

1 SENATE BILL 372

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

3 INTRODUCED BY

4 Leo Jaramillo

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9  
10 AN ACT

11 RELATING TO REGIONAL TRANSIT DISTRICTS; PROVIDING THAT REVENUE  
12 FROM A REGIONAL TRANSIT GROSS RECEIPTS TAX IMPOSED BY A COUNTY  
13 BE DISTRIBUTED DIRECTLY TO THE DISTRICT RATHER THAN TRANSFERRED  
14 FROM THE COUNTY TO THE DISTRICT.

15  
16 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

17 SECTION 1. A new section of the Tax Administration Act is  
18 enacted to read:

19 "[NEW MATERIAL] DISTRIBUTION--REGIONAL TRANSIT DISTRICT.--

20 A distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be  
21 made to each regional transit district created pursuant to the  
22 Regional Transit District Act in a county for which the  
23 department is collecting a regional transit gross receipts tax  
24 imposed by that county in an amount, subject to any increase or  
25 decrease made pursuant to Section 7-1-6.15 NMSA 1978, equal to  
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1 the net receipts attributable to the county regional transit  
2 gross receipts tax by that county, less any deduction for  
3 administrative cost pursuant to Section 7-1-6.41 NMSA 1978."

4 SECTION 2. Section 7-1-6.13 NMSA 1978 (being Laws 1983,  
5 Chapter 211, Section 18, as amended) is amended to read:

6 "7-1-6.13. TRANSFER--REVENUES FROM COUNTY LOCAL OPTION  
7 GROSS RECEIPTS AND COMPENSATING TAXES.--

8 A. Except as provided in Subsection B of this  
9 section and Section 1 of this 2021 act, a transfer pursuant to  
10 Section 7-1-6.1 NMSA 1978 shall be made to each county for  
11 which the department is collecting a local option gross  
12 receipts tax and county compensating tax imposed by that county  
13 in an amount, subject to any increase or decrease made pursuant  
14 to Section 7-1-6.15 NMSA 1978, equal to the net receipts  
15 attributable to the local option gross receipts tax and county  
16 compensating tax imposed by that county, less any deduction for  
17 administrative cost determined and made by the department  
18 pursuant to the provisions of the act authorizing imposition by  
19 that county of the local option gross receipts tax and county  
20 compensating tax and any additional administrative fee withheld  
21 pursuant to Section 7-1-6.41 NMSA 1978.

22 B. A transfer pursuant to this section may be  
23 adjusted for a distribution made to a tax increment development  
24 district with respect to a portion of a gross receipts tax  
25 increment dedicated by a county pursuant to the Tax Increment

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1 for Development Act."

2 SECTION 3. Section 7-1-6.41 NMSA 1978 (being Laws 1997,  
3 Chapter 125, Section 1) is amended to read:

4 "7-1-6.41. ADMINISTRATIVE FEE IMPOSED [APPROPRIATION].--

5 [A. ~~The taxation and revenue department is directed~~  
6 ~~to withhold an administrative fee of three percent of the net~~  
7 ~~amount to be distributed under the provisions of:~~

- 8 (1) ~~Section 7-1-6.32 NMSA 1978;~~
- 9 (2) ~~Section 66-12-20 NMSA 1978; and~~
- 10 (3) ~~Section 74-1-13 NMSA 1978.~~

11 B. ~~The administrative fee to be withheld pursuant~~  
12 ~~to Subsection A of this section shall be withheld on~~  
13 ~~distributions made on or after July 1, 1997 and shall continue~~  
14 ~~until the earlier of December 31, 2006 or the date on which the~~  
15 ~~New Mexico finance authority certifies to the taxation and~~  
16 ~~revenue department that all obligations for bonds issued~~  
17 ~~pursuant to Section 12 of this 1997 act have been fully~~  
18 ~~discharged and directs the department to cease distributing~~  
19 ~~money to the authority pursuant to this section.~~

20 C. ~~The taxation and revenue department is directed~~  
21 ~~to withhold an additional administrative fee at the following~~  
22 ~~percentage of the net amount to be distributed pursuant to the~~  
23 ~~following provisions of law:~~

- 24 (1) ~~two percent of the net amount to be~~  
25 ~~distributed pursuant to Section 7-1-6.12 NMSA 1978; and~~

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1                   ~~(2) six tenths of one percent of the net~~  
2 ~~amount to be distributed pursuant to Section 7-1-6.13 NMSA~~  
3 ~~1978.~~

4                   ~~D. The administrative fee to be withheld under~~  
5 ~~Subsection C of this section shall be withheld on distributions~~  
6 ~~made on or after July 1, 1997 and shall continue until the~~  
7 ~~earlier of July 1, 2000 or the date on which the New Mexico~~  
8 ~~finance authority certifies to the taxation and revenue~~  
9 ~~department that all obligations for bonds issued pursuant to~~  
10 ~~Section 12 of this 1997 act have been fully discharged and~~  
11 ~~directs the department to cease distributing money to the~~  
12 ~~authority pursuant to this section.~~

