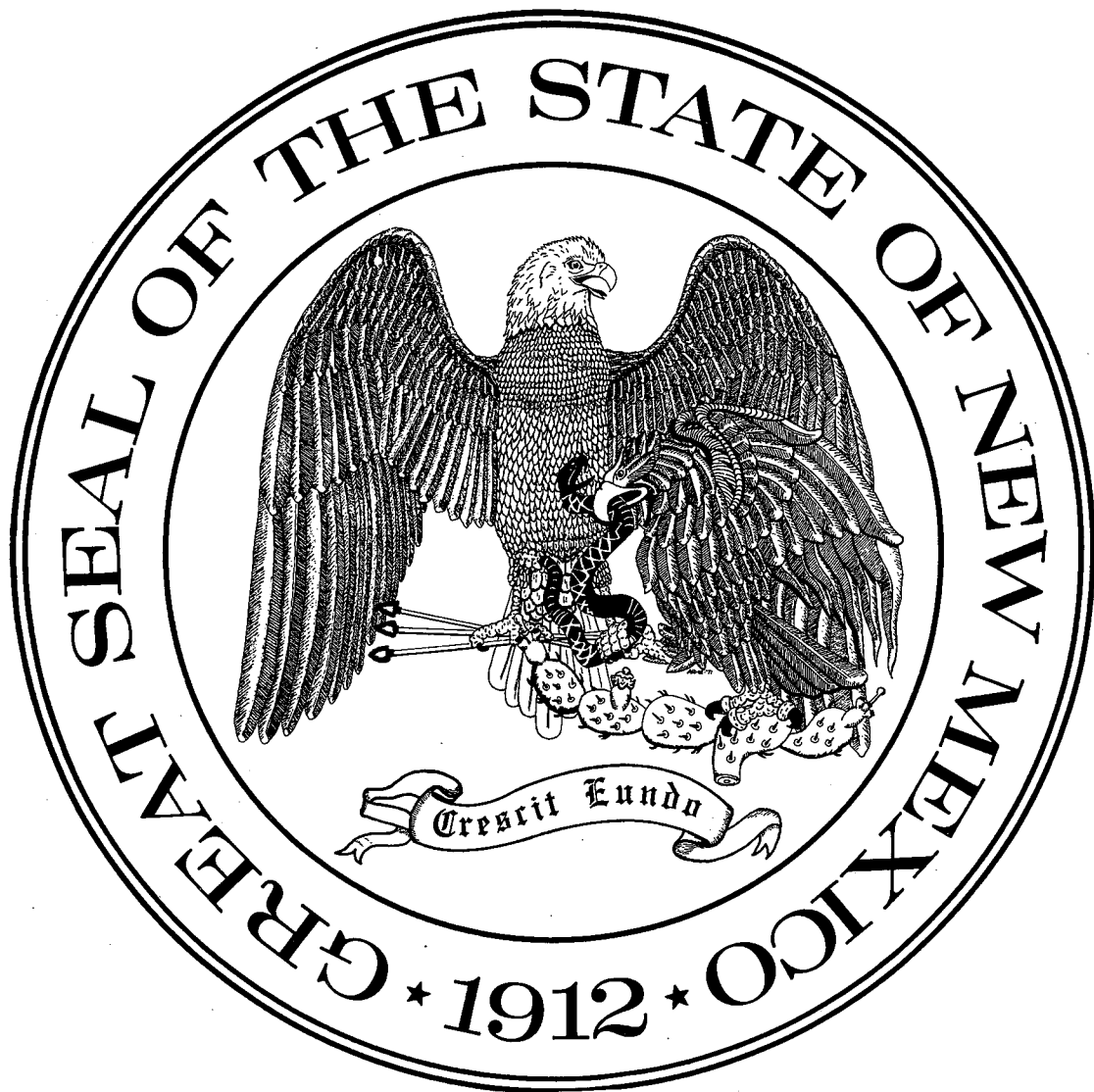


**Economic and Rural
Development Committee Endorsements
2018**



ECONOMIC AND RURAL DEVELOPMENT COMMITTEE

November 1, 2018
State Capitol, Room 307

2019 LEGISLATION FOR CONSIDERATION OF ENDORSEMENT

- 1) .211166 Changing the community population requirement from 10,000 to 5,000 for a "retail business" to be a "qualifying entity" under the Local Economic Development Act — Senator Stefanics
- 2) .211335 Enacting the New Mexico Agricultural Workforce Development Program Act — Representative Hall
- 3) .211398 Three hundred fifty thousand dollars to the Board of Regents of New Mexico State University to provide food and agriculture education and experiential learning grants to school programs to educate students about food and agriculture — Representative Sweetser
- 4) .211419 One million dollars to the Economic Development Department for a targeted marketing and research campaign to attract retirees to New Mexico — Representative Rodella
- 5) .211422 Establishing conditions and limitations on importing alcoholic beverages into New Mexico — "online liquor sales" — Senator Papen
- 6) .211444 Two million dollars to the Economic Development Department to carry out the purposes of the Economic Development Corporation Act — Representative Lundstrom
- 7) .211445 One million five hundred thousand dollars to the Economic Development Grant Fund to carry out the purposes of that fund — Representative Lundstrom
- 8) .211469 Three million nine hundred thousand dollars to the Economic Development Department for the Solo-Worker Program — Representative Harry Garcia
- 9) .211473 Removing a limitation on the amount of local option infrastructure gross receipts tax revenue that may be used for promotion and administration of professional services contracts related to an economic development plan pursuant to the Local Economic Development Act; increasing a municipality's authority to impose a municipal infrastructure gross receipts tax to five-eighths percent; increasing a county's authority to impose a county infrastructure gross receipts tax to five-eighths percent — Representative Lundstrom

- 10) .211505 Creating the Rural Infrastructure Tax Credit to stimulate economic development — Representative Johnson

- 11) .211522 Three hundred fifty thousand dollars to the Public Education Department for local procurement of New Mexico-grown fresh fruits and vegetables for school meals — Senator Woods

- 12) .211526 Five hundred thousand dollars to the Department of Health to create a pilot program to provide New Mexico-grown fruits and vegetables to senior center meal programs and to fund the Farmers' Market Nutrition Program for seniors — Senator Stefanics

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SENATE BILL

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

INTRODUCED BY

DISCUSSION DRAFT

AN ACT

RELATING TO ECONOMIC DEVELOPMENT; CHANGING THE COMMUNITY
POPULATION REQUIREMENT FROM TEN THOUSAND TO FIVE THOUSAND FOR A
RETAIL BUSINESS TO BE A QUALIFYING ENTITY UNDER THE LOCAL
ECONOMIC DEVELOPMENT ACT.

