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SENATE BILL 621

52ND LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2015

INTRODUCED BY

George K. Munoz

AN ACT

RELATING TO TAXATION; ELIMINATING THE ANNUAL REDUCTIONS IN THE
HOLD HARMLESS DISTRIBUTIONS TO MUNICIPALITIES AND COUNTIES;
REDUCING A HOLD HARMLESS DISTRIBUTION TO A MUNICIPALITY OR
COUNTY BY THE AMOUNT OF HOLD HARMLESS GROSS RECEIPTS TAX
REVENUE TRANSFERRED TO THE MUNICIPALITY OR COUNTY.

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

SECTION 1. Section 7-1-6.46 NMSA 1978 (being Laws 2004,
Chapter 116, Section 1, as amended) is amended to read:

"7-1-6.46. DISTRIBUTION TO MUNICIPALITIES--OFFSET FOR
FOOD DEDUCTION AND HEALTH CARE PRACTITIONER SERVICES
DEDUCTION.--

~~[A. For a municipality that has not elected to
impose a municipal hold harmless gross receipts tax through an
ordinance and that has a population of less than ten thousand~~

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1 according to the most recent federal decennial census, a
2 distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be
3 made to a municipality in an amount, subject to any increase or
4 decrease made pursuant to Section 7-1-6.15 NMSA 1978, equal to
5 the sum of:

6 (1) the total deductions claimed pursuant to
7 Section 7-9-92 NMSA 1978 for the month by taxpayers from
8 business locations attributable to the municipality multiplied
9 by the sum of the combined rate of all municipal local option
10 gross receipts taxes in effect in the municipality for the
11 month plus one and two hundred twenty-five thousandths percent;
12 and

13 (2) the total deductions claimed pursuant to
14 Section 7-9-93 NMSA 1978 for the month by taxpayers from
15 business locations attributable to the municipality multiplied
16 by the sum of the combined rate of all municipal local option
17 gross receipts taxes in effect in the municipality for the
18 month plus one and two hundred twenty-five thousandths percent.

19 B. For a municipality not described in Subsection A
20 of this section, a distribution pursuant to Section 7-1-6.1
21 NMSA 1978 shall be made to the municipality in an amount,
22 subject to any increase or decrease made pursuant to Section
23 7-1-6.15 NMSA 1978, equal to the sum of:

24 (1) the total deductions claimed pursuant to
25 Section 7-9-92 NMSA 1978 for the month by taxpayers from

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1 ~~business locations attributable to the municipality multiplied~~
2 ~~by the sum of the combined rate of all municipal local option~~
3 ~~gross receipts taxes in effect in the municipality on January~~
4 ~~1, 2007 plus one and two hundred twenty-five thousandths~~
5 ~~percent in the following percentages:~~

6 ~~(a) prior to July 1, 2015, one hundred~~
7 ~~percent;~~

8 ~~(b) on or after July 1, 2015 and prior~~
9 ~~to July 1, 2016, ninety-four percent;~~

10 ~~(c) on or after July 1, 2016 and prior~~
11 ~~to July 1, 2017, eighty-eight percent;~~

12 ~~(d) on or after July 1, 2017 and prior~~
13 ~~to July 1, 2018, eighty-two percent;~~

14 ~~(e) on or after July 1, 2018 and prior~~
15 ~~to July 1, 2019, seventy-six percent;~~

16 ~~(f) on or after July 1, 2019 and prior~~
17 ~~to July 1, 2020, seventy percent;~~

18 ~~(g) on or after July 1, 2020 and prior~~
19 ~~to July 1, 2021, sixty-three percent;~~

20 ~~(h) on or after July 1, 2021 and prior~~
21 ~~to July 1, 2022, fifty-six percent;~~

22 ~~(i) on or after July 1, 2022 and prior~~
23 ~~to July 1, 2023, forty-nine percent;~~

24 ~~(j) on or after July 1, 2023 and prior~~
25 ~~to July 1, 2024, forty-two percent;~~

