

1 SENATE BILL 397

2 **51ST LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2013**

3 INTRODUCED BY

4 George K. Munoz

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10 AN ACT

11 RELATING TO TAXATION; CLARIFYING THE USE OF LOCAL LIQUOR EXCISE  
12 TAX PROCEEDS; INCREASING THE LOCAL LIQUOR EXCISE TAX RATE.

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

15 SECTION 1. Section 7-24-10 NMSA 1978 (being Laws 1989,  
16 Chapter 326, Section 3) is amended to read:

17 "7-24-10. AUTHORIZATION TO IMPOSE LOCAL LIQUOR EXCISE  
18 TAX--RATE--USE OF PROCEEDS--ELECTION REQUIRED.--

19 A. The majority of the members elected to the  
20 governing body may enact an ordinance imposing on any retailer  
21 an excise tax on the price paid by the retailer for alcoholic  
22 beverages purchased by the retailer upon which the tax imposed  
23 by this section has not been paid. The tax may be imposed at a  
24 rate not to exceed [~~five~~] ten percent, provided that any lower  
25 rate shall be an even multiple of one percent. The tax imposed

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1 under this section may be referred to as the "local liquor  
2 excise tax". Any tax imposed under this section shall be for a  
3 period of not more than three years from the effective date of  
4 the ordinance imposing the tax.

5 B. The governing body at the time of enacting an  
6 ordinance imposing the tax authorized in Subsection A of this  
7 section shall dedicate the revenue to fund educational programs  
8 and prevention and treatment, including social detoxification,  
9 of alcoholism and drug abuse within the county and for no other  
10 purpose. After approval of the imposition of a local liquor  
11 excise tax by the voters but before the effective date of the  
12 ordinance, the governing body shall hold a public meeting for  
13 the purpose of inviting comment on and suggestions for the most  
14 appropriate programs on which to expend the revenue produced by  
15 the tax. The governing body shall invite representatives from  
16 the appropriate Indian tribes, nations and pueblos to the  
17 meeting. If the governing body awards any contract using funds  
18 derived from the local liquor excise tax, it shall do so only  
19 through a selection process requiring submission of sealed bids  
20 or proposals after public notice of the opportunity to submit  
21 the sealed bids or proposals.

22 C. The governing body enacting an ordinance  
23 imposing the local liquor excise tax shall submit the question  
24 of imposing the tax to the qualified voters of the county at a  
25 regular or special election.

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1           D. Only those voters who are registered within the  
2 county shall be permitted to vote. The election shall be  
3 called, conducted and canvassed in substantially the same  
4 manner as provided by law for general elections.

5           E. If at an election called pursuant to this  
6 section [~~a~~] the majority of the voters voting on the question  
7 vote in the affirmative on the question, then the ordinance  
8 imposing the local liquor excise tax shall be approved. If at  
9 such an election [~~a~~] the majority of the voters voting on the  
10 question fail to approve the question, then the ordinance shall  
11 be disapproved and the question required to be submitted by  
12 Subsection B of this section shall not be submitted to the  
13 voters for a period of at least one year from the date of the  
14 election.

15           F. Any ordinance enacted under the provisions of  
16 this section [~~which~~] that imposes a local liquor excise tax or  
17 changes the rate of tax imposed shall include an effective date  
18 [~~which~~] that is the first day of any month [~~which~~] that begins  
19 no earlier than ninety days after the date of the election. A  
20 certified copy of any ordinance imposing a local liquor excise  
21 tax shall be mailed or personally delivered to the department  
22 within five days after the ordinance is certified to have been  
23 approved by the voters.

24           G. Any ordinance repealing the imposition of a tax  
25 under the provisions of this section shall contain an effective

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1 date ~~[which]~~ that is the first day of any month beginning no  
2 earlier than sixty days from the date the ordinance repealing  
3 the tax is adopted by the governing body. A certified copy of  
4 any ordinance repealing a local liquor excise tax shall be  
5 mailed or personally delivered to the department within five  
6 days of the date the ordinance is adopted."

7 SECTION 2. Section 7-24-10.1 NMSA 1978 (being Laws 1992,  
8 Chapter 35, Section 1) is amended to read:

9 "7-24-10.1. USE OF TAX PROCEEDS--LOCAL LIQUOR EXCISE TAX  
10 COMMITTEE--JOINT POWERS AGREEMENT--COMMUNITY PARTICIPATION.--

11 A. Prior to ~~[the]~~ an election on the question of  
12 imposing a local liquor excise tax pursuant to the provisions  
13 of the Local Liquor Excise Tax Act, the governing body of a  
14 county shall enter into a joint powers agreement with the  
15 governing body of the most populated municipality and the  
16 governing bodies of any other municipalities in the county that  
17 choose to be parties to the agreement to provide for the use  
18 and administration of the tax proceeds. The agreement shall  
19 provide for the establishment and appointment of a local liquor  
20 excise tax committee to provide advice, assist in preventing  
21 duplication and supplanting of program funding and make  
22 recommendations to the governing body of ~~[a]~~ the county and the  
23 municipal governing bodies that are parties to the agreement on  
24 the use of the tax proceeds. ~~[and may include agreements that]~~  
25 The agreement shall:

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1 (1) clearly specify the use of the proceeds of  
2 the proposed local liquor excise tax, including the  
3 identification of specific local programs, agencies or entities  
4 that will be funded from the tax proceeds; [~~and~~]

5 (2) determine the allocation of election  
6 expenses among the parties to the agreement;

7 (3) clearly specify that the detoxification  
8 center providing social detoxification treatment with the  
9 highest numbers of adult clients shall receive one million four  
10 hundred thousand dollars (\$1,400,000) or fifty percent of the  
11 proceeds of the proposed local liquor excise tax, whichever is  
12 greater, to provide social detoxification of alcohol and drug  
13 treatment for adults;

14 (4) provide that the remaining proceeds of the  
15 proposed local liquor excise tax shall be used to fund social  
16 detoxification of alcohol and drugs for juveniles and other  
17 prevention and treatment programs as recommended by the local  
18 liquor excise tax committee; and

19 (5) clearly specify that each specific local  
20 program, agency or entity that is funded from the tax proceeds  
21 shall be audited and provide accountability reports, including  
22 an itemized breakdown of expenditures.

23 B. Prior to [~~any~~] the agreement by the governing  
24 body of a county and the municipal governing bodies for use of  
25 the proposed local liquor excise tax proceeds, the local liquor

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1 excise tax committee established pursuant to the [~~joint powers~~  
2 ~~agreement in~~] provisions of Subsection A of this section shall  
3 conduct a public hearing for the purpose of inviting public  
4 comment on use of the proposed local liquor excise tax  
5 proceeds. The committee shall make every effort to provide  
6 public notice of the hearing and to invite a broad cross-  
7 section of community representatives and groups to comment on  
8 community needs. Following the hearing, the committee shall  
9 make its funding recommendations to the governing body of [~~a~~]  
10 the county and the municipal governing bodies."

11 SECTION 3. EFFECTIVE DATE.--The effective date of the  
12 provisions of this act is July 1, 2013.

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