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HOUSE BILL 595

**54TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2019**

INTRODUCED BY

Patricio Ruiloba

AN ACT

RELATING TO TAXATION; PROVIDING FOR A REMITTANCE OF A PORTION OF GOVERNMENTAL GROSS RECEIPTS TAX TO AGENCIES, INSTITUTIONS, INSTRUMENTALITIES AND POLITICAL SUBDIVISIONS; AMENDING SECTION 6-21-6.1 NMSA 1978 (BEING LAWS 1994, CHAPTER 145, SECTION 2, AS AMENDED) AND SECTION 7-1-6.38 NMSA 1978 (BEING LAWS 1994, CHAPTER 145, SECTION 1, AS AMENDED).

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

**SECTION 1.** Section 6-21-6.1 NMSA 1978 (being Laws 1994, Chapter 145, Section 2, as amended) is amended to read:

"6-21-6.1. PUBLIC PROJECT REVOLVING FUND--APPROPRIATIONS TO OTHER FUNDS.--

A. The authority and the department of environment may enter into a joint powers agreement pursuant to the Joint Powers Agreements Act for the purpose of describing and

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1 allocating duties and responsibilities with respect to creation  
2 of an integrated loan and grant program to be financed through  
3 issuance of bonds payable from the public project revolving  
4 fund. The bonds may be issued in installments or at one time  
5 by the authority in amounts authorized by law. The aggregate  
6 amount of bonds authorized and outstanding pursuant to this  
7 subsection shall not be greater than the amount of bonds that  
8 may be annually repaid from an amount not to exceed thirty-five  
9 percent of the governmental gross receipts tax proceeds  
10 distributed to the public project revolving fund in the  
11 preceding fiscal year. The net proceeds may be used for  
12 purposes of the [~~water and wastewater~~] local government  
13 planning fund and the water and wastewater project grant fund  
14 as specified in the New Mexico Finance Authority Act or for  
15 purposes of the Wastewater Facility Construction Loan Act, the  
16 Rural Infrastructure Act, the Solid Waste Act or the Drinking  
17 Water State Revolving Loan Fund Act.

18 B. Public projects funded pursuant to the  
19 Wastewater Facility Construction Loan Act, the Rural  
20 Infrastructure Act, the Solid Waste Act or the Drinking Water  
21 State Revolving Loan Fund Act shall not require specific  
22 authorization by law as required in Sections 6-21-6 and 6-21-8  
23 NMSA 1978.

24 C. At the end of each fiscal year, after all debt  
25 service charges, replenishment of reserves and administrative

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1 costs on all outstanding bonds, notes or other obligations  
2 payable from the public project revolving fund are satisfied,  
3 an aggregate amount not to exceed thirty-five percent of the  
4 governmental gross receipts tax proceeds distributed to the  
5 public project revolving fund in the preceding fiscal year less  
6 all debt service charges and administrative costs of the  
7 authority paid in the preceding fiscal year on bonds issued  
8 pursuant to this section may be appropriated by the legislature  
9 from the public project revolving fund to the following funds  
10 for local infrastructure financing:

11 (1) the wastewater facility construction loan  
12 fund for purposes of the Wastewater Facility Construction Loan  
13 Act;

14 (2) the rural infrastructure revolving loan  
15 fund for purposes of the Rural Infrastructure Act;

16 (3) the solid waste facility grant fund for  
17 purposes of the Solid Waste Act;

18 (4) the drinking water state revolving loan  
19 fund for purposes of the Drinking Water State Revolving Loan  
20 Fund Act;

21 (5) the water and wastewater project grant  
22 fund for purposes specified in the New Mexico Finance Authority  
23 Act; or

24 (6) the ~~[water and wastewater]~~ local  
25 government planning fund for purposes specified in the New

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1 Mexico Finance Authority Act.

2 D. The authority and the department of environment  
3 in coordination with the New Mexico finance authority oversight  
4 committee may recommend annually to each regular session of the  
5 legislature amounts to be appropriated to the funds listed in  
6 Subsection C of this section for local infrastructure  
7 financing.

