

1 SENATE BILL 243

2 **57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025**

3 INTRODUCED BY

4 Larry R. Scott and James G. Townsend and Candy Spence Ezzell

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10 AN ACT

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

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

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

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

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

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

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

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

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

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

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

22       F. As used in this section:

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

25               (2) "county area population" means the

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

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

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

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

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

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1                   (7) "municipality population" means the  
2 population of a municipality according to the most recent  
3 estimate of the resident population for incorporated places as  
4 published by the United States census bureau; provided that if  
5 a municipality is located in more than one county,  
6 "municipality population" means the population of the  
7 municipality within each of the counties; and

8                   (8) "state population" means the population of  
9 the state of New Mexico according to the most recent estimate  
10 of the resident population for incorporated places as published  
11 by the United States census bureau.

12           **SECTION 2.** A new section of the Tax Administration Act is  
13 enacted to read:

14           "[NEW MATERIAL] DISTRIBUTION--ALL CITIES AND COUNTIES  
15 FUND.--A distribution pursuant to Section 7-1-6.1 NMSA 1978  
16 shall be made to the all cities and counties fund in an amount  
17 equal to eight percent of the net receipts attributable to the  
18 gross receipts tax distributable to the general fund."

19           **SECTION 3.** EFFECTIVE DATE.--The effective date of the  
20 provisions of this act is July 1, 2025.