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

SECTION 1. Section 5-10-3 NMSA 1978 (being Laws 1993,
Chapter 297, Section 3, as amended) is amended to read:

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

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

B. "broadband telecommunications network
facilities" means the electronics, equipment, transmission

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1 facilities, fiber-optic cables and any other item directly
2 related to a system capable of transmission of internet
3 protocol or other formatted data at current federal
4 communications commission minimum speed standard, all of which
5 will be owned and used by a provider of internet access
6 services;

7 C. "cultural facility" means a facility that is
8 owned by the state, a county, a municipality or a qualifying
9 entity that serves the public through preserving, educating and
10 promoting the arts and culture of a particular locale,
11 including theaters, museums, libraries, galleries, cultural
12 compounds, educational organizations, performing arts venues
13 and organizations, fine arts organizations, studios and media
14 laboratories and live-work housing facilities;

15 D. "department" means the economic development
16 department;

17 E. "economic development project" or "project"
18 means the provision of direct or indirect assistance to a
19 qualifying entity by a local or regional government and
20 includes the purchase, lease, grant, construction,
21 reconstruction, improvement or other acquisition or conveyance
22 of land, buildings or other infrastructure; rights-of-way
23 infrastructure, including trenching and conduit, for the
24 placement of new broadband telecommunications network
25 facilities; public works improvements essential to the location

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1 or expansion of a qualifying entity; payments for professional
2 services contracts necessary for local or regional governments
3 to implement a plan or project; the provision of direct loans
4 or grants for land, buildings or infrastructure; technical
5 assistance to cultural facilities; loan guarantees securing the
6 cost of land, buildings or infrastructure in an amount not to
7 exceed the revenue that may be derived from the municipal
8 infrastructure gross receipts tax or the county infrastructure
9 gross receipts tax; grants for public works infrastructure
10 improvements essential to the location or expansion of a
11 qualifying entity; grants or subsidies to cultural facilities;
12 purchase of land for a publicly held industrial park or a
13 publicly owned cultural facility; and the construction of a
14 building for use by a qualifying entity;

15 F. "governing body" means the city council, city
16 commission or board of trustees of a municipality or the board
17 of county commissioners of a county;

18 G. "local government" means a municipality or
19 county;

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

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

24 J. "qualifying entity" means a corporation, limited
25 liability company, partnership, joint venture, syndicate,

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1 association or other person that is one or a combination of two
2 or more of the following:

3 (1) an industry for the manufacturing,
4 processing or assembling of agricultural or manufactured
5 products;

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

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

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

24 (5) a telecommunications sales enterprise that
25 makes the majority of its sales to persons outside New Mexico;

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

3 (7) a business that is the developer of a
4 metropolitan redevelopment project;

5 (8) a cultural facility; and

6 (9) a retail business;

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

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

16 (1) [~~ten~~] five thousand or less; or

17 (2) more than [~~ten~~] five thousand but less
18 than thirty-five thousand if:

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

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

25 SECTION 2. EFFECTIVE DATE.--The effective date of the

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provisions of this act is July 1, 2019.

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HOUSE BILL

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

INTRODUCED BY

DISCUSSION DRAFT

AN ACT

RELATING TO AGRICULTURE; ENACTING THE NEW MEXICO AGRICULTURAL
WORKFORCE DEVELOPMENT PROGRAM ACT.

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

SECTION 1. [NEW MATERIAL] SHORT TITLE.--This act may be
cited as the "New Mexico Agricultural Workforce Development
Program Act".

SECTION 2. [NEW MATERIAL] FINDINGS AND PURPOSE.--

A. The legislature finds that:

(1) agriculture is an important industry to
New Mexico, providing employment opportunities for rural
counties, ensuring economic development activities throughout
the state and providing a nutritious food supply;

(2) it is a challenge for agricultural
businesses to find qualified and trained agricultural

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1 employees;

2 (3) the majority of New Mexico's farmers and
3 ranchers are nearing retirement, and it is critical to provide
4 training and experience to young and beginning farmers or
5 ranchers to ensure New Mexico's agricultural future;

6 (4) the barriers to entry in agriculture and
7 ranching for young and beginning farmers or ranchers are
8 significant, and among these barriers is a lack of access to
9 training programs that provide real-world work experience;

10 (5) internships are a recognized way to build
11 a talent pipeline and career pathway to align education,
12 training and work-based learning; and

13 (6) by offering incentives to agricultural
14 businesses to create internships, there will be more
15 opportunities for young and beginning farmers or ranchers to
16 obtain work experience in agriculture and support themselves in
17 long-term careers.

18 B. The purpose of the New Mexico Agricultural
19 Workforce Development Program Act is to provide incentives to
20 agricultural businesses to create internships to provide
21 opportunities to young and beginning farmers or ranchers to
22 obtain work experience in agriculture that can support them in
23 long-term careers and support New Mexico's agricultural future.

24 SECTION 3. [NEW MATERIAL] DEFINITIONS.--As used in the
25 New Mexico Agricultural Workforce Development Program Act:

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1 A. "agricultural business" means a business of a
2 food or agricultural nature, including agriculture production
3 or processing;

4 B. "board" means the board of regents of New Mexico
5 state university;

6 C. "department" means the New Mexico department of
7 agriculture;

8 D. "director" means the director of agriculture;

9 E. "intern" means an individual who is a student or
10 a young and beginning farmer or rancher employed by an
11 agricultural business pursuant to the program;

12 F. "program" means the New Mexico agricultural
13 workforce development program; and

14 G. "young and beginning farmer or rancher" means an
15 individual who has not operated a farm or ranch or who has
16 operated a farm or ranch but not for more than ten consecutive
17 years.

18 SECTION 4. [NEW MATERIAL] AGRICULTURAL WORKFORCE
19 DEVELOPMENT PROGRAM CREATED--GENERAL PROVISIONS--RULEMAKING.--

20 A. The "New Mexico agricultural workforce
21 development program" is created and shall be administered by
22 the department. The department shall establish policies for
23 the program that specify, at a minimum:

24 (1) criteria for selecting agricultural
25 businesses for participation in the program, including the

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1 ability of a business to effectively supervise an intern and
2 offer the intern an opportunity to obtain meaningful work
3 experience through the business;

4 (2) criteria for an internship to qualify
5 under the program, including requirements that the internship:

6 (a) provide an intern with at least one
7 hundred thirty hours of work experience; and

8 (b) not exceed one year in duration per
9 intern;

10 (3) criteria for an agricultural business to
11 use in selecting qualified interns, including the required
12 educational experience for an intern and the ability of the
13 intern to perform meaningful work for the business;

14 (4) the process and timetable for selecting
15 qualified agricultural businesses and qualified interns;

16 (5) accounting requirements for tracking
17 internship costs; and

18 (6) the process for an agricultural business
19 to seek reimbursement.

20 B. Subject to appropriations by the legislature,
21 the board, on behalf of the department, may reimburse a
22 participating agricultural business in an amount not to exceed
23 fifty percent of the actual cost to the business of
24 participating in the program. Actual cost includes the wages
25 paid to an intern, a reasonable allocation of fixed overhead

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1 expenses and all incidental costs directly related to the
2 internship. Based on the annual appropriation for the program,
3 the director shall determine how many internships may be
4 approved, the amount of reimbursement per internship and
5 whether an agricultural business may be reimbursed for more
6 than one intern in the same calendar year; provided that an
7 agricultural business shall not be reimbursed for more than
8 three internships in the same calendar year.

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HOUSE BILL

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

INTRODUCED BY

DISCUSSION DRAFT

AN ACT

MAKING AN APPROPRIATION TO PROVIDE FOOD AND AGRICULTURE
EDUCATION AND EXPERIENTIAL LEARNING GRANTS TO SCHOOL PROGRAMS
TO EDUCATE NEW MEXICO STUDENTS ABOUT FOOD AND AGRICULTURE.

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

SECTION 1. APPROPRIATION.--Three hundred fifty thousand
dollars (\$350,000) is appropriated from the general fund to the
board of regents of New Mexico state university for expenditure
in fiscal year 2020 and subsequent fiscal years for the New
Mexico department of agriculture to provide food and
agriculture education and experiential learning grants to
school programs to educate New Mexico students about food and
agriculture. Funds may be used by grantees for materials,
supplies and up to fifty percent of staff salaries. Any
unexpended or unencumbered balance remaining at the end of a

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fiscal year shall not revert to the general fund.