13                   ~~E.] The [administrative fee to be withheld by the~~  
14 ~~taxation and revenue] department [under Section] may withhold~~  
15 ~~an administration fee of three percent of the net amount~~  
16 ~~transferred pursuant to Sections 7-1-6.12 and 7-1-6.13 NMSA~~  
17 ~~1978 [shall be set at three percent of the net amount to be~~  
18 ~~distributed pursuant to the provisions of those sections.~~

19                   ~~F. The administrative fee to be withheld under~~  
20 ~~Subsection E of this section shall be withheld on distributions~~  
21 ~~made on or after July 1, 2000 and shall continue until the~~  
22 ~~earlier of December 31, 2006 or the date on which the New~~  
23 ~~Mexico finance authority certifies to the taxation and revenue~~  
24 ~~department that all obligations for bonds issued pursuant to~~  
25 ~~Section 12 of this 1997 act have been fully discharged and~~

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1 ~~directs the department to cease distributing money to the~~  
2 ~~authority pursuant to this section. After the department has~~  
3 ~~been directed by the authority to cease distributing money to~~  
4 ~~the authority pursuant to this section]~~ and the net amount  
5 distributed pursuant to Section 1 of this 2021 act. The  
6 administrative fee shall be remitted to the state treasurer for  
7 deposit in the state general fund each month.

8 ~~[G. The administrative fee shall be distributed~~  
9 ~~monthly to the New Mexico finance authority to be pledged~~  
10 ~~irrevocably for the payment of principal, interest and any~~  
11 ~~expenses or obligations related to the bonds issued by the~~  
12 ~~authority to finance the taxation and revenue information~~  
13 ~~management systems project.]"~~

14 SECTION 4. Section 7-20E-23 NMSA 1978 (being Laws 2004,  
15 Chapter 17, Section 2, as amended) is amended to read:

16 "7-20E-23. COUNTY REGIONAL TRANSIT GROSS RECEIPTS TAX--  
17 AUTHORITY TO IMPOSE--RATE--ELECTION REQUIRED.--

18 A. Upon a request by resolution of the board of  
19 directors of a regional transit district, a majority of the  
20 members of the governing body of each county that is within the  
21 district shall impose by identical ordinances an excise tax at  
22 the rate specified in the resolution, but not to exceed one-  
23 half percent of the gross receipts of any person engaging in  
24 business in the district for the privilege of engaging in  
25 business. A tax imposed pursuant to this section may be

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1 imposed by one or more ordinances, each imposing any number of  
2 tax rate increments, but an increment shall not be less than  
3 one-sixteenth percent of the gross receipts of any person  
4 engaging in business in the district and the aggregate of all  
5 rates shall not exceed one-half percent of the gross receipts  
6 of any person engaging in business in the district. The tax  
7 may be referred to as the "county regional transit gross  
8 receipts tax".

9 B. Each governing body, at the time of enacting an  
10 ordinance imposing the tax authorized in Subsection A of this  
11 section, shall dedicate the revenue for the purposes authorized  
12 by the Regional Transit District Act.

13 C. An ordinance imposing a county regional transit  
14 gross receipts tax shall not go into effect until after a joint  
15 election is held by all counties within the district and a  
16 majority of the voters of the district voting in the election  
17 votes in favor of imposing the tax. Each governing body shall  
18 adopt an ordinance calling for a joint election within seventy-  
19 five days of the date the resolution is adopted on the question  
20 of imposing the tax. The question shall be submitted to the  
21 voters of the district as a separate question at a general  
22 election or at a joint special election called for that purpose  
23 by each governing body. A joint special election shall be  
24 called, conducted and canvassed substantially in the same  
25 manner as provided by law for general elections. If a majority

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1 of the voters in the district voting on the question approves  
2 the ordinance imposing the county regional transit gross  
3 receipts tax, the ordinance shall become effective in  
4 accordance with the provisions of the County Local Option Gross  
5 Receipts Taxes Act. If the question of imposing the county  
6 regional transit gross receipts tax fails, the governing bodies  
7 shall not again propose the imposition of any increment of the  
8 tax for a period of one year from the date of the election.

9 D. The governing body of a county imposing a county  
10 regional transit gross receipts tax shall, prior to July 1,  
11 2021, transfer all proceeds the county receives from the tax  
12 pursuant to Section 7-1-6.13 NMSA 1978 to the regional transit  
13 district for the purposes specified in the ordinance and in  
14 accordance with the provisions of the Regional Transit District  
15 Act. On and after July 1, 2021, all revenue from the tax shall  
16 be distributed pursuant to Section 1 of this 2021 act.

17 E. As used in this section, "county within the  
18 district" means a county within which lies any portion of a  
19 regional transit district."

20 SECTION 5. EFFECTIVE DATE.--The effective date of the  
21 provisions of this act is July 1, 2021.