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1 ~~(k) on or after July 1, 2024 and prior~~
2 ~~to July 1, 2025, thirty-five percent;~~

3 ~~(l) on or after July 1, 2025 and prior~~
4 ~~to July 1, 2026, twenty-eight percent;~~

5 ~~(m) on or after July 1, 2026 and prior~~
6 ~~to July 1, 2027, twenty-one percent;~~

7 ~~(n) on or after July 1, 2027 and prior~~
8 ~~to July 1, 2028, fourteen percent; and~~

9 ~~(o) on or after July 1, 2028 and prior~~
10 ~~to July 1, 2029, seven percent; and~~

11 ~~(2) the total deductions claimed pursuant to~~
12 ~~Section 7-9-93 NMSA 1978 for the month by taxpayers from~~
13 ~~business locations attributable to the municipality multiplied~~
14 ~~by the sum of the combined rate of all municipal local option~~
15 ~~gross receipts taxes in effect in the municipality on January~~
16 ~~1, 2007 plus one and two hundred twenty-five thousandths~~
17 ~~percent in the following percentages:~~

18 ~~(a) prior to July 1, 2015, one hundred~~
19 ~~percent;~~

20 ~~(b) on or after July 1, 2015 and prior~~
21 ~~to July 1, 2016, ninety-four percent;~~

22 ~~(c) on or after July 1, 2016 and prior~~
23 ~~to July 1, 2017, eighty-eight percent;~~

24 ~~(d) on or after July 1, 2017 and prior~~
25 ~~to July 1, 2018, eighty-two percent;~~

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1 ~~(e) on or after July 1, 2018 and prior~~
2 ~~to July 1, 2019, seventy-six percent;~~

3 ~~(f) on or after July 1, 2019 and prior~~
4 ~~to July 1, 2020, seventy percent;~~

5 ~~(g) on or after July 1, 2020 and prior~~
6 ~~to July 1, 2021, sixty-three percent;~~

7 ~~(h) on or after July 1, 2021 and prior~~
8 ~~to July 1, 2022, fifty-six percent;~~

9 ~~(i) on or after July 1, 2022 and prior~~
10 ~~to July 1, 2023, forty-nine percent;~~

11 ~~(j) on or after July 1, 2023 and prior~~
12 ~~to July 1, 2024, forty-two percent;~~

13 ~~(k) on or after July 1, 2024 and prior~~
14 ~~to July 1, 2025, thirty-five percent;~~

15 ~~(l) on or after July 1, 2025 and prior~~
16 ~~to July 1, 2026, twenty-eight percent;~~

17 ~~(m) on or after July 1, 2026 and prior~~
18 ~~to July 1, 2027, twenty-one percent;~~

19 ~~(n) on or after July 1, 2027 and prior~~
20 ~~to July 1, 2028, fourteen percent; and~~

21 ~~(o) on or after July 1, 2028 and prior~~
22 ~~to July 1, 2029, seven percent.]~~

23 A. A distribution pursuant to Section 7-1-6.1 NMSA
24 1978 shall be made to a municipality in an amount, subject to
25 any increase or decrease made pursuant to Section 7-1-6.15 NMSA

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1 1978, equal to the applicable maximum distribution for the
2 municipality, less the amount of any municipal hold harmless
3 gross receipts tax revenue transferred to the municipality
4 pursuant to Section 7-1-6.12 NMSA 1978.

