

HOUSE COMMERCE AND ECONOMIC DEVELOPMENT  
COMMITTEE SUBSTITUTE FOR  
HOUSE BILL 421

57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025

AN ACT

RELATING TO BUSINESS; ENACTING THE BUSINESS SECURITY ASSISTANCE ACT; PROVIDING DEFINITIONS; REQUIRING RULEMAKING; PROVIDING REBATE PAYMENTS TO CERTIFIED VENDORS THAT SELL DISCOUNTED SECURITY EQUIPMENT OR SECURITY SERVICES TO BUSINESSES; CREATING THE BUSINESS SECURITY ASSISTANCE FUND; CREATING A GROSS RECEIPTS TAX DEDUCTION FOR SALES OF SECURITY EQUIPMENT AND SERVICES; PROVIDING A DELAYED REPEAL; MAKING APPROPRIATIONS.

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

SECTION 1. [NEW MATERIAL] SHORT TITLE.--Sections 1 through 6 of this act may be cited as the "Business Security Assistance Act".

SECTION 2. [NEW MATERIAL] DEFINITIONS.--As used in the Business Security Assistance Act:

A. "business" means a physical, nonresidential

.231116.2

underscored material = new  
[bracketed material] = delete

1 location where business is conducted, including a real estate  
2 development site or other space;

3 B. "certified vendor" means a pass-through entity  
4 as defined in Section 7-3A-2 NMSA 1978 or a business  
5 incorporated under the Business Corporation Act or the Limited  
6 Liability Company Act that is doing business in New Mexico and  
7 sells security equipment or provides security services and that  
8 is certified by the department;

9 C. "department" means the regulation and licensing  
10 department;

11 D. "security equipment":

12 (1) means:

13 (a) an installed physical barrier that  
14 is intended to reduce the ability of a person to enter a  
15 business or remove objects from a business without permission  
16 of the business owner, including a fence, security door or  
17 window bar; and

18 (b) a device that senses or records  
19 activity at a business or the area surrounding a business by  
20 changes in chemistry, heat, pressure, sound or visual imagery  
21 for purposes of detecting unauthorized persons entering the  
22 business or removing objects from the business without  
23 permission of the business owner; and

24 (2) does not mean a drone or a retail shelf,  
25 also known as a "smart shelf", that uses digital technology to

1 track inventory; and

2 E. "security service" means a professional  
3 monitoring service provided by a private patrol company  
4 licensed pursuant to the Private Investigations Act.

5 SECTION 3. [NEW MATERIAL] PERFORMANCE REQUIREMENTS--  
6 VENDOR CERTIFICATION.--The department shall:

7 A. determine the performance requirements for  
8 security equipment by rule, including:

9 (1) the required strength, durability and  
10 impact resistance of a physical barrier; and

11 (2) the sensitivity and range of area  
12 detection for monitoring devices; and

13 B. certify vendors as eligible to receive a rebate  
14 or deduction from gross receipts pursuant to Section 7 of this  
15 2025 act for providing discounted security equipment or  
16 security services.

17 SECTION 4. [NEW MATERIAL] REBATE FOR SELLING DISCOUNTED  
18 SECURITY EQUIPMENT AND SERVICES.--

19 A. A certified vendor that sells security equipment  
20 or security services discounted by at least twenty-five percent  
21 to the owner of a business may receive a rebate payment in an  
22 amount equal to a twenty-five percent discount in the sale  
23 price; provided that the total aggregate amount of the rebate  
24 for sales made to the same business in a calendar year shall  
25 not exceed twenty-five thousand dollars (\$25,000); and provided

.231116.2

1 further that sufficient funding is available to pay the rebate  
2 from the business security assistance fund.

3 B. A certified vendor may apply to the department  
4 for a rebate on or before September 1 of each calendar year on  
5 forms and in a manner prescribed by the department.  
6 Applications shall be considered in the order received.

7 C. Subject to availability of funds in the business  
8 security assistance fund, rebate payments shall be paid to  
9 certified vendors that meet the requirements to receive a  
10 rebate on or before December 1 following the date the  
11 application is received.

12 SECTION 5. [NEW MATERIAL] BUSINESS SECURITY ASSISTANCE  
13 FUND CREATED--DISBURSEMENTS.--The "business security assistance  
14 fund" is created in the state treasury. The fund consists of  
15 appropriations, gifts, donations, grants and interest on the  
16 money in the fund. The department shall administer the fund,  
17 and money in the fund is appropriated to the department to  
18 provide rebates pursuant to Section 4 of the Business Security  
19 Assistance Act. Disbursements from the fund shall be made by  
20 warrant of the secretary of finance and administration pursuant  
21 to vouchers signed by the superintendent of regulation and  
22 licensing. Balances in the fund at the end of a fiscal year  
23 for fiscal years 2026 and 2027 shall not revert. Balances in  
24 the fund at the end of fiscal year 2028 shall revert to the  
25 general fund.

.231116.2

1           **SECTION 6.** ~~[NEW MATERIAL]~~ REPORTS.--On or before December  
2           1 of each year, the department shall submit a report to the  
3           legislative finance committee detailing the status of the  
4           business security assistance fund and the number of businesses  
5           that received a discounted sale of security equipment or a  
6           security service.

7           **SECTION 7.** A new section of the Gross Receipts and  
8           Compensating Tax Act is enacted to read:

9           "~~[NEW MATERIAL]~~ DEDUCTION--GROSS RECEIPTS--SECURITY  
10          SERVICES AND EQUIPMENT.--

11           A. A certified vendor's receipts from the selling  
12          of discounted security equipment or security services to a  
13          business to improve security at a physical, nonresidential  
14          location in New Mexico where business is conducted, including a  
15          real estate development site or other space, may be deducted  
16          from gross receipts.

17           B. A taxpayer allowed a deduction pursuant to this  
18          section shall report the amount of the deduction separately in  
19          a manner required by the department.

20           C. The deduction provided by this section shall be  
21          included in the tax expenditure budget pursuant to Section  
22          7-1-84 NMSA 1978, including the annual aggregate cost of the  
23          deduction.

24           D. As used in this section:

25           (1) "certified vendor" means a pass-through

.231116.2

1 entity as defined in Section 7-3A-2 NMSA 1978 or a business  
2 incorporated under the Business Corporation Act or the Limited  
3 Liability Company Act that is doing business in New Mexico and  
4 that is certified by the regulation and licensing department to  
5 sell discounted security equipment or services pursuant to the  
6 Business Security Assistance Act;

7 (2) "discounted" means an amount equal to at  
8 least a twenty-five percent discount in the sale price for  
9 security equipment pursuant to the Business Security Assistance  
10 Act;

11 (3) "security equipment" means "security  
12 equipment" as defined in the Business Security Assistance Act;  
13 and

14 (4) "security service" means professional  
15 monitoring services provided by a private patrol company  
16 licensed pursuant to the Private Investigations Act."

17 **SECTION 8. APPROPRIATION.**--One hundred million dollars  
18 (\$100,000,000) is appropriated from the general fund to the  
19 business security assistance fund for the purposes of the fund  
20 for expenditure in fiscal years 2026 through 2028. Any  
21 unexpended or unencumbered balance remaining at the end of  
22 fiscal year 2028 shall revert to the general fund.

23 **SECTION 9. APPROPRIATION.**--Four million dollars  
24 (\$4,000,000) is appropriated from the general fund to the  
25 regulation and licensing department for expenditure in fiscal

1 year 2026 and subsequent fiscal years to implement the Business  
2 Security Assistance Act. