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HOUSE BILL 192

52ND LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2016

INTRODUCED BY

Candy Spence Ezzell and Bob Wooley

AN ACT

RELATING TO TAXATION; ALLOWING MUNICIPALITIES AND COUNTIES TO
USE A PORTION OF LODGERS' TAX REVENUE TO PROVIDE A REQUIRED
MINIMUM REVENUE GUARANTEE FOR AIR SERVICE TO THE MUNICIPALITY
OR COUNTY TO INCREASE THE ABILITY OF TOURISTS TO MORE EASILY
ACCESS THE MUNICIPALITY'S OR COUNTY'S TOURIST-RELATED
FACILITIES, ATTRACTIONS AND EVENTS.

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

SECTION 1. Section 3-38-21 NMSA 1978 (being Laws 1969,
Chapter 199, Section 9, as amended) is amended to read:

"3-38-21. ELIGIBLE USES OF TAX PROCEEDS.--

A. Subject to the limitations contained in Section
3-38-15 NMSA 1978, a municipality or county imposing an
occupancy tax may use the proceeds from the occupancy tax to
defray costs of:

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1 [~~A-~~] (1) collecting and otherwise
2 administering the occupancy tax, including the performance of
3 audits required by the Lodgers' Tax Act pursuant to guidelines
4 issued by the department of finance and administration;

5 [~~B-~~] (2) establishing, operating, purchasing,
6 constructing, otherwise acquiring, reconstructing, extending,
7 improving, equipping, furnishing or acquiring real property or
8 any interest in real property for the site or grounds for
9 tourist-related facilities and attractions or tourist-related
10 transportation systems of the municipality, the county in which
11 the municipality is located or the county;

12 [~~C-~~] (3) the principal of and interest on any
13 prior redemption premiums due in connection with and any other
14 charges pertaining to revenue bonds authorized by Section
15 3-38-23 or 3-38-24 NMSA 1978;

16 [~~D-~~] (4) advertising, publicizing and
17 promoting tourist-related attractions, facilities and events of
18 the municipality or county and [~~tourist~~] tourist-related
19 facilities, [~~or~~] attractions and events within the area;

20 [~~E-~~] (5) providing police and fire protection
21 and sanitation service for tourist-related [~~events~~] facilities,
22 [~~and~~] attractions and events located in the respective
23 municipality or county; [~~or~~]

24 (6) providing a required minimum revenue
25 guarantee for air service to the municipality or county to

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1 increase the ability of tourists to easily access the
2 municipality's or county's tourist-related facilities,
3 attractions and events; or

4 [F-] (7) any combination of the foregoing
5 purposes or transactions stated in this section, but for no
6 other municipal or county purpose.

7 B. As used in this section, "minimum revenue
8 guarantee" is the amount of money guaranteed by a municipality
9 or county to be earned by an airline providing air services to
10 and from that municipality or county, which is the difference
11 between the minimum flight charge revenue specified in the
12 contract between the municipality or county and the airline and
13 the amount of actual flight charge revenue received by the
14 airline that is less than that contractual amount."

15 SECTION 2. Section 3-38-23 NMSA 1978 (being Laws 1969,
16 Chapter 199, Section 10, as amended) is amended to read:

17 "3-38-23. REVENUE BONDS.--

18 A. Revenue bonds may be issued at any time or from
19 time to time by a municipality or county to defray wholly or in
20 part the costs of any one, all or any combination of purposes
21 authorized in [~~Subsections B through E~~] Paragraphs (2) through
22 (5) of Subsection A of Section 3-38-21 NMSA 1978.

23 B. The revenue bonds may be payable from and such
24 payment may be secured by a pledge of and lien on the revenues
25 derived from:

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1 (1) the proceeds of the occupancy tax of the
2 municipality or county after the deduction of those amounts
3 required to be expended pursuant to [~~Subsections~~] Subsection D
4 [~~and E~~] of Section 3-38-15 NMSA 1978 and the administration
5 costs pertaining to the occupancy tax in an amount not to
6 exceed ten percent of the occupancy tax receipts collected by
7 the municipality or county in any fiscal year, excluding from
8 the computation of such costs the administration costs
9 ultimately recovered from delinquent vendors by civil action as
10 penalties, costs of collection and [~~attorneys'~~] attorney fees
11 but not as interest on unpaid principal;

12 (2) the tourist-related facilities and
13 attractions or tourist-related transportation systems to which
14 the bonds pertain, after provision is made for the payment of
15 the operation and maintenance expenses of [~~such~~] the tourist-
16 related facilities and attractions or tourist-related
17 transportation systems; or

18 (3) a combination of such net revenues from
19 both sources designated in Paragraphs (1) and (2) of this
20 subsection.

21 C. The bonds shall bear interest at a rate [~~or~~
22 ~~rates~~] as authorized in the Public Securities Act, and the
23 first interest payment may be for any period authorized in the
24 Public Securities Act.

25 D. Except as otherwise provided in the Lodgers' Tax

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1 Act, revenue bonds authorized in the Lodgers' Tax Act shall be
2 issued in accordance with the provisions of Sections 3-31-2
3 through 3-31-6 NMSA 1978."

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