5 B. A distribution made pursuant to the section
6 shall not be less than zero.

7 C. The distribution pursuant to [~~Subsections A and~~
8 ~~B of~~] this section is in lieu of revenue that would have been
9 received by the municipality but for the deductions provided by
10 Sections 7-9-92 and 7-9-93 NMSA 1978. The distribution shall
11 be considered gross receipts tax revenue and shall be used by
12 the municipality in the same manner as gross receipts tax
13 revenue, including payment of gross receipts tax revenue bonds.
14 [~~A distribution pursuant to this section to a municipality not~~
15 ~~described in Subsection A of this section or to a municipality~~
16 ~~that has imposed a gross receipts tax through an ordinance that~~
17 ~~does not provide a deduction contained in the Gross Receipts~~
18 ~~and Compensating Tax Act shall not be made on or after July 1,~~
19 ~~2029.~~

20 ~~D. If the reductions made by this 2013 act to the~~
21 ~~distributions made pursuant to Subsections A and B of this~~
22 ~~section impair the ability of a municipality to meet its~~
23 ~~principal or interest payment obligations for revenue bonds~~
24 ~~that are outstanding prior to July 1, 2013 and that are secured~~
25 ~~by the pledge of all or part of the municipality's revenue from~~

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1 ~~the distribution made pursuant to this section, then the amount~~
2 ~~distributed pursuant to this section to that municipality shall~~
3 ~~be increased by an amount sufficient to meet the required~~
4 ~~payment; provided that the total amount distributed to that~~
5 ~~municipality pursuant to this section does not exceed the~~
6 ~~amount that would have been due that municipality pursuant to~~
7 ~~this section as it was in effect on June 30, 2013.]~~

8 D. A distribution pursuant to this section may be
9 adjusted for a distribution made to a tax increment development
10 district with respect to a portion of a gross receipts tax
11 increment dedicated by a municipality pursuant to the Tax
12 Increment for Development Act.

13 E. For the purposes of this section:

14 (1) "business locations attributable to the
15 municipality" means business locations:

- 16 [~~1~~] (a) within the municipality;
17 [~~2~~] (b) on land owned by the state,
18 commonly known as the "state fairgrounds", within the exterior
19 boundaries of the municipality;
20 [~~3~~] (c) outside the boundaries of the
21 municipality on land owned by the municipality; and
22 [~~4~~] (d) on an Indian reservation or
23 pueblo grant in an area that is contiguous to the municipality
24 and in which the municipality performs services pursuant to a
25 contract between the municipality and the Indian tribe or

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1 Indian pueblo if: [~~(a)~~] 1) the contract describes an area in
2 which the municipality is required to perform services and
3 requires the municipality to perform services that are
4 substantially the same as the services the municipality
5 performs for itself; and [~~(b)~~] 2) the governing body of the
6 municipality has submitted a copy of the contract to the
7 secretary;

8 (2) "maximum distribution" means:

9 (a) for a municipality that has a
10 population of less than ten thousand according to the most
11 recent federal decennial census, the total deductions claimed
12 pursuant to Sections 7-9-92 and 7-9-93 NMSA 1978 for the month
13 by taxpayers from business locations attributable to the
14 municipality multiplied by the sum of the combined rate of all
15 municipal local option gross receipts taxes in effect in the
16 municipality for the month plus one and two hundred twenty-five
17 thousandths percent; and

18 (b) for a municipality that has a
19 population of ten thousand or more according to the most recent
20 federal decennial census, the total deductions claimed pursuant
21 to Sections 7-9-92 and 7-9-93 NMSA 1978 for the month by
22 taxpayers from business locations attributable to the
23 municipality multiplied by the sum of the combined rate of all
24 municipal local option gross receipts taxes in effect in the
25 municipality on January 1, 2007 plus one and two hundred

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1 twenty-five thousandths percent; and

2 (3) "tax revenue" means the net receipts
3 attributable to a municipal hold harmless gross receipts tax.

