities pursuant to the
5 Gross Receipts and Compensating Tax Act, including amounts that
6 could have been carried forward pursuant to those sections
7 being repealed as they were in effect prior to the effective
8 date of this act.

9 **SECTION 99. REPEAL.--**

10 A. Section 5-15-21 NMSA 1978 (being Laws 2006,
11 Chapter 75, Section 21, as amended) is repealed.

12 B. Sections 5-15A-1 through 5-15A-3 NMSA 1978
13 (being Laws 2007, Chapter 310, Section 1 and Laws 2007, Chapter
14 313, Section 1; Laws 2007, Chapter 310, Section 2 and Laws
15 2007, Chapter 313, Section 2; and Laws 2007, Chapter 310,
16 Section 3 and Laws 2007, Chapter 313, Section 3) are 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, 7-1-6.52,
22 7-1-6.57, 7-1-6.60, 7-1-69.2, 7-1-71.1 and 7-1-71.4 NMSA 1978
23 (being Laws 1983, Chapter 211, Section 9, Laws 2004, Chapter
24 116, Sections 1 and 2, Laws 2005, Chapter 104, Section 1, Laws
25 2007, Chapter 361, Section 1, Laws 2010, Chapter 31, Section 2,

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1 Laws 2016 (2nd S.S.), Chapter 3, Section 3, Laws 1985, Chapter
2 65, Section 19 and Laws 2007, Chapter 127, Section 2, as
3 amended) are repealed.

4 F. That version of Section 7-2-7 NMSA 1978 (being
5 Laws 2005 (1st S.S.), Chapter 3, Section 2) is repealed.

6 G. Sections 7-2-1 through 7-2-5.11, 7-2-7 and
7 7-2-7.1 through 7-2-37 NMSA 1978 (being Laws 1965, Chapter 202,
8 Section 1; Laws 1986, Chapter 20, Section 26; Laws 1965,
9 Chapter 202, Sections 3 and 4; Laws 1985, Chapter 114, Section
10 1; Laws 1995, Chapter 42, Section 1; Laws 1995, Chapter 93,
11 Section 8; Laws 2002, Chapter 58, Section 1; Laws 2005, Chapter
12 104, Sections 5 and 6; Laws 2006, Chapter 50, Section 1; Laws
13 2007, Chapter 45, Section 11; Laws 2005, Chapter 104, Section
14 4; Laws 1980, Chapter 102, Section 1; Laws 2005 (1st S.S.),
15 Chapter 3, Sections 3 and 4; Laws 1965, Chapter 202, Sections 7
16 through 10; Laws 1990, Chapter 23, Section 1; Laws 1996,
17 Chapter 17, Section 1; Laws 1965, Chapter 202, Section 11; Laws
18 1972, Chapter 20, Section 2; Laws 1994, Chapter 111, Sections 1
19 through 3; Laws 1977, Chapter 196, Section 1; Laws 1981,
20 Chapter 170, Section 1; Laws 1984, Chapter 34, Section 1; Laws
21 1994, Chapter 115, Section 1; Laws 1998, Chapter 97, Section 2;
22 Laws 2000, Chapter 64, Section 1 and Laws 2000, Chapter 78,
23 Section 1; Laws 2001, Chapter 73, Section 1; Laws 2003, Chapter
24 331, Section 7; Laws 2003, Chapter 400, Section 1; Laws 2005,
25 Chapter 267, Section 1; Laws 2006, Chapter 93, Section 1; Laws

