

1 SENATE BILL 328

2 **55TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2021**

3 INTRODUCED BY

4 Roberto "Bobby" J. Gonzales

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10 AN ACT

11 RELATING TO TAXATION; REMOVING THE SIX-YEAR LIMITATION ON
12 IMPOSITION OF THE WATER AND SANITATION GROSS RECEIPTS TAX.

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

15 SECTION 1. Section 7-20E-26 NMSA 1978 (being Laws 2007,
16 Chapter 346, Section 1) is amended to read:

17 "7-20E-26. WATER AND SANITATION GROSS RECEIPTS TAX--
18 AUTHORITY TO IMPOSE--RATE--ELECTION--USE OF REVENUE.--

19 A. An excise tax imposed by a governing body
20 pursuant to this section may be referred to as the "water and
21 sanitation gross receipts tax". The water and sanitation gross
22 receipts tax shall be imposed by a governing body as set forth
23 in this section, contingent upon a majority of the voters
24 voting in an election on the question of whether to impose a
25 water and sanitation gross receipts tax voting in favor of the

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1 imposition.

2 B. Upon receipt of a resolution adopted and
3 submitted by the board of directors of a water and sanitation
4 district that requests the governing body to impose a water and
5 sanitation gross receipts tax on behalf of the water and
6 sanitation district, a governing body shall enact an ordinance
7 imposing a water and sanitation gross receipts tax in that
8 water and sanitation district. The ordinance shall impose the
9 tax at a rate of one-fourth percent on a person engaging in
10 business within the area of the county located within the water
11 and sanitation district for the privilege of engaging in
12 business within that water and sanitation district within the
13 county.

14 C. The governing body, at the time of enacting an
15 ordinance imposing a water and sanitation gross receipts tax
16 authorized pursuant to Subsection A of this section, shall
17 dedicate the revenue only for the operation of the water and
18 sanitation district for which the tax is imposed. [~~The tax~~
19 ~~shall be imposed for six years from the date on which the water~~
20 ~~and sanitation gross receipts tax goes into effect.~~]

21 D. Within sixty days of the date the ordinance is
22 adopted by the governing body, the governing body shall adopt a
23 resolution calling for an election on the question of whether
24 to impose a water and sanitation gross receipts tax. The
25 question shall be submitted to the voters of the water and

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1 sanitation district requesting the county to impose the tax. A
2 special election shall be called, conducted and canvassed in
3 substantially the same manner as provided by law for general
4 elections. If a majority of the voters voting on the question
5 approves the ordinance imposing the water and sanitation gross
6 receipts tax, then the ordinance shall become effective in
7 accordance with the provisions of the County Local Option Gross
8 Receipts and Compensating Taxes Act on either January 1 or July
9 1 following the election approving the imposition of the tax.
10 If the question of imposing the water and sanitation gross
11 receipts tax fails, a resolution from the board of directors of
12 the water and sanitation district initiating the request to the
13 county to impose a water and sanitation gross receipts tax may
14 not again be submitted to the governing body for a period of
15 one year from the date of the election.

16 E. The proceeds from the water and sanitation gross
17 receipts tax shall be administered by the governing body and
18 disbursed by the county treasurer to the appropriate water and
19 sanitation district in amounts and for the purposes authorized
20 in this section and as set out in the resolution submitted by
21 the board of directors to the governing body. An agreement
22 shall be entered into between the water and sanitation district
23 and the governing body that sets out the responsibilities of
24 both parties regarding administration, distribution and use of
25 the revenue from the water and sanitation gross receipts tax."

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SECTION 2. EFFECTIVE DATE.--The effective date of the provisions of this act is July 1, 2021.