4 ~~[F. A distribution pursuant to this section may be~~
5 ~~adjusted for a distribution made to a tax increment development~~
6 ~~district with respect to a portion of a gross receipts tax~~
7 ~~increment dedicated by a municipality pursuant to the Tax~~
8 ~~Increment for Development Act.]"~~

9 SECTION 2. Section 7-1-6.47 NMSA 1978 (being Laws 2004,
10 Chapter 116, Section 2, as amended) is amended to read:

11 "7-1-6.47. DISTRIBUTION TO COUNTIES--OFFSET FOR FOOD
12 DEDUCTION AND HEALTH CARE PRACTITIONER SERVICES DEDUCTION.--

13 ~~[A. For a county that has not elected to impose a~~
14 ~~county hold harmless gross receipts tax through an ordinance~~
15 ~~and that has a population of less than forty-eight thousand~~
16 ~~according to the most recent federal decennial census, a~~
17 ~~distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be~~
18 ~~made to a county in an amount, subject to any increase or~~
19 ~~decrease made pursuant to Section 7-1-6.15 NMSA 1978, equal to~~
20 ~~the sum of:~~

21 ~~(1) the total deductions claimed pursuant to~~
22 ~~Section 7-9-92 NMSA 1978 for the month by taxpayers from~~
23 ~~business locations within a municipality in the county~~
24 ~~multiplied by the combined rate of all county local option~~
25 ~~gross receipts taxes in effect for the month that are imposed~~

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1 ~~throughout the county;~~

2 ~~(2) the total deductions claimed pursuant to~~
3 ~~Section 7-9-92 NMSA 1978 for the month by taxpayers from~~
4 ~~business locations in the county but not within a municipality~~
5 ~~multiplied by the combined rate of all county local option~~
6 ~~gross receipts taxes in effect for the month that are imposed~~
7 ~~in the county area not within a municipality;~~

8 ~~(3) the total deductions claimed pursuant to~~
9 ~~Section 7-9-93 NMSA 1978 for the month by taxpayers from~~
10 ~~business locations within a municipality in the county~~
11 ~~multiplied by the combined rate of all county local option~~
12 ~~gross receipts taxes in effect for the month that are imposed~~
13 ~~throughout the county; and~~

14 ~~(4) the total deductions claimed pursuant to~~
15 ~~Section 7-9-93 NMSA 1978 for the month by taxpayers from~~
16 ~~business locations in the county but not within a municipality~~
17 ~~multiplied by the combined rate of all county local option~~
18 ~~gross receipts taxes in effect for the month that are imposed~~
19 ~~in the county area not within a municipality.~~

20 ~~B. For a county not described in Subsection A of~~
21 ~~this section, a distribution pursuant to Section 7-1-6.1 NMSA~~
22 ~~1978 shall be made to the county in an amount, subject to any~~
23 ~~increase or decrease made pursuant to Section 7-1-6.15 NMSA~~
24 ~~1978, equal to the sum of:~~

25 ~~(1) the total deductions claimed pursuant to~~

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1 ~~Section 7-9-92 NMSA 1978 for the month by taxpayers from~~
2 ~~business locations within a municipality in the county~~
3 ~~multiplied by the combined rate of all county local option~~
4 ~~gross receipts taxes in effect on January 1, 2007 that are~~
5 ~~imposed throughout the county in the following percentages:~~

6 ~~(a) prior to July 1, 2015, one hundred~~
7 ~~percent;~~

8 ~~(b) on or after July 1, 2015 and prior~~
9 ~~to July 1, 2016, ninety-four percent;~~

10 ~~(c) on or after July 1, 2016 and prior~~
11 ~~to July 1, 2017, eighty-eight percent;~~

12 ~~(d) on or after July 1, 2017 and prior~~
13 ~~to July 1, 2018, eighty-two percent;~~

14 ~~(e) on or after July 1, 2018 and prior~~
15 ~~to July 1, 2019, seventy-six percent;~~

16 ~~(f) on or after July 1, 2019 and prior~~
17 ~~to July 1, 2020, seventy percent;~~

18 ~~(g) on or after July 1, 2020 and prior~~
19 ~~to July 1, 2021, sixty-three percent;~~

20 ~~(h) on or after July 1, 2021 and prior~~
21 ~~to July 1, 2022, fifty-six percent;~~