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_____ BILL

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

INTRODUCED BY

DISCUSSION DRAFT

AN ACT

MAKING AN APPROPRIATION TO THE ECONOMIC DEVELOPMENT DEPARTMENT
FOR A TARGETED MARKETING AND RESEARCH CAMPAIGN TO ATTRACT
RETIREES TO NEW MEXICO.

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

SECTION 1. APPROPRIATION.--One million dollars
(\$1,000,000) is appropriated from the general fund to the
economic development department for expenditure in fiscal year
2020 for the development and implementation of a targeted
marketing and research campaign to attract individuals to
retire in New Mexico. Any unexpended or unencumbered balance
remaining at the end of fiscal year 2020 shall revert to the
general fund.

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SENATE BILL

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

INTRODUCED BY

DISCUSSION DRAFT

AN ACT

RELATING TO ALCOHOLIC BEVERAGES; ESTABLISHING CONDITIONS AND
LIMITATIONS ON IMPORTING ALCOHOLIC BEVERAGES INTO THE STATE;
ESTABLISHING PENALTIES; DECLARING AN EMERGENCY.

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

SECTION 1. Section 60-3A-3 NMSA 1978 (being Laws 1981,
Chapter 39, Section 3, as amended by Laws 2016, Chapter 73,
Section 1 and by Laws 2016, Chapter 76, Section 1) is amended
to read:

"60-3A-3. DEFINITIONS.--As used in the Liquor Control
Act:

A. "alcoholic beverages" means distilled or
rectified spirits, potable alcohol, powdered alcohol, frozen or
freeze-dried alcohol, brandy, whiskey, rum, gin and aromatic
bitters bearing the federal internal revenue strip stamps or

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1 any similar alcoholic beverage, including blended or fermented
2 beverages, dilutions or mixtures of one or more of the
3 foregoing containing more than one-half percent alcohol, but
4 excluding medicinal bitters;

5 B. "beer" means an alcoholic beverage obtained by
6 the fermentation of any infusion or decoction of barley, malt
7 and hops or other cereals in water, and includes porter, beer,
8 ale and stout;

9 C. "brewer" means a person who owns or operates a
10 business for the manufacture of beer;

11 D. "cider" means an alcoholic beverage made from
12 the normal alcoholic fermentation of the juice of sound, ripe
13 apples that contains not less than one-half of one percent
14 alcohol by volume and not more than seven percent alcohol by
15 volume;

16 E. "club" means:

17 (1) any nonprofit group, including an
18 auxiliary or subsidiary group, organized and operated under the
19 laws of this state, with a membership of not less than fifty
20 members who pay membership dues at the rate of not less than
21 five dollars (\$5.00) per year and who, under the constitution
22 and bylaws of the club, have all voting rights and full
23 membership privileges, and which group is the owner, lessee or
24 occupant of premises used exclusively for club purposes and
25 which group the director finds:

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1 (a) is operated solely for recreation,
2 social, patriotic, political, benevolent or athletic purposes;
3 and

4 (b) has been granted an exemption by the
5 United States from the payment of the federal income tax as a
6 club under the provisions of Section 501(a) of the Internal
7 Revenue Code of 1986, as amended, or, if the applicant has not
8 operated as a club for a sufficient time to be eligible for the
9 income tax exemption, it must execute and file with the
10 director a sworn letter of intent declaring that it will, in
11 good faith, apply for an income tax exemption as soon as it is
12 eligible; or

13 (2) an airline passenger membership club
14 operated by an air common carrier that maintains or operates a
15 clubroom at an international airport terminal. As used in this
16 paragraph, "air common carrier" means a person engaged in
17 regularly scheduled air transportation between fixed termini
18 under a certificate of public convenience and necessity issued
19 by the federal aviation administration;

20 F. "commission" means the secretary of public
21 safety when the term is used in reference to the enforcement
22 and investigatory provisions of the Liquor Control Act and
23 means the superintendent of regulation and licensing when the
24 term is used in reference to the licensing provisions of the
25 Liquor Control Act;

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1 G. "department" means the New Mexico state police
2 division of the department of public safety when the term is
3 used in reference to the enforcement and investigatory
4 provisions of the Liquor Control Act and means the director of
5 the alcohol and gaming division of the regulation and licensing
6 department when the term is used in reference to the licensing
7 provisions of the Liquor Control Act;

8 H. "director" means the chief of the New Mexico
9 state police division of the department of public safety when
10 the term is used in reference to the enforcement and
11 investigatory provisions of the Liquor Control Act and means
12 the director of the alcohol and gaming division of the
13 regulation and licensing department when the term is used in
14 reference to the licensing provisions of the Liquor Control
15 Act;

16 I. "dispenser" means a person licensed under the
17 provisions of the Liquor Control Act selling, offering for sale
18 or having in the person's possession with the intent to sell
19 alcoholic beverages both by the drink for consumption on the
20 licensed premises and in unbroken packages, including growlers,
21 for consumption and not for resale off the licensed premises;

22 J. "distiller" means a person engaged in
23 manufacturing spirituous liquors;

24 K. "golf course" means a tract of land and
25 facilities used for playing golf and other recreational

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1 activities that includes tees, fairways, greens, hazards,
2 putting greens, driving ranges, recreational facilities,
3 patios, pro shops, cart paths and public and private roads that
4 are located within the tract of land;

5 L. "governing body" means the board of county
6 commissioners of a county or the city council or city
7 commissioners of a municipality;

8 M. "growler" means a clean, refillable, resealable
9 container that has a liquid capacity that does not exceed one
10 gallon and that is intended and used for the sale of beer, wine
11 or cider for consumption off premises;

12 N. "hotel" means an establishment or complex having
13 a resident of New Mexico as a proprietor or manager and where,
14 in consideration of payment, meals and lodging are regularly
15 furnished to the general public. The establishment or complex
16 must maintain for the use of its guests a minimum of twenty-
17 five sleeping rooms;

18 O. "licensed premises" means the contiguous areas
19 or areas connected by indoor passageways of a structure and the
20 outside dining, recreation and lounge areas of the structure
21 and the grounds and vineyards of a structure that is a winery
22 that are under the direct control of the licensee and from
23 which the licensee is authorized to sell, serve or allow the
24 consumption of alcoholic beverages under the provisions of its
25 license; provided that in the case of a restaurant, "licensed

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1 premises" includes a restaurant that has operated continuously
2 in two separate structures since July 1, 1987 and that is
3 located in a local option district that has voted to disapprove
4 the transfer of liquor licenses into that local option
5 district, hotel, golf course, ski area or racetrack and all
6 public and private rooms, facilities and areas in which
7 alcoholic beverages are sold or served in the customary
8 operating procedures of the restaurant, hotel, golf course, ski
9 area or racetrack. "Licensed premises" also includes rural
10 dispenser licenses located in the unincorporated areas of a
11 county with a population of less than thirty thousand, located
12 in buildings in existence as of January 1, 2012, that are
13 within one hundred fifty feet of one another and that are under
14 the direct control of the license holder;

15 P. "local option district" means a county that has
16 voted to approve the sale, serving or public consumption of
17 alcoholic beverages, or an incorporated municipality that falls
18 within a county that has voted to approve the sale, serving or
19 public consumption of alcoholic beverages, or an incorporated
20 municipality of over five thousand population that has
21 independently voted to approve the sale, serving or public
22 consumption of alcoholic beverages under the terms of the
23 Liquor Control Act or any former act;

