

FIFTY-FIFTH LEGISLATURE
FIRST SESSION

February 25, 2021

SENATE FLOOR AMENDMENT number 1 to SENATE TAX, BUSINESS AND
TRANSPORTATION COMMITTEE
SUBSTITUTE FOR SENATE
HEALTH AND PUBLIC AFFAIRS
COMMITTEE SUBSTITUTE FOR
SENATE BILL 49

Amendment sponsored by Senator Jacob R. Candelaria

1. On page 1, lines 12 through 14, strike "INCLUDING RETAIL
BUSINESSES LOCATED IN UNINCORPORATED AREAS OF A COUNTY IN THE
DEFINITION OF "RETAIL BUSINESS";".

2. On page 5, line 24, strike ", (6) or (9)" and insert in
lieu thereof "or (6)".

3. On page 6, line 9, strike "or (9)".

4. On page 6, line 19, after the semicolon, insert "and".

5. On page 6, strike line 21 in its entirety.

6. On page 6, line 25, strike the semicolon and insert in lieu
thereof a period and closing quotation mark.

7. On page 7, strike lines 1 through 15 in their entirety.

8. On page 7, between lines 15 and 16, insert the following
new section:

"SECTION 2. Section 5-10-4 NMSA 1978 (being Laws 1993, Chapter
297, Section 4, as amended) is amended to read:

"5-10-4. ECONOMIC DEVELOPMENT PROJECTS--RESTRICTIONS ON PUBLIC

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EXPENDITURES OR PLEDGES OF CREDIT.--

A. No local or regional government shall provide public support for economic development projects as permitted pursuant to Article 9, Section 14 of the constitution of New Mexico except as provided in the Local Economic Development Act or as otherwise permitted by law.

B. The total amount of public money expended and the value of credit pledged in the fiscal year in which that money is expended by a local government for economic development projects pursuant to Article 9, Section 14 of the constitution of New Mexico and the Local Economic Development Act shall not exceed ten percent of the annual general fund expenditures of the local government in that fiscal year. The limits of this subsection shall not apply to:

(1) the value of any land or building contributed to any project pursuant to a project participation agreement;

(2) revenue generated through the imposition of an increment of the municipal gross receipts tax at a rate not to exceed one-fourth percent and dedicated to furthering or implementing economic development plans and projects as defined in the Local Economic Development Act or projects as defined in the Statewide Economic Development Finance Act; provided that no more than the greater of fifty thousand dollars (\$50,000) or ten percent of the revenue collected shall be used for promotion and administration of or professional services contracts related to the implementation of any such economic development plan adopted by the governing body;

(3) revenue generated through the imposition of an increment of the county gross receipts tax at a rate not to exceed one-eighth percent and dedicated to furthering or implementing economic development plans and projects as defined in the Local Economic Development Act or projects as defined in the Statewide

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Economic Development Finance Act; provided that no more than the greater of fifty thousand dollars (\$50,000) or ten percent of the revenue collected shall be used for promotion and administration of or professional services contracts related to the implementation of any such economic development plan adopted by the governing body;

(4) the proceeds of a revenue bond issue to which municipal infrastructure gross receipts tax revenue is pledged;

(5) the proceeds of a revenue bond issue to which the revenue from an increment of the county gross receipts tax, imposed at a rate not to exceed one-eighth percent and dedicated by the ordinance imposing the increment to a project, is pledged; or

(6) funds donated by private entities to be used for defraying the cost of a project.

C. A regional or local government that generates revenue for economic development projects to which the limits of Subsection B of this section do not apply shall create an economic development fund into which such revenues shall be deposited. The economic development fund and income from the economic development fund shall be deposited as provided by law. Money in the economic development fund may be expended only as provided in the Local Economic Development Act or the Statewide Economic Development Finance Act.

D. In order to expend money from an economic development fund for arts and cultural district purposes or cultural facilities [~~or retail businesses~~], the governing body of a municipality or county that has imposed a municipal or county local option infrastructure gross receipts tax for furthering or implementing economic development plans and projects as defined in the Local Economic Development Act or projects as defined in the Statewide Economic Development Finance Act by referendum of the majority of the voters voting on the question approving the ordinance imposing the municipal or county infrastructure gross receipts tax before

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July 1, 2013 shall be required to adopt a resolution. The resolution shall call for an election to approve arts and cultural districts as a qualifying purpose and cultural facilities [~~or retail businesses~~] as a qualifying entity before any revenue generated by the municipal or county local option gross receipts tax for furthering or implementing economic development plans and projects as defined in the Local Economic Development Act or projects as defined in the Statewide Economic Development Finance Act can be expended from the economic development fund for arts and cultural district purposes or cultural facilities [~~or retail businesses~~].

E. The governing body shall adopt a resolution calling for an election within seventy-five days of the date the ordinance is adopted on the question of approving arts and cultural districts as a qualifying purpose and cultural facilities [~~or retail businesses~~] as a qualifying entity eligible to utilize revenue generated by the Municipal Local Option Gross Receipts and Compensating Taxes Act or the County Local Option Gross Receipts and Compensating Taxes Act for furthering or implementing economic development plans and projects as defined in the Local Economic Development Act or projects as defined in the Statewide Economic Development Finance Act.

F. The question shall be submitted to the voters of the municipality or county as a separate question at a regular local or county election or at a special election called for that purpose by the governing body. A special local election shall be called, conducted and canvassed as provided in the Local Election Act. A special county election shall be called, conducted and canvassed in substantially the same manner as provided by law for general elections.

G. If a majority of the voters voting on the question approves the ordinance adding arts and cultural districts and cultural facilities [~~or retail businesses~~] as an approved use of the local option municipal or county economic development infrastructure

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gross receipts tax fund, the ordinance shall become effective on July 1 or January 1, whichever date occurs first after the expiration of three months from the date of the adopted ordinance. The ordinance shall include the effective date."".

9. Renumber the succeeding sections accordingly.
10. On page 9, line 1, after the semicolon, insert "or".
11. On page 9, lines 2 through 12, strike Subparagraph (b) in its entirety.
12. Reletter the succeeding subparagraph accordingly.

Jacob R. Candelaria

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

Date _____