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1 2007, Chapter 45, Sections 9 and 10; Laws 2007, Chapter 172,
2 Section 1; Laws 2007, Chapter 204, Sections 2, 3 and 7; Laws
3 2007, Chapter 361, Section 2; Laws 2008 (2nd S.S.), Chapter 3,
4 Section 1; Laws 2009, Chapter 271, Section 1; Laws 2009,
5 Chapter 279, Section 1; Laws 2010, Chapter 84, Section 1; Laws
6 2011, Chapter 89, Section 1; Laws 2012, Chapter 55, Section 1;
7 Laws 2015, Chapter 130, Section 1; Laws 2018, Chapter 361,
8 Section 1; Laws 1965, Chapter 202, Sections 13 and 14; Laws
9 1981, Chapter 37, Section 32; Laws 1965, Chapter 202, Section
10 18; Laws 1981, Chapter 343, Sections 1 and 2; Laws 1992,
11 Chapter 108, Section 4; Laws 1987, Chapter 257, Section 3; Laws
12 2011, Chapter 42, Section 1; Laws 1987, Chapter 265, Sections 1
13 and 2; Laws 2005, Chapter 56, Section 2; Laws 2005, Chapter 87,
14 Section 2; Laws 2005, Chapter 220, Section 2; Laws 2009,
15 Chapter 175, Section 2; Laws 2012, Chapter 7, Section 1; Laws
16 2012, Chapter 57, Section 1; Laws 2013, Chapter 49, Section 2;
17 Laws 2015, Chapter 50, Section 1; Laws 2015, Chapter 82,
18 Section 1; Laws 2017, Chapter 116, Section 1; Laws 2018,
19 Chapter 51, Section 1; Laws 1992, Chapter 108, Section 1; Laws
20 1999, Chapter 47, Section 5; Laws 1997, Chapter 259, Section 8;
21 Laws 1999, Chapter 205, Section 1; Laws 2005, Chapter 113,
22 Section 1; and Laws 2015 (1st S.S.), Chapter 2, Section 3, as
23 amended) are repealed.

24 H. Sections 7-2A-1 through 7-2A-28 NMSA 1978 (being
25 Laws 1981, Chapter 37, Section 34, Laws 1986, Chapter 20,

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1 Section 33, Laws 1981, Chapter 37, Sections 36 through 38, Laws
2 1986, Chapter 20, Section 37, Laws 1981, Chapter 37, Sections
3 39 through 41, Laws 1983, Chapter 213, Sections 12 and 13, Laws
4 1984, Chapter 34, Section 2, Laws 1998, Chapter 97, Section 3,
5 Laws 2003, Chapter 331, Section 8, Laws 1981, Chapter 37,
6 Section 42, Laws 1986, Chapter 5, Section 1, Laws 1990, Chapter
7 23, Section 2, Laws 1981, Chapter 37, Sections 43 through 46,
8 Laws 1983, Chapter 218, Section 1, Laws 1994, Chapter 115,
9 Section 2, Laws 1997, Chapter 58, Section 1, Laws 2003, Chapter
10 400, Section 2, Laws 2001, Chapter 73, Section 2, Laws 2002,
11 Chapter 59, Section 1, Laws 2007, Chapter 204, Sections 4 and
12 8, Laws 2009, Chapter 271, Section 2, Laws 2009, Chapter 279,
13 Section 2, Laws 2010, Chapter 84, Section 2, Laws 2012, Chapter
14 55, Section 2 and Laws 2015, Chapter 130, Section 2, as
15 amended) are repealed.

16 I. Sections 7-2D-1 through 7-2D-14 NMSA 1978 (being
17 Laws 1993, Chapter 313, Sections 1, 2 and 4 through 8, Laws
18 1995, Chapter 89, Section 8 and Laws 1993, Chapter 313,
19 Sections 9 through 14, as amended) are repealed.

20 J. Section 7-2E-1.1 NMSA 1978 (being Laws 2007,
21 Chapter 172, Section 2, as amended) is repealed.

22 K. Sections 7-2F-1 through 7-2F-12 NMSA 1978 (being
23 Laws 2002, Chapter 36, Section 1; Laws 2011, Chapter 165,
24 Section 2 and Laws 2011, Chapter 177, Section 3; Laws 2003,
25 Chapter 127, Section 2; Laws 2015, Chapter 143, Section 4; Laws

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1 2011, Chapter 165, Sections 4 and 5; Laws 2015, Chapter 62,
2 Section 1; and Laws 2015, Chapter 143, Sections 5 through 11,
3 as amended) are repealed.

4 L. Sections 7-4-1 through 7-4-21 NMSA 1978 (being
5 Laws 1965, Chapter 203, Sections 1 through 9, Laws 1993,
6 Chapter 153, Section 1 and Laws 1965, Chapter 203, Sections 11
7 through 21, as amended) are repealed.