24 Q. "manufacturer" means a distiller, rectifier,
25 brewer or winer;

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underscoring material = new
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1 R. "minor" means a person under twenty-one years of
2 age;

3 S. "package" means an immediate container of
4 alcoholic beverages that is filled or packed by a manufacturer
5 or wine bottler for sale by the manufacturer or wine bottler to
6 wholesalers;

7 T. "person" means an individual, corporation, firm,
8 partnership, copartnership, association or other legal entity;

9 U. "rectifier" means a person who blends, mixes or
10 distills alcohol with other liquids or substances for the
11 purpose of making an alcoholic beverage for the purpose of sale
12 other than to the consumer by the drink, and includes all
13 bottlers of spirituous liquors;

14 V. "restaurant" means an establishment having a New
15 Mexico resident as a proprietor or manager that is held out to
16 the public as a place where meals are prepared and served
17 primarily for on-premises consumption to the general public in
18 consideration of payment and that has a dining room, a kitchen
19 and the employees necessary for preparing, cooking and serving
20 meals; provided that "restaurant" does not include
21 establishments as defined in rules promulgated by the director
22 serving only hamburgers, sandwiches, salads and other fast
23 foods;

24 W. "retailer" means a person licensed under the
25 provisions of the Liquor Control Act selling, offering for sale

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1 or having in the person's possession with the intent to sell
2 alcoholic beverages in unbroken packages, including growlers,
3 for consumption and not for resale off the licensed premises;

4 X. "ski area" means a tract of land and facilities
5 for the primary purpose of alpine skiing, snowboarding or other
6 snow sports with trails, parks and at least one chairlift with
7 uphill capacity and may include facilities necessary for other
8 seasonal or year-round recreational activities;

9 Y. "spirituous liquors" means alcoholic beverages
10 as defined in Subsection A of this section except fermented
11 beverages such as wine, beer and ale;

12 Z. "third party aggregator" means a person that
13 does not hold a license in New Mexico to sell, offer to sell or
14 ship alcoholic beverages, and whose business is to accept and
15 fulfill orders for the sale and delivery of alcoholic
16 beverages, whether or not the person takes possession of the
17 alcoholic beverages, or to offer to sell and ship, or cause to
18 be shipped, directly to New Mexico residents for a purpose
19 other than resale, through a third party internet website,
20 dedicated mobile application or other form of communication;

21 [~~Z.~~] AA. "wholesaler" means a person whose place of
22 business is located in New Mexico and who sells, offers for
23 sale or possesses for the purpose of sale any alcoholic
24 beverages for resale by the purchaser;

25 [~~AA.~~] BB. "wine" includes the words "fruit juices"

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1 and means alcoholic beverages obtained by the fermentation of
2 the natural sugar contained in fruit or other agricultural
3 products, with or without the addition of sugar or other
4 products, that do not contain less than one-half percent nor
5 more than twenty-one percent alcohol by volume;

6 ~~[BB-]~~ CC. "wine bottler" means a New Mexico
7 wholesaler who is licensed to sell wine at wholesale for resale
8 only and who buys wine in bulk and bottles it for wholesale
9 resale;

10 ~~[GG-]~~ DD. "winegrower" means a person who owns or
11 operates a business for the manufacture of wine;

12 ~~[DD-]~~ EE. "winer" means a winegrower; and

13 ~~[EE-]~~ FF. "winery" means a facility in which a
14 winegrower manufactures and stores wine."

15 SECTION 2. Section 60-6A-11.1 NMSA 1978 (being Laws 2011,
16 Chapter 109, Section 1) is amended to read:

17 "60-6A-11.1. DIRECT WINE SHIPMENT PERMIT--
18 AUTHORIZATION--RESTRICTIONS.--

19 A. A licensee with a winegrower's license or a
20 person licensed in a state other than New Mexico that holds a
21 winery license may apply to the director for and the director
22 may issue to the applicant a direct wine shipment permit.

23 B. The director shall not issue a direct wine
24 shipment permit to a person that does not hold a New Mexico
25 winegrower's license or to a person that does not hold a winery

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1 license in a state other than New Mexico.

2 C. The director shall not issue a direct wine
3 shipment permit to a third party aggregator that does not
4 produce wine or to a person that holds a New Mexico or out-of-
5 state winery license that is not a bona fide wine producer.

6 D. An application for a direct wine shipment permit
7 shall include:

8 (1) contact information for the applicant in a
9 form required by the department;

10 (2) an annual application fee of fifty dollars
11 (\$50.00) if the applicant does not hold a winegrower's license;

12 (3) the number of the applicant's winegrower's
13 license if the applicant is located in New Mexico or a copy of
14 the applicant's winery license if the applicant is located in a
15 state other than New Mexico; and

16 (4) any other information or documents
17 required by the director. Upon approval of an applicant for a
18 permit, the director shall forward to the taxation and revenue
19 department the name of each permittee and the contact
20 information for the permittee.

21 ~~[B-]~~ E. A direct wine shipment permit shall be
22 valid for a permit year. A permittee shall renew a direct wine
23 shipment permit annually as required by the department to
24 continue making direct shipments of wine to New Mexico
25 residents.

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1 ~~[G-]~~ F. A permittee may ship:

2 (1) not more than two nine-liter cases of wine
3 monthly to a New Mexico resident who is twenty-one years of age
4 or older for the recipient's personal consumption or use, but
5 not for resale; and

6 (2) wine directly to a New Mexico resident
7 only in containers that are conspicuously labeled with the
8 words:

9 "CONTAINS ALCOHOL

10 SIGNATURE OF PERSON 21 YEARS OR OLDER REQUIRED
11 FOR DELIVERY".

12 ~~[D-]~~ G. A permittee shall:

13 (1) register with the taxation and revenue
14 department for the payment of liquor excise tax and gross
15 receipts taxes due on the sales of wine pursuant to the
16 permittee's activities in New Mexico;

17 (2) submit to the jurisdiction of New Mexico
18 courts to resolve legal actions that arise from the shipping by
19 the permittee of wine into New Mexico to New Mexico residents;

20 (3) monthly, by the twenty-fifth day of each
21 month following the month in which the permittee was issued a
22 direct wine shipment permit, pay to the taxation and revenue
23 department the liquor excise tax due and the gross receipts tax
24 due; and

25 (4) submit to an audit by an agent of the

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1 taxation and revenue department of the permittee's records of
2 the wine shipped pursuant to this section to New Mexico
3 residents upon notice and during usual business hours.

4 ~~[E.]~~ H. As used in this section:

5 (1) "permit year" means the period between
6 July 1 and June 30 of a year; and

7 (2) "permittee" means a person that is the
8 holder of a direct wine shipment permit."

9 SECTION 3. Section 60-7A-3 NMSA 1978 (being Laws 1981,
10 Chapter 39, Section 49, as amended) is amended to read:

11 "60-7A-3. TRANSPORTATION INTO STATE WITHOUT PERMIT--
12 EXPORTATION OF ALCOHOLIC BEVERAGES WITHOUT PERMIT--IMPORTATION
13 FOR PRIVATE USE--~~[RECIPROCAL SHIPPING]~~ WHEN UNLAWFUL.--

14 A. Except as provided in Subsections ~~[E]~~ F and ~~[F]~~
15 G of this section, it is a violation of the Liquor Control Act
16 for a registered common carrier to knowingly deliver a shipment
17 of alcoholic beverages from another state to a person in this
18 state without receiving at the time of delivery a permit issued
19 by the department covering the quantity and class of alcoholic
20 beverages to be delivered and requiring the shipment be
21 transported from the shipper designated in the permit to the
22 designated consignee and from the designated point of origin to
23 the destination designated in the permit.

