

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

AN ACT

RELATING TO TAXATION; PHASING OUT AND REPEALING
ADMINISTRATIVE FEES IMPOSED FOR COLLECTING, DISTRIBUTING AND
TRANSFERRING CERTAIN TAXES AND OTHER FEES; ALLOWING AN
ADMINISTRATIVE FEE FOR CERTAIN DISTRIBUTIONS.

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

SECTION 1. Section 7-1-6.12 NMSA 1978 (being Laws 1983,
Chapter 211, Section 17, as amended) is amended to read:

"7-1-6.12. TRANSFER--REVENUES FROM MUNICIPAL LOCAL
OPTION GROSS RECEIPTS AND COMPENSATING TAXES.--

A. A transfer pursuant to Section 7-1-6.1
NMSA 1978 shall be made to each municipality for which the
department is collecting a local option gross receipts tax
and municipal compensating tax imposed by that municipality
in an amount, subject to any increase or decrease made
pursuant to Section 7-1-6.15 NMSA 1978, equal to the net
receipts attributable to the local option gross receipts tax
and municipal compensating tax imposed by that municipality,
less the administrative fee that may be withheld prior to
July 1, 2028 pursuant to Section 7-1-6.41 NMSA 1978.

B. A transfer pursuant to this section may be
adjusted for a distribution made to a tax increment
development district with respect to a portion of a gross
receipts tax increment dedicated by a municipality pursuant

1 to the Tax Increment for Development Act.

2 C. A transfer pursuant to this section shall be
3 adjusted for a distribution made to the Local Economic
4 Development Act fund pursuant to Section 7-1-6.67 NMSA 1978
5 and with respect to the amount dedicated by a municipality
6 pursuant to Subsection B of Section 5-10-17 NMSA 1978.

7 D. A transfer pursuant to this section shall be
8 adjusted for a distribution made to the metropolitan
9 redevelopment fund pursuant to Section 7-1-6.71 NMSA 1978 and
10 with respect to the amount dedicated by a municipality
11 pursuant to Section 3-60A-23 NMSA 1978."

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

14 "7-1-6.13. TRANSFER--REVENUES FROM COUNTY LOCAL OPTION
15 GROSS RECEIPTS AND COMPENSATING TAXES.--

16 A. A transfer pursuant to Section 7-1-6.1
17 NMSA 1978 shall be made to each county for which the
18 department is collecting a local option gross receipts tax
19 and county compensating tax imposed by that county in an
20 amount, subject to any increase or decrease made pursuant to
21 Section 7-1-6.15 NMSA 1978, equal to the net receipts
22 attributable to the local option gross receipts tax and
23 county compensating tax imposed by that county, less the
24 administrative fee that may be withheld prior to July 1, 2028
25 pursuant to Section 7-1-6.41 NMSA 1978.

1 B. A transfer pursuant to this section may be
2 adjusted for a distribution made to a tax increment
3 development district with respect to a portion of a gross
4 receipts tax increment dedicated by a county pursuant to the
5 Tax Increment for Development Act.

6 C. A transfer pursuant to this section shall be
7 adjusted for a distribution made to the Local Economic
8 Development Act fund pursuant to Section 7-1-6.67 NMSA 1978
9 and with respect to the amount dedicated by a county pursuant
10 to Subsection B of Section 5-10-17 NMSA 1978.

11 D. A transfer pursuant to this section shall be
12 adjusted for a distribution made to the metropolitan
13 redevelopment fund pursuant to Section 7-1-6.71 NMSA 1978 and
14 with respect to the amount dedicated by a county pursuant to
15 Section 3-60A-23 NMSA 1978."

16 SECTION 3. Section 7-1-6.32 NMSA 1978 (being Laws 1990,
17 Chapter 99, Section 44, as amended) is amended to read:

18 "7-1-6.32. DISTRIBUTION--SOLID WASTE ASSESSMENT FEE.--
19 A distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be
20 made to the solid waste facility grant fund of the net
21 receipts attributable to the solid waste assessment fee
22 authorized under the Solid Waste Act."