22 ~~(i) on or after July 1, 2022 and prior~~
23 ~~to July 1, 2023, forty-nine percent;~~

24 ~~(j) on or after July 1, 2023 and prior~~
25 ~~to July 1, 2024, forty-two percent;~~

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1 ~~(k) on or after July 1, 2024 and prior~~
2 ~~to July 1, 2025, thirty-five percent;~~

3 ~~(l) on or after July 1, 2025 and prior~~
4 ~~to July 1, 2026, twenty-eight percent;~~

5 ~~(m) on or after July 1, 2026 and prior~~
6 ~~to July 1, 2027, twenty-one percent;~~

7 ~~(n) on or after July 1, 2027 and prior~~
8 ~~to July 1, 2028, fourteen percent; and~~

9 ~~(o) on or after July 1, 2028 and prior~~
10 ~~to July 1, 2029, seven percent;~~

11 ~~(2) the total deductions claimed pursuant to~~
12 ~~Section 7-9-92 NMSA 1978 for the month by taxpayers from~~
13 ~~business locations in the county but not within a municipality~~
14 ~~multiplied by the combined rate of all county local option~~
15 ~~gross receipts taxes in effect on January 1, 2007 that are~~
16 ~~imposed in the county area not within a municipality in the~~
17 ~~following percentages:~~

18 ~~(a) prior to July 1, 2015, one hundred~~
19 ~~percent;~~

20 ~~(b) on or after July 1, 2015 and prior~~
21 ~~to July 1, 2016, ninety-four percent;~~

22 ~~(c) on or after July 1, 2016 and prior~~
23 ~~to July 1, 2017, eighty-eight percent;~~

24 ~~(d) on or after July 1, 2017 and prior~~
25 ~~to July 1, 2018, eighty-two percent;~~

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1 ~~(e) on or after July 1, 2018 and prior~~
2 ~~to July 1, 2019, seventy-six percent;~~

3 ~~(f) on or after July 1, 2019 and prior~~
4 ~~to July 1, 2020, seventy percent;~~

5 ~~(g) on or after July 1, 2020 and prior~~
6 ~~to July 1, 2021, sixty-three percent;~~

7 ~~(h) on or after July 1, 2021 and prior~~
8 ~~to July 1, 2022, fifty-six percent;~~

9 ~~(i) on or after July 1, 2022 and prior~~
10 ~~to July 1, 2023, forty-nine percent;~~

11 ~~(j) on or after July 1, 2023 and prior~~
12 ~~to July 1, 2024, forty-two percent;~~

13 ~~(k) on or after July 1, 2024 and prior~~
14 ~~to July 1, 2025, thirty-five percent;~~

15 ~~(l) on or after July 1, 2025 and prior~~
16 ~~to July 1, 2026, twenty-eight percent;~~

17 ~~(m) on or after July 1, 2026 and prior~~
18 ~~to July 1, 2027, twenty-one percent;~~

19 ~~(n) on or after July 1, 2027 and prior~~
20 ~~to July 1, 2028, fourteen percent; and~~

21 ~~(o) on or after July 1, 2028 and prior~~
22 ~~to July 1, 2029, seven percent;~~

23 ~~(3) the total deductions claimed pursuant to~~
24 ~~Section 7-9-93 NMSA 1978 for the month by taxpayers from~~
25 ~~business locations within a municipality in the county~~

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1 ~~multiplied by the combined rate of all county local option~~
2 ~~gross receipts taxes in effect on January 1, 2007 that are~~
3 ~~imposed throughout the county in the following percentages:~~

4 ~~(a) prior to July 1, 2015, one hundred~~
5 ~~percent;~~

6 ~~(b) on or after July 1, 2015 and prior~~
7 ~~to July 1, 2016, ninety-four percent;~~

8 ~~(c) on or after July 1, 2016 and prior~~
9 ~~to July 1, 2017, eighty-eight percent;~~

10 ~~(d) on or after July 1, 2017 and prior~~
11 ~~to July 1, 2018, eighty-two percent;~~