24 B. Except as provided in Paragraph (14) of
25 Subsection B of Section 60-6A-11 NMSA 1978, Section 60-6A-11.1

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1 NMSA 1978 or Subsections F and G of this section, it is a
2 violation of the Liquor Control Act for any person to knowingly
3 deliver alcoholic beverages in this state on behalf of a person
4 that does not hold a New Mexico wholesaler's license unless the
5 person holds a license issued by the director specifically
6 granting that authority.

7 ~~[B-]~~ C. Except as provided in Subsections ~~[D]~~ E
8 through ~~[F]~~ G of this section, it is a violation of the Liquor
9 Control Act for a person other than a registered common carrier
10 to knowingly transport from another state and deliver in this
11 state alcoholic beverages, unless the person has in the
12 person's possession on entering New Mexico a permit from the
13 department for the quantity and class of alcoholic beverages to
14 be delivered, designating the name of the shipper and consignee
15 and the point of origin and destination of the alcoholic
16 beverages.

17 ~~[G-]~~ D. Except as provided in Subsections ~~[D]~~ E and
18 ~~[E]~~ F of this section, it is a violation of the Liquor Control
19 Act for a person to transport out of state alcoholic beverages
20 on which the excise tax has not been paid, unless the shipment
21 is accompanied by a permit issued by the department for the
22 exact quantity and class transported, showing the consignee's
23 federal and state license numbers and the point of origin and
24 destination of the alcoholic beverages.

25 ~~[D-]~~ E. An individual not a minor may transport

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1 into or out of the state a reasonable amount of alcoholic
2 beverages for the exclusive purpose of the individual's private
3 use or consumption, and nothing in the Liquor Control Act
4 limits or applies to such private actions.

5 ~~[E.]~~ F. An individual ~~[or licensee, except for a~~
6 ~~person holding a winery license, in a state that affords New~~
7 ~~Mexico licensees or individuals an equal reciprocal shipping~~
8 ~~privilege]~~ may ship for personal use and not for resale not
9 more than two cases of wine, each case containing no more than
10 nine liters, per month to an individual not a minor in this
11 state. Delivery of a shipment pursuant to this subsection
12 shall not be deemed to constitute a sale in this state, and
13 nothing in the Liquor Control Act limits or applies to such
14 shipments. The shipping container of wine sent into or out of
15 this state under this subsection shall be labeled clearly to
16 indicate that the package cannot be delivered to a minor or to
17 an intoxicated person.

18 ~~[F.]~~ G. The holder of a direct wine shipment permit
19 issued pursuant to Section 60-6A-11.1 NMSA 1978 may ship no
20 more than two nine-liter cases of wine per month to a person
21 living in New Mexico who is twenty-one years of age or older
22 for the person's personal consumption and not for resale.

23 ~~[G.]~~ H. As used in this section, "in this state"
24 means within the exterior boundaries of the state."

25 SECTION 4. Section 60-7A-4 NMSA 1978 (being Laws 1981,

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1 Chapter 39, Section 50, as amended) is amended to read:

2 "60-7A-4. SALE, SHIPMENT AND DELIVERY UNLAWFUL.--

3 A. It is unlawful for [~~any~~] a person on [his] the
4 person's own behalf or as the agent of another person, except a
5 licensed New Mexico wholesaler or manufacturer or the agent of
6 either, to directly or indirectly sell or offer for sale for
7 shipment into the state or ship into the state, except as
8 provided in Section 60-7A-3 NMSA 1978, [~~any~~] alcoholic
9 beverages unless [~~such~~] the person or [his] the person's
10 principals [has] have secured a nonresident license as provided
11 in Section [~~60-7A-7~~] 60-6A-7 NMSA 1978, unless the person holds
12 a license granted by the director that specifically grants that
13 authority.

14 B. It is unlawful for a person, including a third
15 party aggregator, to take or fulfill an order for the sale of
16 alcoholic beverages directly from a member of the public in
17 this state through an online platform or other form of
18 communication, except as provided in Section 60-6A-11.1 NMSA
19 1978, Subsection F or G of Section 60-7A-3 NMSA 1978 or
20 Paragraph (14) of Subsection B of Section 60-6A-11 NMSA 1978,
21 unless the person holds a license issued by the director
22 specifically granting that authority.

23 [~~B.~~] C. It is a violation of the Liquor Control Act
24 to deliver any alcoholic beverages transported into the state
25 unless the delivery is made in accordance with Section 60-7A-3

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1 NMSA 1978, or otherwise authorized pursuant to Section
2 60-7A-4.1 NMSA 1978, Subsection G of Section 60-6A-11.1 NMSA
3 1978 or Paragraph (14) of Subsection B of Section 60-6A-11 NMSA
4 1978, unless the person holds a license issued by the director
5 specifically granting that authority.

6 [G.] D. As used in this section, "into the state
7 [~~of New Mexico~~]" means into the exterior boundaries of the
8 state."

9 SECTION 5. Section 60-7A-4.1 NMSA 1978 (being Laws 1985,
10 Chapter 179, Section 1, as amended) is amended to read:

11 "60-7A-4.1. UNLAWFUL SALE OF ALCOHOLIC BEVERAGES--
12 CRIMINAL PENALTY--FORFEITURE.--

13 A. It is unlawful for [~~any~~] a person to sell or
14 attempt to sell alcoholic beverages at any place other than a
15 licensed premises or as otherwise provided by the Liquor
16 Control Act.

17 B. It is unlawful for a person to take or fulfill
18 an order for the sale of alcoholic beverages directly to a
19 member of the public in this state through an online platform
20 or other form of communication, except as provided in Section
21 60-6A-11.1 NMSA 1978, Subsection G of Section 60-7A-3 NMSA 1978
22 or Paragraph (14) of Subsection B of Section 60-6A-11 NMSA
23 1978, unless the person holds a license issued by the director
24 specifically granting that authority.

25 [B. Any] C. A person who violates the provisions

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1 of Subsection A or B of this section is guilty of a fourth
2 degree felony.

3 [C. ~~Any~~] D. A conveyance used or intended to be
4 used for the purpose of unlawful sale of alcoholic beverages or
5 money [~~which~~] that is the fruit or instrumentality of the crime
6 is subject to forfeiture, and the provisions of the Forfeiture
7 Act apply to the seizure, forfeiture and disposal of such
8 property."

9 SECTION 6. EMERGENCY.--It is necessary for the public
10 peace, health and safety that this act take effect immediately.

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HOUSE BILL

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

INTRODUCED BY

DISCUSSION DRAFT

AN ACT

MAKING AN APPROPRIATION TO THE ECONOMIC DEVELOPMENT DEPARTMENT
TO CARRY OUT THE PURPOSES OF THE ECONOMIC DEVELOPMENT
CORPORATION ACT.

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

SECTION 1. APPROPRIATION.--Two million dollars
(\$2,000,000) is appropriated from the general fund to the
economic development department for expenditure in fiscal year
2020 for the corporation created by the Economic Development
Corporation Act to carry out the purposes of that act. Any
unexpended or unencumbered balance remaining at the end of
fiscal year 2020 shall revert to the general fund.

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HOUSE BILL

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

INTRODUCED BY

DISCUSSION DRAFT

AN ACT

MAKING AN APPROPRIATION TO THE ECONOMIC DEVELOPMENT GRANT FUND
TO CARRY OUT THE PURPOSES OF THAT FUND.