23 SECTION 4. Section 7-1-6.41 NMSA 1978 (being Laws 1997,
24 Chapter 125, Section 1) is amended to read:

25 "7-1-6.41. ADMINISTRATIVE FEE IMPOSED.--The

1 administrative fee to be withheld by the department pursuant
2 to Sections 7-1-6.12 and 7-1-6.13 NMSA 1978 shall be set at
3 the following percentages of the net amount to be distributed
4 pursuant to the provisions of those sections, and the money
5 from the fee shall be remitted to the state treasurer for
6 deposit in the general fund each month:

7 A. prior to July 1, 2026, three percent;

8 B. beginning July 1, 2026 and prior to July 1,
9 2027, two percent; and

10 C. beginning July 1, 2027 and prior to July 1,
11 2028, one percent."

12 SECTION 5. Section 7-1-6.54 NMSA 1978 (being Laws 2006,
13 Chapter 75, Section 29, as amended) is amended to read:

14 "7-1-6.54. DISTRIBUTIONS--TAX INCREMENT DEVELOPMENT
15 DISTRICTS--ADMINISTRATIVE FEE.--

16 A. A distribution for a tax increment development
17 district shall be made by the department to a special fund of
18 the district, in accordance with a notice that is filed
19 pursuant to Section 5-15-27 NMSA 1978 with respect to a
20 dedication of a gross receipts tax increment, to a special
21 fund of the tax increment development district.

22 B. The department shall withhold an administrative
23 fee of three percent of the net amount to be distributed
24 pursuant to Subsection A of this section, and the money from
25 the fee shall be remitted to the state treasurer for deposit

1 in the general fund each month."

2 SECTION 6. Section 7-1-6.67 NMSA 1978 (being Laws 2021
3 (1st S.S.), Chapter 2, Section 5) is amended to read:

4 "7-1-6.67. DISTRIBUTION--LOCAL ECONOMIC DEVELOPMENT ACT
5 FUND--ADMINISTRATIVE FEE.--

6 A. A distribution pursuant to Section 7-1-6.1 NMSA
7 1978 shall be made to the Local Economic Development Act fund
8 equal to the following amounts of the following taxes imposed
9 and paid on the expenses related to the construction of the
10 qualifying entity's economic development project, as
11 determined pursuant to Section 5-10-17 NMSA 1978:

12 (1) fifty percent of the net receipts
13 attributable to state gross receipts tax and the state
14 compensating tax; and

15 (2) fifty percent of the net receipts
16 attributable to the local option gross receipts tax and
17 county compensating tax imposed by a county and local option
18 gross receipts tax and municipal compensating tax imposed by
19 a municipality.

20 B. The department shall withhold an administrative
21 fee of three percent of the net amount to be distributed
22 pursuant to Subsection A of this section, and the money from
23 the fee shall be remitted to the state treasurer for deposit
24 in the general fund each month.

25 C. As used in this section:

1 (1) "economic development project" means
2 "economic development project" as used in the Local Economic
3 Development Act; and

4 (2) "qualifying entity" means "qualifying
5 entity" as used in the Local Economic Development Act."

6 SECTION 7. Section 7-1-6.71 NMSA 1978 (being Laws 2023,
7 Chapter 112, Section 11) is amended to read:

8 "7-1-6.71. DISTRIBUTION--METROPOLITAN REDEVELOPMENT
9 FUND--ADMINISTRATIVE FEE.--

10 A. A distribution for a metropolitan redevelopment
11 project pursuant to the Metropolitan Redevelopment Code shall
12 be made to the metropolitan redevelopment fund in accordance
13 with a notice filed by a municipality or county pursuant to
14 Section 3-60A-21 NMSA 1978 with respect to a dedication of a
15 gross receipts tax increment.