8 M. Sections 7-7-1 through 7-7-20 NMSA 1978 (being
9 Laws 1973, Chapter 345, Sections 1 through 12 and Laws 1983,
10 Chapter 209, Sections 1 through 6, as amended) are repealed.

11 N. Sections 7-9-13.1, 7-9-13.3 through 7-9-13.5,
12 7-9-15 through 7-9-18, 7-9-19 through 7-9-23.1, 7-9-26.1,
13 7-9-29 through 7-9-31, 7-9-36 through 7-9-41.1, 7-9-41.4,
14 7-9-46 through 7-9-54.5, 7-9-56.1 through 7-9-60, 7-9-61.2
15 through 7-9-69, 7-9-71 through 7-9-78, 7-9-79 through 7-9-86,
16 7-9-91 through 7-9-109 and 7-9-110.2 through 7-9-115 NMSA 1978
17 (being Laws 1989, Chapter 262, Section 4; Laws 2001, Chapter
18 231, Section 12; Laws 2002, Chapter 20, Section 1; Laws 2005,
19 Chapter 351, Section 2; Laws 1970, Chapter 12, Section 1; Laws
20 1969, Chapter 144, Sections 9 through 12; Laws 1988, Chapter
21 82, Section 1; Laws 1969, Chapter 144, Section 15; Laws 1987,
22 Chapter 247, Section 1; Laws 1969, Chapter 144, Section 16;
23 Laws 1987, Chapter 247, Section 2; Laws 2003, Chapter 62,
24 Section 1; Laws 1970, Chapter 12, Section 3; Laws 1969, Chapter
25 144, Sections 23, 24 and 29 through 31; Laws 1992, Chapter 50,

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1 Section 12 and Laws 1992, Chapter 67, Section 12; Laws 2002,
2 Chapter 18, Section 2; Laws 1969, Chapter 144, Section 32; Laws
3 1970, Chapter 60, Section 2; Laws 1972, Chapter 61, Section 2;
4 Laws 2007, Chapter 117, Section 1; Laws 2009, Chapter 62,
5 Section 1; Laws 1969, Chapter 144, Sections 36 through 42; Laws
6 2012, Chapter 5, Section 6; Laws 1969, Chapter 144, Sections 43
7 and 44; Laws 1992, Chapter 40, Section 1; Laws 1995, Chapter
8 183, Section 2; Laws 2002, Chapter 37, Section 8; Laws 2003,
9 Chapter 62, Section 4; Laws 2004, Chapter 16, Section 3; Laws
10 1998, Chapter 92, Sections 1 and 2; Laws 2003, Chapter 232,
11 Section 1; Laws 1969, Chapter 144, Section 47; Laws 1998,
12 Chapter 92, Section 3; Laws 2002, Chapter 10, Section 1; Laws
13 1969, Chapter 144, Sections 48 and 49; Laws 1970, Chapter 12,
14 Section 4; Laws 2000, Chapter 48, Section 1; Laws 1969, Chapter
15 144, Section 52; Laws 2000 (2nd S.S.), Chapter 4, Section 2;
16 Laws 1969, Chapter 144, Sections 53, 54, 56 and 57; Laws 1984,
17 Chapter 129, Section 2; Laws 1969, Chapter 144, Sections 58,
18 60, 61 and 63; Laws 1970, Chapter 78, Section 2; Laws 1991,
19 Chapter 8, Section 3; Laws 1998, Chapter 95, Section 2 and Laws
20 1998, Chapter 99, Section 4; Laws 2014, Chapter 26, Section 1;
21 Laws 1971, Chapter 217, Section 2; Laws 1972, Chapter 39,
22 Section 2; Laws 1977, Chapter 288, Section 2; Laws 1979,
23 Chapter 338, Section 7; Laws 1984, Chapter 2, Section 6; Laws
24 1966, Chapter 47, Section 15; Laws 1998, Chapter 96, Section 1;
25 Laws 1969, Chapter 144, Section 65; Laws 1966, Chapter 47,