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

SECTION 1. APPROPRIATION.--One million five hundred thousand dollars (\$1,500,000) is appropriated from the general fund to the economic development grant fund for expenditure in fiscal year 2020 and subsequent years to carry out the purposes of that fund. Any unexpended or unencumbered balance remaining in the fund at the end of fiscal year 2020 shall not revert to any other fund.

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HOUSE BILL

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

INTRODUCED BY

DISCUSSION DRAFT

AN ACT

MAKING AN APPROPRIATION TO THE ECONOMIC DEVELOPMENT DEPARTMENT
FOR THE SOLO-WORKER PROGRAM.

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

SECTION 1. APPROPRIATION.--Three million nine hundred
thousand dollars (\$3,900,000) is appropriated from the general
fund to the economic development department for expenditure in
fiscal years 2020 through 2022 for the solo-worker program
created pursuant to Section 9-15-57 NMSA 1978. Any unexpended
or unencumbered balance remaining at the end of fiscal year
2022 shall revert to the general fund.

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HOUSE BILL

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

INTRODUCED BY

DISCUSSION DRAFT

AN ACT

RELATING TO ECONOMIC DEVELOPMENT; REMOVING A LIMITATION ON THE AMOUNT OF LOCAL OPTION INFRASTRUCTURE GROSS RECEIPTS TAX REVENUE THAT MAY BE USED FOR PROMOTION AND ADMINISTRATION OF OR PROFESSIONAL SERVICES CONTRACTS RELATED TO AN ECONOMIC DEVELOPMENT PLAN PURSUANT TO THE LOCAL ECONOMIC DEVELOPMENT ACT; INCREASING A MUNICIPALITY'S AUTHORITY TO IMPOSE A MUNICIPAL INFRASTRUCTURE GROSS RECEIPTS TAX TO FIVE-EIGHTHS PERCENT; INCREASING A COUNTY'S AUTHORITY TO IMPOSE A COUNTY INFRASTRUCTURE GROSS RECEIPTS TAX TO FIVE-EIGHTHS PERCENT; REQUIRING AN ELECTION ON AN IMPOSITION IN EXCESS OF ONE-EIGHTH PERCENT OF THOSE TAXES.

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

SECTION 1. Section 5-10-4 NMSA 1978 (being Laws 1993, Chapter 297, Section 4, as amended) is amended to read:

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1 "5-10-4. ECONOMIC DEVELOPMENT PROJECTS--RESTRICTIONS ON
2 PUBLIC EXPENDITURES OR PLEDGES OF CREDIT.--

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

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

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

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

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1 ~~thousand dollars (\$50,000) or ten percent of the revenue~~
2 ~~collected shall be used for promotion and administration of or~~
3 ~~professional services contracts related to the implementation~~
4 ~~of any such economic development plan adopted by the governing~~
5 ~~body];~~

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

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

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

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

25 C. A regional or local government that generates

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

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

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

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

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

25 G. If a majority of the voters voting on the

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

9 SECTION 2. Section 7-19D-11 NMSA 1978 (being Laws 1991,
10 Chapter 9, Section 3, as amended) is amended to read:

11 "7-19D-11. MUNICIPAL INFRASTRUCTURE GROSS RECEIPTS
12 TAX--AUTHORITY BY MUNICIPALITY TO IMPOSE--ORDINANCE
13 REQUIREMENTS--ELECTION.--

14 A. A majority of the members of the governing body
15 of a municipality may enact an ordinance imposing an excise tax
16 on any person engaging in business in the municipality for the
17 privilege of engaging in business. The rate of the tax shall
18 not exceed [~~one-fourth of one~~] five-eighths percent of the
19 gross receipts of the person engaging in business and may be
20 imposed in one-sixteenth [~~of one~~] percent increments by
21 separate ordinances. Any ordinance enacting any increment of
22 the first one-eighth [~~of one~~] percent of the tax is not subject
23 to a referendum of any kind, notwithstanding any requirement of
24 any charter municipality, except that an increment that is
25 imposed after July 1, 1998 for economic development purposes

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1 set forth in Paragraph (5) of Subsection C of this section
2 shall be subject to a referendum as provided in Subsection D of
3 this section.

4 B. The tax imposed pursuant to Subsection A of this
5 section may be referred to as the "municipal infrastructure
6 gross receipts tax".

7 C. The governing body of a municipality, at the
8 time of enacting any ordinance imposing the rate of the tax
9 authorized in Subsection A of this section, may dedicate the
10 revenue for:

11 (1) payment of special obligation bonds issued
12 pursuant to a revenue bond act;

13 (2) repair, replacement, construction or
14 acquisition of infrastructure improvements, including sanitary
15 sewer lines, storm sewers and other drainage improvements,
16 water, water rights, water lines and utilities, streets,
17 alleys, rights of way, easements, international ports of entry
18 and land within the municipality or within the extraterritorial
19 zone of the municipality;

20 (3) municipal general purposes;

21 (4) acquiring, constructing, extending,
22 bettering, repairing or otherwise improving or operating or
23 maintaining public transit systems or regional transit systems
24 or authorities; and

25 (5) furthering or implementing economic

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1 development plans and projects as defined in the Local Economic
2 Development Act or projects as defined in the Statewide
3 Economic Development Finance Act ~~[and use of not more than the~~
4 ~~greater of fifty thousand dollars (\$50,000) or ten percent of~~
5 ~~the revenue collected for promotion and administration of or~~
6 ~~professional services contracts related to implementation of an~~
7 ~~economic development plan adopted by the governing body~~
8 ~~pursuant to the Local Economic Development Act and in~~
9 ~~accordance with law].~~

10 D. An ordinance imposing any increment of the
11 municipal infrastructure gross receipts tax in excess of the
12 first one-eighth ~~[of one]~~ percent or any increment imposed
13 after July 1, 1998 for economic development purposes set forth
14 in Paragraph (5) of Subsection C of this section shall not go
15 into effect until after an election is held and a majority of
16 the voters of the municipality voting in the election votes in
17 favor of imposing the tax. The governing body shall adopt a
18 resolution calling for an election within seventy-five days of
19 the date the ordinance is adopted on the question of imposing
20 the tax. The question shall be submitted to the voters of the
21 municipality as a separate question at a regular local election
22 or at a special election called for that purpose by the
23 governing body. An election shall be called, conducted and
24 canvassed as provided in the Local Election Act. If a majority
25 of the voters voting on the question approves the ordinance

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1 imposing the municipal infrastructure gross receipts tax, then
2 the ordinance shall become effective in accordance with the
3 provisions of the Municipal Local Option Gross Receipts Taxes
4 Act. If the question of imposing the municipal infrastructure
5 gross receipts tax fails, the governing body shall not again
6 propose the imposition of any increment of the tax in excess of
7 the first one-eighth [~~of one~~] percent for a period of one year
8 from the date of the election."

9 SECTION 3. Section 7-20E-19 NMSA 1978 (being Laws 1998,
10 Chapter 90, Section 7, as amended) is amended to read:

11 "7-20E-19. COUNTY INFRASTRUCTURE GROSS RECEIPTS TAX--
12 AUTHORITY TO IMPOSE RATE--USE OF FUNDS--ELECTION.--

13 A. The majority of the members of the governing
14 body of a county may enact an ordinance imposing an excise tax
15 at a rate not to exceed [~~one-eighth of one~~] five-eighths
16 percent of the gross receipts of any person engaging in
17 business in the county area for the privilege of engaging in
18 business. The tax may be imposed in increments of one-
19 sixteenth [~~of one~~] percent by separate ordinances not to exceed
20 an aggregate rate of [~~one-eighth of one~~] five-eighths percent.