12 ~~(e) on or after July 1, 2018 and prior~~
13 ~~to July 1, 2019, seventy-six percent;~~

14 ~~(f) on or after July 1, 2019 and prior~~
15 ~~to July 1, 2020, seventy percent;~~

16 ~~(g) on or after July 1, 2020 and prior~~
17 ~~to July 1, 2021, sixty-three percent;~~

18 ~~(h) on or after July 1, 2021 and prior~~
19 ~~to July 1, 2022, fifty-six percent;~~

20 ~~(i) on or after July 1, 2022 and prior~~
21 ~~to July 1, 2023, forty-nine percent;~~

22 ~~(j) on or after July 1, 2023 and prior~~
23 ~~to July 1, 2024, forty-two percent;~~

24 ~~(k) on or after July 1, 2024 and prior~~
25 ~~to July 1, 2025, thirty-five percent;~~

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1 ~~(l) on or after July 1, 2025 and prior~~
2 ~~to July 1, 2026, twenty-eight percent;~~

3 ~~(m) on or after July 1, 2026 and prior~~
4 ~~to July 1, 2027, twenty-one percent;~~

5 ~~(n) on or after July 1, 2027 and prior~~
6 ~~to July 1, 2028, fourteen percent; and~~

7 ~~(o) on or after July 1, 2028 and prior~~
8 ~~to July 1, 2029, seven percent; and~~

9 ~~(4) the total deductions claimed pursuant to~~
10 ~~Section 7-9-93 NMSA 1978 for the month by taxpayers from~~
11 ~~business locations in the county but not within a municipality~~
12 ~~multiplied by the combined rate of all county local option~~
13 ~~gross receipts taxes in effect on January 1, 2007 that are~~
14 ~~imposed in the county area not within a municipality in the~~
15 ~~following percentages:~~

16 ~~(a) prior to July 1, 2015, one hundred~~
17 ~~percent;~~

18 ~~(b) on or after July 1, 2015 and prior~~
19 ~~to July 1, 2016, ninety-four percent;~~

20 ~~(c) on or after July 1, 2016 and prior~~
21 ~~to July 1, 2017, eighty-eight percent;~~

22 ~~(d) on or after July 1, 2017 and prior~~
23 ~~to July 1, 2018, eighty-two percent;~~

24 ~~(e) on or after July 1, 2018 and prior~~
25 ~~to July 1, 2019, seventy-six percent;~~

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1 ~~(f) on or after July 1, 2019 and prior~~
2 ~~to July 1, 2020, seventy percent;~~

3 ~~(g) on or after July 1, 2020 and prior~~
4 ~~to July 1, 2021, sixty-three percent;~~

5 ~~(h) on or after July 1, 2021 and prior~~
6 ~~to July 1, 2022, fifty-six percent;~~

7 ~~(i) on or after July 1, 2022 and prior~~
8 ~~to July 1, 2023, forty-nine percent;~~

9 ~~(j) on or after July 1, 2023 and prior~~
10 ~~to July 1, 2024, forty-two percent;~~

11 ~~(k) on or after July 1, 2024 and prior~~
12 ~~to July 1, 2025, thirty-five percent;~~

13 ~~(l) on or after July 1, 2025 and prior~~
14 ~~to July 1, 2026, twenty-eight percent;~~

15 ~~(m) on or after July 1, 2026 and prior~~
16 ~~to July 1, 2027, twenty-one percent;~~

17 ~~(n) on or after July 1, 2027 and prior~~
18 ~~to July 1, 2028, fourteen percent; and~~

19 ~~(o) on or after July 1, 2028 and prior~~
20 ~~to July 1, 2029, seven percent.]~~

21 A. A distribution pursuant to Section 7-1-6.1 NMSA
22 1978 shall be made to a county in an amount, subject to any
23 increase or decrease made pursuant to Section 7-1-6.15 NMSA
24 1978, equal to the applicable maximum distribution for the
25 county, less the amount of any county hold harmless gross

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1 receipts tax revenue transferred to the county pursuant to
2 Section 7-1-6.13 NMSA 1978.

