

State of New Mexico
House of Representatives

FIFTY-THIRD LEGISLATURE
FIRST SESSION

February 22, 2017

HOUSE FLOOR AMENDMENT number 1 to HOUSE TAXATION AND REVENUE
COMMITTEE SUBSTITUTE FOR
HOUSE BILL 202

Amendment sponsored by Representative Carl Trujillo

1. On page 2, line 10, after the semicolon, insert "REDUCING THE MAXIMUM HOLD HARMLESS GROSS RECEIPTS TAX RATE TO ONE-FOURTH PERCENT FOR CERTAIN MUNICIPALITIES AND COUNTIES;".

2. On page 2, line 17, strike the second occurrence of "THE", strike line 18 up to the period and insert in lieu thereof "A DISTRIBUTION RELATED TO THAT CREDIT".

3. On page 42, lines 11 and 12, strike "ENTITIES LICENSED BY THE DEPARTMENT OF HEALTH" and insert in lieu thereof "HOSPITALS".

4. On page 42, line 13, remove the brackets and line-through and strike "an" and on lines 14 and 15, strike the underscored language.

5. On page 48, between lines 19 and 20, insert the following sections:

"SECTION 19. Section 7-19D-18 NMSA 1978 (being Laws 2013, Chapter 160, Section 11) is amended to read:

"7-19D-18. MUNICIPAL HOLD HARMLESS GROSS RECEIPTS TAX.--

A. The majority of the members of the governing body of [any] a municipality may impose by ordinance an excise tax [~~not to exceed a rate of three-eighths percent~~] at the rates provided in Subsection B of this section of the gross receipts of any person engaging in business in the municipality for the privilege of

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engaging in business in the municipality. A tax imposed pursuant to this section shall be imposed by the enactment of one or more ordinances, each imposing any number of gross receipts tax rate increments [~~but the total gross receipts tax rate imposed by all ordinances pursuant to this section shall not exceed an aggregate rate of three-eighths percent of the gross receipts of a person engaging in business. Municipalities may impose increments of one-eighth of one percent.~~

~~B.] of one-eighth percent.~~ The tax imposed [~~pursuant to Subsection A of]~~ by this section may be referred to as the "municipal hold harmless gross receipts tax". The imposition of a municipal hold harmless gross receipts tax is not subject to referendum.

B. If, on July 1, 2017, a municipality has in effect a municipal hold harmless gross receipts tax at a rate of:

(1) three-eighths percent, then the municipality may continue to impose the municipal hold harmless gross receipts tax at three-eighths percent; provided that if the municipality reduces the imposition of the rate to one-fourth percent or less, the municipality shall be subject to the limitations provided in Paragraph (2) of this subsection; and

(2) one-fourth percent or less, then the municipality shall not impose the municipal hold harmless gross receipts tax at a rate in excess of one-fourth percent.

C. The governing body of a municipality may, at the time of enacting an ordinance imposing the tax authorized [~~in Subsection A of]~~ by this section, dedicate the revenue for a specific purpose or area of municipal government services, including but not limited to police protection, fire protection, public transportation or street repair and maintenance. If the governing body proposes to dedicate such revenue, the ordinance and any revenue so dedicated

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shall be used by the municipality for that purpose unless a subsequent ordinance is adopted to change the purpose to which the revenue is dedicated or to place the revenue in the general fund of the municipality.

D. Any law that imposes or authorizes the imposition of a municipal hold harmless gross receipts tax or that affects the municipal hold harmless gross receipts tax, or any law supplemental thereto or otherwise appertaining thereto, shall not be repealed or amended or otherwise directly or indirectly modified in such a manner as to impair adversely any outstanding revenue bonds that may be secured by a pledge of such municipal hold harmless gross receipts tax unless such outstanding revenue bonds have been discharged in full or provision has been fully made therefor."

SECTION 20. Section 7-20E-28 NMSA 1978 (being Laws 2013, Chapter 160, Section 12) is amended to read:

"7-20E-28. COUNTY HOLD HARMLESS GROSS RECEIPTS TAX.--

A. The majority of the members of the governing body of [any] a county may impose by ordinance an excise tax [~~not to exceed a rate of three-eighths percent~~] at the rates provided in Subsection B of this section of the gross receipts of any person engaging in business in the county for the privilege of engaging in business in the county. A tax imposed pursuant to this section shall be imposed by the enactment of one or more ordinances, each imposing any number of gross receipts tax rate increments [~~but the total gross receipts tax rate imposed by all ordinances pursuant to this section shall not exceed an aggregate rate of three-eighths percent of the gross receipts of a person engaging in business. Counties may impose increments of one-eighth of one percent.~~

B.] of one-eighth percent. The tax imposed [~~pursuant to Subsection A of~~] by this section may be referred to as the "county hold harmless gross receipts tax". The imposition of a county hold

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harmless gross receipts tax is not subject to referendum.

B. If, on July 1, 2017, a county has in effect a county hold harmless gross receipts tax at a rate of:

(1) three-eighths percent, then the county may continue to impose the county hold harmless gross receipts tax at three-eighths percent; provided that, if the county reduces the imposition of the rate to one-fourth percent or less, the county shall be subject to the limitations provided in Paragraph (2) of this subsection; and

(2) one-fourth percent or less, then the county shall not impose the county hold harmless gross receipts tax at a rate in excess of one-fourth percent.

C. The governing body of a county may, at the time of enacting an ordinance imposing the tax authorized [~~in Subsection A of~~] by this section, dedicate the revenue for a specific purpose or area of county government services, including but not limited to police protection, fire protection, public transportation or street repair and maintenance. If the governing body proposes to dedicate such revenue, the ordinance and any revenue so dedicated shall be used by the county for that purpose unless a subsequent ordinance is adopted to change the purpose to which the revenue is dedicated or to place the revenue in the general fund of the county.

D. Any law that imposes or authorizes the imposition of a county hold harmless gross receipts tax or that affects the county hold harmless gross receipts tax, or any law supplemental thereto or otherwise appertaining thereto, shall not be repealed or amended or otherwise directly or indirectly modified in such a manner as to impair adversely any outstanding revenue bonds that may be secured by a pledge of such county hold harmless gross receipts tax unless such outstanding revenue bonds have been discharged in full or provision has been fully made therefor."".

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6. Renumber the succeeding sections accordingly.
7. On page 49, line 4, strike "7-9-60" and insert in lieu thereof "7-1-6.57".
8. On page 49, line 5, strike "Laws 1970, Chapter 12, Section 4" and insert in lieu thereof "Laws 2007, Chapter 361, Section 1".

Carl Trujillo

Adopted _____ Not Adopted _____
(Chief Clerk) (Chief Clerk)

Date _____