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1 Section 16; Laws 1989, Chapter 262, Section 8; Laws 2007,
2 Chapter 204, Section 9; Laws 1993, Chapter 364, Sections 1 and
3 2; Laws 1994, Chapter 43, Section 1; Laws 1995, Chapter 80,
4 Section 1; Laws 2001, Chapter 135, Section 1; Laws 2004,
5 Chapter 116, Sections 5 and 6; Laws 2005, Chapter 104, Sections
6 23, 25 and 26; Laws 2007, Chapter 361, Sections 7 and 8; Laws
7 2005, Chapter 169, Section 1; Laws 2005, Chapter 179, Section
8 1; Laws 2006, Chapter 35, Sections 1 and 2; Laws 2007, Chapter
9 3, Sections 16 through 18; Laws 2012, Chapter 12, Sections 2
10 and 3; Laws 2007, Chapter 33, Section 1; Laws 2007, Chapter 45,
11 Section 6; Laws 2018, Chapter 62, Section 1; Laws 2007, Chapter
12 172, Sections 9 through 11; Laws 2011, Chapter 60, Section 2
13 and Laws 2011, Chapter 61, Section 2; Laws 2011, Chapter 60,
14 Section 3 and Laws 2011, Chapter 61, Section 3; Laws 2007,
15 Chapter 361, Section 6; Laws 2007, Chapter 204, Section 10;
16 Laws 2010, Chapter 77, Section 1 and Laws 2010, Chapter 78,
17 Section 1; and Laws 2015 (1st S.S.), Chapter 2, Section 9, as
18 amended) are repealed.

19 O. Sections 7-9A-1 through 7-9A-11 NMSA 1978 (being
20 Laws 1979, Chapter 347, Sections 1 and 2; Laws 2001, Chapter
21 57, Section 2 and Laws 2001, Chapter 337, Section 2; Laws 1979,
22 Chapter 347, Sections 3 through 7; Laws 1983, Chapter 206,
23 Section 6; Laws 1979, Chapter 347, Sections 8 and 9; and Laws
24 1997, Chapter 62, Section 2, as amended) are repealed.

25 P. Sections 7-9E-1 through 7-9E-11 NMSA 1978 (being

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1 Laws 2000 (2nd S.S.), Chapter 20, Sections 1 through 9 and Laws
2 2007, Chapter 172, Sections 19 and 20, as amended) are
3 repealed.

4 Q. Sections 7-9F-1 through 7-9F-13 NMSA 1978 (being
5 Laws 2000 (2nd S.S.), Chapter 22, Sections 1 through 6, 8 and
6 9, Laws 2015 (1st S.S.), Chapter 2, Section 17, Laws 2000 (2nd
7 S.S.), Chapter 22, Sections 10 through 12 and Laws 2015 (1st
8 S.S.), Chapter 2, Section 18, as amended) are repealed.

9 R. Sections 7-9G-1 and 7-9G-2 NMSA 1978 (being Laws
10 2004, Chapter 15, Section 1 and Laws 2007, Chapter 229, Section
11 1, as amended) are repealed.

12 S. Sections 7-9I-1 through 7-9I-6 NMSA 1978 (being
13 Laws 2005, Chapter 104, Sections 17 through 22, as amended) are
14 repealed.

15 T. Sections 7-9J-1 through 7-9J-8 NMSA 1978 (being
16 Laws 2007, Chapter 204, Sections 11 through 18, as amended) are
17 repealed.

18 U. Sections 7-14-1 through 7-14-11 NMSA 1978 (being
19 Laws 1988, Chapter 73, Sections 11 through 17, Laws 1991,
20 Chapter 197, Section 4, Laws 1988, Chapter 73, Sections 18 and
21 19, Laws 1993, Chapter 347, Sections 4 and 5 and Laws 1988,
22 Chapter 73, Sections 20 and 21, as amended) are repealed.

23 V. Sections 7-14A-1 through 7-14A-11 NMSA 1978
24 (being Laws 1991, Chapter 197, Sections 5 through 7, Laws 1993,
25 Chapter 359, Section 1 and Laws 1991, Chapter 197, Sections 8

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1 through 15, as amended) are repealed.