16 B. The department shall withhold an administrative
17 fee of three percent of the net amount to be distributed
18 pursuant to Subsection A of this section, and the money from
19 the fee shall be remitted to the state treasurer for deposit
20 in the general fund each month."

21 SECTION 8. Section 66-12-20 NMSA 1978 (being Laws 1959,
22 Chapter 338, Section 19, as amended) is amended to read:

23 "66-12-20. DISPOSITION OF FEES.--The fees collected
24 pursuant to the provisions of the Boat Act shall be deposited
25 into the state park and recreation fund."

1 SECTION 9. Section 74-1-13 NMSA 1978 (being Laws 1993,
2 Chapter 317, Section 2, as amended) is amended to read:

3 "74-1-13. WATER CONSERVATION FEE--IMPOSITION--
4 DEFINITIONS.--

5 A. There is imposed on every person who operates a
6 public water supply system a water conservation fee in an
7 amount equal to three cents (\$.03) per thousand gallons of
8 water produced on which the fee imposed by this subsection
9 has not been paid.

10 B. The "water conservation fund" is created in the
11 state treasury and shall be administered by the department.
12 The fund shall consist of water conservation fees collected
13 pursuant to this section. Balances in the fund at the end of
14 any fiscal year shall not revert to the general fund but
15 shall accrue to the credit of the fund. Earnings on the fund
16 shall be credited to the fund.

17 C. Money in the water conservation fund is
18 appropriated to the department for administration of a public
19 water supply program to:

20 (1) test public water supplies for the
21 contaminants required to be tested pursuant to the provisions
22 of the federal Safe Drinking Water Act, as amended, and
23 collect chemical compliance samples as required by those
24 provisions of the federal act;

25 (2) perform vulnerability assessments that

1 will be used to assess a public water supply's susceptibility
2 to those contaminants; and

3 (3) implement new requirements of the
4 Utility Operators Certification Act and provide training for
5 all public water supply operators.

6 D. The taxation and revenue department shall
7 provide by regulation for the manner and form of collection
8 of the water conservation fee. All water conservation fees
9 collected by the taxation and revenue department shall be
10 deposited in the water conservation fund.

11 E. The fee imposed by this section shall be
12 administered in accordance with the provisions of the
13 Tax Administration Act and shall be paid to the taxation and
14 revenue department by each person who operates a public water
15 supply system in the manner required by the department on or
16 before the twenty-fifth day of the month following the month
17 in which the water is produced.

18 F. Each operator of a public water supply
19 system shall register and comply with the provisions of
20 Section 7-1-12 NMSA 1978 and furnish such information as may
21 be required by the taxation and revenue department.

22 G. The department shall compile a list of the
23 contaminants that require testing pursuant to Paragraph (1)
24 of Subsection C of this section. The list shall be compiled
25 no less than once every twelve months and include the

1 contaminants that will be tested in the subsequent twelve
2 months. The department shall establish by rule procedures to
3 compile the list and to determine which contaminants that
4 require testing will be tested in the subsequent twelve
5 months. The determination of which contaminants will be
6 tested shall include consideration of the availability of
7 funds in the water conservation fund, the needs of the public
8 water supplies being tested for additional contaminants and
9 public health and safety.

10 H. As used in this section:

11 (1) "person" means any individual or legal
12 entity and also means, to the extent permitted by law, any
13 federal, state or other governmental unit or subdivision or
14 an agency, department or instrumentality thereof; and

15 (2) "public water supply system" means a
16 system that provides piped water to the public for human
17 consumption and that has at least fifteen service connections
18 or regularly services an average of at least twenty-five
19 individuals at least sixty days per year."

20 SECTION 10. DELAYED REPEAL.--Section 7-1-6.41 NMSA 1978
21 (being Laws 1997, Chapter 125, Section 1) is repealed
22 effective July 1, 2028.

23 SECTION 11. EFFECTIVE DATE.--The effective date of the
24 provisions of this act is July 1, 2025. _____