8 E. Annually, within sixty days of the conclusion of  
9 the authority's fiscal year, and after payment of all debt  
10 service charges, replenishment of reserves and administrative  
11 costs on all outstanding bonds, notes or other obligations  
12 payable from the public project revolving loan fund outstanding  
13 and owed in that fiscal year, the authority shall remit to the  
14 taxation and revenue department sixty-five percent of remaining  
15 governmental gross receipts tax revenues received by the  
16 authority in that fiscal year pursuant to Section 7-1-6.38 NMSA  
17 1978. The taxation and revenue department shall refund the  
18 remitted governmental gross receipts tax revenues to each  
19 agency, institution, instrumentality and political subdivision  
20 of the state that paid governmental gross receipts tax revenues  
21 during that fiscal year in an amount equal to each entity's  
22 percentage of the total governmental gross receipts revenues  
23 paid in that fiscal year. The authority shall annually provide  
24 to the taxation and revenue department a written accounting of  
25 its expenditure of governmental gross receipts tax revenues

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1 during the preceding fiscal year at the time of remittance of  
2 governmental gross receipts tax revenues to the taxation and  
3 revenue department."

4 SECTION 2. Section 7-1-6.38 NMSA 1978 (being Laws 1994,  
5 Chapter 145, Section 1, as amended) is amended to read:

6 "7-1-6.38. DISTRIBUTION--GOVERNMENTAL GROSS RECEIPTS  
7 TAX.--

8 A. A distribution pursuant to Section 7-1-6.1 NMSA  
9 1978 shall be made to the public project revolving fund  
10 administered by the New Mexico finance authority in an amount  
11 equal to seventy-five percent of the net receipts attributable  
12 to the governmental gross receipts tax.

13 B. A distribution pursuant to Section 7-1-6.1 NMSA  
14 1978 shall be made to the energy, minerals and natural  
15 resources department in an amount equal to twenty-four percent  
16 of the net receipts attributable to the governmental gross  
17 receipts tax. Forty-one and two-thirds percent of the  
18 distribution is appropriated to the energy, minerals and  
19 natural resources department to implement the provisions of the  
20 New Mexico Youth Conservation Corps Act and fifty-eight and  
21 one-third percent of the distribution is appropriated to the  
22 energy, minerals and natural resources department for state  
23 park and recreation area capital improvements, including the  
24 costs of planning, engineering, design, construction,  
25 renovation, repair, equipment and furnishings.

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1 C. A distribution pursuant to Section 7-1-6.1 NMSA  
2 1978 shall be made to the [~~office of~~] cultural affairs  
3 department in an amount equal to one percent of the net  
4 receipts attributable to the governmental gross receipts tax  
5 for capital improvements at state museums and monuments  
6 administered by the [~~office of~~] cultural affairs department.

7 D. The state pledges to and agrees with the holders  
8 of any bonds or notes issued by the New Mexico finance  
9 authority or by the energy, minerals and natural resources  
10 department and payable from the net receipts attributable to  
11 the governmental gross receipts tax distributed to the New  
12 Mexico finance authority or the energy, minerals and natural  
13 resources department pursuant to this section that the state  
14 will not limit, reduce or alter the distribution of the net  
15 receipts attributable to the governmental gross receipts tax to  
16 the New Mexico finance authority or the energy, minerals and  
17 natural resources department or limit, reduce or alter the rate  
18 of imposition of the governmental gross receipts tax until the  
19 bonds or notes together with the interest thereon are fully met  
20 and discharged. The New Mexico finance authority and the  
21 energy, minerals and natural resources department are  
22 authorized to include this pledge and agreement of the state in  
23 any agreement with the holders of the bonds or notes.

24 E. Annually, within sixty days of the conclusion of  
25 the New Mexico finance authority's fiscal year, and after

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1 payment of all principal, interest, premiums and expenses and  
2 replenishment of reasonably required debt service reserve funds  
3 on all public project revolving loan fund bonds, notes or  
4 obligations outstanding and owed in that fiscal year, the New  
5 Mexico finance authority shall remit to the taxation and  
6 revenue department sixty-five percent of remaining governmental  
7 gross receipts tax revenues received by the New Mexico finance  
8 authority in that fiscal year pursuant to Subsection A of this  
9 section. The taxation and revenue department shall refund the  
10 remitted governmental gross receipts tax revenues to each  
11 agency, institution, instrumentality and political subdivision  
12 of the state that paid governmental gross receipts tax revenues  
13 during that fiscal year in an amount equal to each entity's  
14 percentage of the total governmental gross receipts revenues  
15 paid in that fiscal year. The New Mexico finance authority  
16 shall annually provide to the taxation and revenue department a  
17 written accounting of its expenditure of governmental gross  
18 receipts tax revenues during the preceding fiscal year at the  
19 time of remittance of governmental gross receipts tax revenues  
20 to the taxation and revenue department."