21 B. The tax imposed pursuant to Subsection A of this
22 section may be referred to as the "county infrastructure gross
23 receipts tax".

24 C. The governing body, at the time of enacting an
25 ordinance imposing a rate of tax authorized in Subsection A of

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1 this section, may dedicate the revenue for:
2 (1) county general purposes;
3 (2) payment of gross receipts tax revenue
4 bonds issued pursuant to Chapter 4, Article 62 NMSA 1978;
5 (3) repair, replacement, construction or
6 acquisition of any county infrastructure improvements;
7 (4) acquisition, construction, operation or
8 maintenance of solid waste facilities, water facilities,
9 wastewater facilities, sewer systems and related facilities;
10 (5) acquiring, constructing, extending,
11 bettering, repairing or otherwise improving or operating or
12 maintaining public transit systems or regional transit systems
13 or authorities;
14 (6) planning, design, construction, equipping,
15 maintenance or operation of a county jail or juvenile detention
16 facility; planning, assessment, design or operation of a
17 regional system of juvenile services, including secure
18 detention and nonsecure alternatives, that serves multiple
19 contiguous counties; planning, design, construction,
20 maintenance or operation of multipurpose regional adult jails
21 or juvenile detention facilities; housing of county prisoners
22 or juvenile offenders in any county jail or detention facility;
23 or substance abuse, mental health or other programs for county
24 prisoners or other inmates in county jails or for juvenile
25 offenders in county or regional detention facilities; and

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1 (7) furthering or implementing economic
2 development plans and projects as defined in the Local Economic
3 Development Act or projects as defined in the Statewide
4 Economic Development Finance Act [~~and use of not more than the~~
5 ~~greater of fifty thousand dollars (\$50,000) or ten percent of~~
6 ~~the revenue collected for promotion and administration of or~~
7 ~~professional services contracts related to implementation of an~~
8 ~~economic development plan adopted by the governing body~~
9 ~~pursuant to the Local Economic Development Act and in~~
10 ~~accordance with law].~~

11 D. An ordinance imposing the county infrastructure
12 gross receipts tax in excess of the first one-eighth percent
13 for economic development purposes set forth in Paragraph (7) of
14 Subsection C of this section shall not go into effect until
15 after an election is held and a majority of the voters in the
16 county area voting in the election votes in favor of imposing
17 the tax. The governing body shall adopt a resolution calling
18 for an election within seventy-five days of the date the
19 ordinance is adopted on the question of imposing the tax. The
20 question shall be submitted to the voters of the county area as
21 a separate question at a general election or at a special
22 election called for that purpose by the governing body. A
23 special county election shall be called, conducted and
24 canvassed in substantially the same manner as provided by law
25 for general elections. If a majority of the voters voting on

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1 the question approves the ordinance imposing the county
2 infrastructure gross receipts tax, then the ordinance shall
3 become effective in accordance with the provisions of the
4 County Local Option Gross Receipts Taxes Act. If the question
5 of imposing the county infrastructure gross receipts tax fails,
6 the governing body shall not again propose the imposition of
7 any increment of the tax in excess of the first one-eighth
8 percent for a period of one year from the date of the
9 election."

10 SECTION 4. EFFECTIVE DATE.--The effective date of the
11 provisions of this act is July 1, 2019.

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HOUSE BILL

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

INTRODUCED BY

DISCUSSION DRAFT

AN ACT

RELATING TO TAXATION; CREATING THE RURAL INFRASTRUCTURE TAX CREDIT.

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

SECTION 1. A new section of Chapter 7, Article 9G NMSA 1978 is enacted to read:

"[NEW MATERIAL] RURAL INFRASTRUCTURE TAX CREDIT.--

A. Prior to January 1, 2025, a taxpayer who makes a qualified investment that is likely to produce quantifiable benefits may claim a tax credit in an amount not to exceed thirty percent of the cost of the qualified investment against the taxpayer's modified combined tax liability or the taxpayer's tax liability pursuant to the provisions of the Income Tax Act and the Corporate Income and Franchise Tax Act; provided that the amount of the credit associated with the

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1 purchase of land or fixed assets shall not exceed fifty percent
2 of the amount of the credit associated with the cost of
3 construction of one or more buildings. The tax credit provided
4 by this section may be referred to as the "rural infrastructure
5 tax credit".

6 B. The purposes of the rural infrastructure tax
7 credit are to:

8 (1) stimulate economic development by
9 providing gap funding for manufacturers, processors and natural
10 resource extractors to build infrastructure;

11 (2) encourage private investment in
12 manufacturing facilities;

13 (3) give rural communities an advantage in
14 attracting investment by private industry; and

15 (4) promote job creation.

16 C. A taxpayer may claim a rural infrastructure tax
17 credit in an amount not to exceed one million dollars
18 (\$1,000,000) per qualified investment for not more than three
19 qualified investments in a taxable year. A taxpayer shall
20 claim the rural infrastructure tax credit no later than one
21 year following the end of the calendar year in which the
22 taxpayer receives a certificate of eligibility pursuant to
23 Subsection D of this section.

24 D. A taxpayer may apply for certification of
25 eligibility for the rural infrastructure tax credit from the

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1 authority. The authority shall consider for certification
2 completed applications in the order received. If the authority
3 determines that the project is a qualified investment that is
4 likely to produce quantifiable benefits, it shall issue a
5 certificate of eligibility to the taxpayer, subject to the
6 limitation in Subsection E of this section. The certificate
7 shall be dated and shall include a calculation of the amount of
8 the rural infrastructure tax credit for which the taxpayer is
9 eligible. The authority may issue rules governing the
10 procedure for administering the provisions of this subsection.

11 E. The authority may issue a certificate of
12 eligibility pursuant to Subsection D of this section only if
13 the total amount of rural infrastructure tax credits
14 represented by those certificates in any calendar year does not
15 exceed ten million dollars (\$10,000,000). If the applications
16 for certificates for rural infrastructure tax credits represent
17 an aggregate amount exceeding ten million dollars (\$10,000,000)
18 for any calendar year, certificates shall be issued in the
19 order that the completed applications were received. The
20 excess applications that would have been certified, but for the
21 limit imposed by this subsection, shall be certified, subject
22 to the same limit, in subsequent calendar years.

23 F. To claim the rural infrastructure tax credit, a
24 taxpayer shall provide to the department a certificate of
25 eligibility issued by the authority pursuant to Subsection D of

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1 this section and any other information that the department may
2 require to determine the amount of the tax credit due the
3 taxpayer. If the requirements of this section have been
4 complied with, the department shall approve the claim for the
5 credit.

6 G. To receive a rural infrastructure tax credit, a
7 taxpayer shall apply to the department on forms and in the
8 manner prescribed by the department. If the requirements of
9 this section have been complied with, the department shall
10 issue to the taxpayer a document granting the tax credit. The
11 document shall be numbered for identification and shall declare
12 its date of issuance and the amount of the tax credit allowed
13 pursuant to this section. The document may be submitted by the
14 applicant with that taxpayer's tax return or may be sold,
15 exchanged or otherwise transferred to another taxpayer. The
16 parties to such a transaction shall notify the department of
17 the sale, exchange or transfer within ten days of the sale,
18 exchange or transfer.

