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AN ACT

RELATING TO MUNICIPALITIES; EXTENDING THE REPEAL DATE OF THE
HOSPITALITY FEE ACT; AMENDING LAWS 2003, CHAPTER 417,
SECTION 13.

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

Section 1. Laws 2003, Chapter 417, Section 13 is
amended to read:

"Section 13. DELAYED REPEAL.--The Hospitality Fee Act
is repealed effective July 1, 2028."

Section 2. Section 3-38A-3 NMSA 1978 (being Laws 2003,
Chapter 417, Section 3) is amended to read:

"3-38A-3. HOSPITALITY FEE AUTHORIZED--RATE--PURPOSE.--

A. A municipality may impose by ordinance a
hospitality fee on the gross rent received by proprietors of
tourist accommodations within the municipality in an amount
not to exceed one percent of the gross rent. The fee imposed
by this subsection may be referred to as the "hospitality
fee".

B. Proceeds from the hospitality fee shall be used
as follows:

(1) fifty percent of the proceeds shall be
used to equip and furnish a municipal convention center;

(2) twenty-five percent of the proceeds
shall be used by the municipality to contract to purchase

1 advertising that publicizes and promotes tourist-related
2 attractions, facilities and events in the municipality and
3 the county and tourist facilities or attractions within the
4 area; and

5 (3) twenty-five percent of the proceeds
6 shall be used to extinguish debt incurred by a municipality
7 for a metropolitan court facility."

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