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AN ACT
RELATING TO TAXATION; AUTHORIZING A MUNICIPAL HIGHER
EDUCATION FACILITIES GROSS RECEIPTS TAX; AUTHORIZING ISSUANCE
OF MUNICIPAL REVENUE BONDS.

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

Section 1. A new section of the Municipal Local Option
Gross Receipts Taxes Act is enacted to read:

"MUNICIPAL HIGHER EDUCATION FACILITIES GROSS RECEIPTS
TAX.--

A. The majority of the members of the governing
body of an eligible municipality may impose by ordinance an
excise tax at a rate not to exceed one-fourth of one percent
of the gross receipts of a person engaging in business in the
municipality for the privilege of engaging in business. The
tax may be imposed in increments of one-sixteenth of one
percent not to exceed an aggregate rate of one-fourth of one
percent. The tax shall be imposed for a period of not more
than twenty years from the effective date of the ordinance
imposing the tax.

B. The tax imposed pursuant to this section may be
referred to as the "municipal higher education facilities
gross receipts tax".

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

1 of this section, shall dedicate the revenue only for:

2 (1) acquisition, construction, renovation or
3 improvement of facilities of a four-year post-secondary
4 public educational institution located in the municipality
5 and acquisition of or improvements to land for those
6 facilities; or

7 (2) payment of municipal higher education
8 facilities gross receipts tax revenue bonds issued pursuant
9 to Chapter 3, Article 31 NMSA 1978.

10 D. An ordinance imposing any increment of the
11 municipal higher education facilities gross receipts tax
12 shall not go into effect until after an election is held and
13 a majority of the voters of the municipality voting in the
14 election votes in favor of imposing the tax. The governing
15 body shall adopt a resolution calling for an election on the
16 question of imposing the tax at the next regular municipal
17 election. The question shall be submitted to the voters of
18 the municipality as a separate question. If a majority of
19 the voters voting on the question approves the ordinance
20 imposing the municipal higher education facilities gross
21 receipts tax, the ordinance shall become effective in
22 accordance with the provisions of the Municipal Local Option
23 Gross Receipts Taxes Act. If the question of imposing the
24 municipal higher education facilities gross receipts tax
25 fails, the governing body shall not again propose the

1 imposition of any increment of the tax for a period of one
2 year from the date of the election.

3 E. For the purposes of this section, "eligible
4 municipality" means a municipality that has a population
5 greater than fifty thousand according to the most recent
6 federal decennial census and that is located in a class B
7 county having a net taxable value for rate-setting purposes
8 for the 2006 property tax year or any subsequent year of more
9 than two billion dollars (\$2,000,000,000)."

10 Section 2. Section 3-31-1 NMSA 1978 (being Laws 1973,
11 Chapter 395, Section 3, as amended) is amended to read:

12 "3-31-1. REVENUE BONDS--AUTHORITY TO ISSUE--PLEDGE OF
13 REVENUES--LIMITATION ON TIME OF ISSUANCE.--In addition to any
14 other law and constitutional home rule powers authorizing a
15 municipality to issue revenue bonds, a municipality may issue
16 revenue bonds pursuant to Chapter 3, Article 31 NMSA 1978 for
17 the purposes specified in this section. The term "pledged
18 revenues", as used in Chapter 3, Article 31 NMSA 1978, means
19 the revenues, net income or net revenues authorized to be
20 pledged to the payment of particular revenue bonds as
21 specifically provided in Subsections A through J of this
22 section.

23 A. Utility revenue bonds may be issued for
24 acquiring, extending, enlarging, bettering, repairing or
25 otherwise improving a municipal utility or for any

1 combination of the foregoing purposes. The municipality may
2 pledge irrevocably any or all of the net revenues from the
3 operation of the municipal utility or of any one or more of
4 other such municipal utilities for payment of the interest on
5 and principal of the revenue bonds. These bonds are
6 sometimes referred to in Chapter 3, Article 31 NMSA 1978 as
7 "utility revenue bonds" or "utility bonds".