19 H. That portion of a rural infrastructure tax
20 credit that exceeds a taxpayer's tax liability in the taxable
21 period in which the credit is claimed may be carried forward
22 for a maximum of ten consecutive taxable years.

23 I. Married individuals filing separate returns for
24 a taxable year for which they could have filed a joint return
25 may each claim only one-half of the rural infrastructure tax

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1 credit that would have been claimed on a joint return.

2 J. A taxpayer may be allocated the right to claim a
3 rural infrastructure tax credit in proportion to the taxpayer's
4 ownership interest if the taxpayer owns an interest in a
5 business entity that is taxed for federal income tax purposes
6 as a partnership or limited liability company and that business
7 entity has met all of the requirements to be eligible for the
8 tax credit. The total tax credit claimed by all members of the
9 partnership or limited liability company shall not exceed the
10 allowable tax credit pursuant to Subsection C of this section.

11 K. If the department determines that the qualified
12 investment is not substantially complete within twelve months
13 from the date that a certificate of eligibility was issued, the
14 department shall timely notify the taxpayer of that
15 determination. The taxpayer may request an extension of time
16 in which to complete the project, and the department, if it
17 determines that meaningful and measurable progress toward
18 project completion is being made, may grant a six-month
19 extension. A taxpayer may request, and the department may
20 grant, more than one extension. If no request is made or if
21 the department determines that meaningful and measurable
22 progress toward project completion has not been made, the
23 department shall:

24 (1) if the taxpayer has not claimed the rural
25 infrastructure tax credit, extinguish the credit; and

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1 (2) if the taxpayer has claimed the rural
2 infrastructure tax credit, deem any taxes to which the tax
3 credit was applied as unpaid and extinguish the remainder of
4 the unclaimed tax credit, if any.

5 L. A taxpayer allowed a tax credit pursuant to this
6 section shall report the amount of the credit to the department
7 in a manner required by the department.

8 M. The authority and the department shall compile
9 an annual report on the rural infrastructure tax credit that
10 shall include the number of certificates of eligibility that
11 the authority issued in the previous year, the number of
12 taxpayers approved by the department to receive the tax credit,
13 the aggregate amount of tax credits approved and any other
14 information necessary to evaluate the effectiveness of the tax
15 credit. The department shall compile and present the report to
16 the revenue stabilization and tax policy committee and the
17 legislative finance committee with an analysis of the cost of
18 the tax credit and whether the tax credit is performing the
19 purpose for which it was created.

20 N. As used in this section:

21 (1) "authority" means the New Mexico finance
22 authority;

23 (2) "department" means the taxation and
24 revenue department;

25 (3) "modified combined tax liability" means

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1 the total liability for the reporting period for the gross
2 receipts tax imposed by Section 7-9-4 NMSA 1978 together with
3 any tax collected at the same time and in the same manner as
4 that gross receipts tax, such as the compensating tax, the
5 withholding tax, the interstate telecommunications gross
6 receipts tax, the surcharges imposed by Section 63-9D-5 NMSA
7 1978 and the surcharge imposed by Section 63-9F-11 NMSA 1978,
8 minus the amount of any credit other than the rural job tax
9 credit applied against any or all of these taxes or surcharges;
10 but "modified combined tax liability" excludes all amounts
11 collected with respect to local option gross receipts taxes;

12 (4) "qualified institution" means a state-
13 chartered financial institution or a nationally chartered
14 financial institution;

15 (5) "qualified investment" means an investment
16 of at least one million dollars (\$1,000,000) in a commercial
17 enterprise project:

18 (a) that is located in a county that is
19 not a class A county;

20 (b) whose purpose is to: 1) manufacture
21 goods for sale; 2) extract natural resources for sale; or 3)
22 process raw materials for sale;

23 (c) that includes the construction of at
24 least one building or the construction of at least one building
25 and the purchase of land or fixed assets, or both;

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1 (d) that is not functionally related or
2 subordinate to another project that has received or will
3 receive a rural infrastructure tax credit; and

4 (e) for which a loan from a qualified
5 institution has closed; and

6 (6) "quantifiable benefits" means economic
7 development as measured by a variety of factors, including
8 increased local hiring, job training, direct and indirect job
9 creation, increased gross receipts tax collection, increased
10 occupancy tax collection, increased property tax collection,
11 increased state corporate and personal income tax collection
12 and increased other fee and revenue collections."

13 SECTION 2. APPLICABILITY.--The provisions of this act
14 apply to taxable years beginning on or after January 1, 2019.

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SENATE BILL

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

INTRODUCED BY

DISCUSSION DRAFT

AN ACT

MAKING AN APPROPRIATION FOR PROCUREMENT OF NEW MEXICO-GROWN
PRODUCE FOR SCHOOL MEALS; DECLARING AN EMERGENCY.

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

SECTION 1. APPROPRIATION.--Three hundred fifty thousand
dollars (\$350,000) is appropriated from the general fund to the
public education department for expenditure in fiscal year 2019
and subsequent fiscal years for the purchase and distribution
of New Mexico-grown fresh fruits and fresh vegetables to school
districts, charter schools and juvenile detention centers
through the department's school meal programs. Any unexpended
or unencumbered balance remaining at the end of a fiscal year
shall not revert to the general fund.

SECTION 2. EMERGENCY.--It is necessary for the public
peace, health and safety that this act take effect immediately.

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SENATE BILL

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

INTRODUCED BY

DISCUSSION DRAFT

AN ACT

RELATING TO PUBLIC HEALTH; CREATING A PILOT PROGRAM TO PROVIDE NEW MEXICO-GROWN FRESH FRUITS AND VEGETABLES TO SENIOR CENTER MEAL PROGRAMS; FUNDING NUTRITION PROGRAMS FOR SENIORS; MAKING AN APPROPRIATION.

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

SECTION 1. [NEW MATERIAL] PILOT PROGRAM--CREATION.--The department of health, in cooperation with city and county governments in New Mexico that operate senior centers, shall establish and operate in fiscal year 2020 the "fresh fruits and vegetables for senior center meals pilot program" to purchase New Mexico-grown fresh fruits and vegetables from farmers' markets, roadside stands and mobile farmers' markets for senior center meal programs approved by the women, infants and children program of the department's public health division.

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1 Within two months following the end of fiscal year 2020, the
2 department of health shall report to the interim legislative
3 health and human services committee regarding the efficacy and
4 accomplishments of the pilot program and shall make
5 recommendations on whether the pilot program should be
6 continued or expanded.

7 SECTION 2. APPROPRIATION.--

8 A. Thirty thousand dollars (\$30,000) is
9 appropriated from the general fund to the department of health
10 for expenditure in fiscal year 2020 to purchase New Mexico-
11 grown fresh fruits and vegetables for the fresh fruits and
12 vegetables for senior center meals pilot program. Any
13 unexpended or unencumbered balance remaining at the end of
14 fiscal year 2020 shall revert to the general fund.

15 B. Four hundred seventy thousand dollars (\$470,000)
16 is appropriated from the general fund to the department of
17 health for expenditure in fiscal year 2020 to provide financial
18 assistance to qualified seniors pursuant to the farmers' market
19 nutrition program, provided that not more than thirty-five
20 thousand dollars (\$35,000) shall be used for program
21 administration or promotion. Any unexpended or unencumbered
22 balance remaining at the end of fiscal year 2020 shall revert
23 to the general fund.

24 SECTION 3. EFFECTIVE DATE.--The effective date of the
25 provisions of this act is July 1, 2019.

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