2 W. Sections 7-19-10 through 7-19-18 NMSA 1978
3 (being Laws 1979, Chapter 397, Sections 1 through 8, Laws 1997,
4 Chapter 219, Section 4 and Laws 1979, Chapter 397, Section 9,
5 as amended) are repealed.

6 X. Sections 7-19D-10 through 7-19D-18 NMSA 1978
7 (being Laws 1990, Chapter 99, Section 51, Laws 1991, Chapter 9,
8 Section 3, Laws 2001, Chapter 172, Section 1, Laws 2005,
9 Chapter 212, Section 2, Laws 2006, Chapter 15, Section 14, Laws
10 2007, Chapter 148, Section 1, Laws 2012, Chapter 58, Section 1
11 and Laws 2013, Chapter 160, Section 11, as amended) are
12 repealed.

13 Y. Sections 7-20C-1 through 7-20C-17 NMSA 1978
14 (being Laws 1991, Chapter 176, Sections 1 through 9, Laws 1993,
15 Chapter 306, Section 4, Laws 1991, Chapter 176, Sections 10
16 through 15 and Laws 1996, Chapter 18, Sections 3 and 4, as
17 amended) are repealed.

18 Z. Sections 7-20E-10 through 7-20E-28 NMSA 1978
19 (being Laws 1983, Chapter 213, Sections 32 and 35, Laws 1989,
20 Chapter 239, Section 1, Laws 1994, Chapter 14, Section 1, Laws
21 1987, Chapter 45, Sections 3 and 8, Laws 1979, Chapter 398,
22 Sections 3 and 8, Laws 1990, Chapter 99, Section 58, Laws 1991,
23 Chapter 212, Section 7, Laws 1998, Chapter 90, Section 7, Laws
24 2001, Chapter 328, Section 1, Laws 2001, Chapter 172, Section
25 2, Laws 2002, Chapter 14, Section 1, Laws 2004, Chapter 17,

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1 Section 2, Laws 2005, Chapter 212, Section 1, Laws 2006,
2 Chapter 15, Section 15, Laws 2007, Chapter 346, Section 1, Laws
3 2010, Chapter 31, Section 1 and Laws 2013, Chapter 160, Section
4 12, as amended) are repealed.

5 AA. Sections 7-20F-1 through 7-20F-12 NMSA 1978
6 (being Laws 1993, Chapter 303, Sections 1 through 12, as
7 amended) are repealed.

8 BB. Sections 7-24B-1 through 7-24B-9 NMSA 1978
9 (being Laws 1987, Chapter 45, Sections 10 through 13, Laws
10 1990, Chapter 88, Section 16 and Laws 1987, Chapter 45,
11 Sections 15 through 18, as amended) are repealed.

12 CC. Section 10-7A-7 NMSA 1978 (being Laws 1981,
13 Chapter 155, Section 7) is repealed.

14 DD. Sections 27-5-2, 27-5-6.2, 27-10-2 and 27-10-4
15 NMSA 1978 (being Laws 1965, Chapter 234, Section 2, Laws 2014,
16 Chapter 79, Section 16 and Laws 1991, Chapter 212, Sections 2
17 and 4, as amended) are repealed.

18 EE. Section 60-2E-47.1 NMSA 1978 (being Laws 2010,
19 Chapter 31, Section 3) is repealed.

20 FF. Section 66-12-6.1 NMSA 1978 (being Laws 1987,
21 Chapter 247, Section 9) is repealed.

22 **SECTION 100. DELAYED REPEAL.**--Section 7-20E-5 NMSA 1978
23 (being Laws 1993, Chapter 354, Section 5, as amended) is
24 repealed effective July 1, 2021.

25 **SECTION 101. APPLICABILITY.**--The provisions of this act

.212215.1

1 apply to taxable years or taxable periods, as applicable,
2 beginning on or after January 1, 2020.

3 SECTION 102. EFFECTIVE DATE.--

4 A. The effective date of the provisions of Sections
5 1 through 35 and 37 through 99 of this act is January 1, 2020.

6 B. The effective date of the provisions of Section
7 36 of this act is July 1, 2021.

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