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

18 C. For the purposes of this subsection, "gross
19 receipts tax revenue bonds" means gross receipts tax revenue
20 bonds or sales tax revenue bonds. Gross receipts tax revenue
21 bonds may be issued for any one or more of the following
22 purposes:

23 (1) constructing, purchasing, furnishing,
24 equipping, rehabilitating, making additions to or making
25 improvements to one or more public buildings or purchasing or

1 improving any ground relating thereto, including but not
2 necessarily limited to acquiring and improving parking lots,
3 or any combination of the foregoing;

4 (2) acquiring or improving municipal or
5 public parking lots, structures or facilities or any
6 combination of the foregoing;

7 (3) purchasing, acquiring or rehabilitating
8 firefighting equipment or any combination of the foregoing;

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

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

24 (6) purchasing, acquiring, constructing,
25 making additions to, enlarging, bettering, extending or

1 equipping airport facilities or any combination of the
2 foregoing, including without limitation the acquisition of
3 land, easements or rights of way therefor;

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

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

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

18 (10) acquiring, constructing, extending,
19 bettering, repairing or otherwise improving a public transit
20 system or regional transit systems or facilities.

21 The municipality may pledge irrevocably any or all of
22 the gross receipts tax revenue received by the municipality
23 pursuant to Section 7-1-6.4 or 7-1-6.12 NMSA 1978 to the
24 payment of the interest on and principal of the gross
25 receipts tax revenue bonds for any of the purposes authorized

1 in this section or for specific purposes or for any area of
2 municipal government services, including but not limited to
3 those specified in Subsection C of Section 7-19D-9 NMSA 1978,
4 or for public purposes authorized by municipalities having
5 constitutional home rule charters. A law that imposes or
6 authorizes the imposition of a municipal gross receipts tax
7 or that affects the municipal gross receipts tax, or a law
8 supplemental thereto or otherwise appertaining thereto, shall
9 not be repealed or amended or otherwise directly or
10 indirectly modified in such a manner as to impair adversely
11 any outstanding revenue bonds that may be secured by a pledge
12 of such municipal gross receipts tax unless the outstanding
13 revenue bonds have been discharged in full or provision has
14 been fully made therefor.

15 Revenues in excess of the annual principal and interest
16 due on gross receipts tax revenue bonds secured by a pledge
17 of gross receipts tax revenue may be accumulated in a debt
18 service reserve account. The governing body of the
19 municipality may appoint a commercial bank trust department
20 to act as trustee of the gross receipts tax revenue and to
21 administer the payment of principal of and interest on the
22 bonds.

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

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
5 3, 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
10 transferred to the municipality as authorized by Section
11 7-1-6.12 NMSA 1978 for any municipal gross receipts tax
12 imposed pursuant to the Municipal Local Option Gross Receipts
13 Taxes Act. As used in Chapter 3, Article 31 NMSA 1978, the
14 term "bond" means any obligation of a municipality issued
15 under Chapter 3, Article 31 NMSA 1978, whether designated as
16 a bond, note, loan, warrant, debenture, lease-purchase
17 agreement or other instrument evidencing an obligation of a
18 municipality to make payments.

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

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

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

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

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

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

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

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

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

22 I. Economic development gross receipts tax revenue
23 bonds may be issued for the purpose of furthering economic
24 development projects as defined in the Local Economic
25 Development Act. The municipality may pledge irrevocably any

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

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

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

25 K. Except for the purpose of refunding previous

1 revenue bond issues, no municipality may sell revenue bonds
2 payable from pledged revenues after the expiration of two
3 years from the date of the ordinance authorizing the issuance
4 of the bonds or, for bonds to be issued and sold to the New
5 Mexico finance authority as authorized in Subsection C of
6 Section 3-31-4 NMSA 1978, after the expiration of two years
7 from the date of the resolution authorizing the issuance of
8 the bonds. However, any period of time during which a
9 particular revenue bond issue is in litigation shall not be
10 counted in determining the expiration date of that issue."

11 Section 3. EFFECTIVE DATE.--The effective date of the
12 provisions of this act is July 1, 2007. _____

SB 733
Page 14

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