3 B. A distribution made pursuant to this section
4 shall not be less than zero.

5 C. The distribution pursuant to [~~Subsections A and~~
6 ~~B of~~] this section is in lieu of revenue that would have been
7 received by the county but for the deductions provided by
8 Sections 7-9-92 and 7-9-93 NMSA 1978. The distribution shall
9 be considered gross receipts tax revenue and shall be used by
10 the county in the same manner as gross receipts tax revenue,
11 including payment of gross receipts tax revenue bonds. [A
12 ~~distribution pursuant to this section to a county not described~~
13 ~~in Subsection A of this section or to a county that has imposed~~
14 ~~a gross receipts tax through an ordinance that does not provide~~
15 ~~a deduction contained in the Gross Receipts and Compensating~~
16 ~~Tax Act shall not be made on or after July 1, 2029.~~

17 ~~D. If the reductions made by this 2013 act to the~~
18 ~~distributions made pursuant to Subsections A and B of this~~
19 ~~section impair the ability of a county to meet its principal or~~
20 ~~interest payment obligations for revenue bonds that are~~
21 ~~outstanding prior to July 1, 2013 and that are secured by the~~
22 ~~pledge of all or part of the county's revenue from the~~
23 ~~distribution made pursuant to this section, then the amount~~
24 ~~distributed pursuant to this section to that county shall be~~
25 ~~increased by an amount sufficient to meet the required payment;~~

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1 ~~provided that the total amount distributed to that county~~
2 ~~pursuant to this section does not exceed the amount that would~~
3 ~~have been due that county pursuant to this section as it was in~~
4 ~~effect on June 30, 2013.~~

5 ~~E.]~~ D. A distribution pursuant to this section may
6 be adjusted for a distribution made to a tax increment
7 development district with respect to a portion of a gross
8 receipts tax increment dedicated by a county pursuant to the
9 Tax Increment for Development Act.

10 E. For purposes of this section:

11 (1) "maximum distribution" means:

12 (a) for counties that have a population
13 of less than forty-eight thousand according to the most recent
14 federal decennial census, the sum of: 1) the total deductions
15 claimed pursuant to Sections 7-9-92 and 7-9-93 NMSA 1978 for
16 the month by taxpayers from business locations within a
17 municipality in the county multiplied by the combined rate of
18 all county local option gross receipts taxes in effect for the
19 month that are imposed throughout the county; and 2) the total
20 deductions claimed pursuant to Sections 7-9-92 and 7-9-93 NMSA
21 1978 for the month by taxpayers from business locations in the
22 county but not within a municipality multiplied by the combined
23 rate of all county local option gross receipts taxes in effect
24 for the month that are imposed in the county area not within a
25 municipality; and

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1 (b) for counties that have a population
2 of forty-eight thousand or more according to the most recent
3 federal decennial census, the sum of: 1) the total deductions
4 claimed pursuant to Sections 7-9-92 and 7-9-93 NMSA 1978 for
5 the month by taxpayers from business locations within a
6 municipality in the county multiplied by the combined rate of
7 all county local option gross receipts taxes in effect on
8 January 1, 2007 that are imposed throughout the county; and 2)
9 the total deductions claimed pursuant to Sections 7-9-92 and
10 7-9-93 NMSA 1978 for the month by taxpayers from business
11 locations in the county but not within a municipality
12 multiplied by the combined rate of all county local option
13 gross receipts taxes in effect on January 1, 2007 that are
14 imposed in the county area not within a municipality; and

15 (2) "tax revenue" means the net receipts
16 attributable to a county hold harmless gross receipts tax."

17 **SECTION 3. EFFECTIVE DATE.**--The effective date of the
18 provisions of this act is July 1, 2015.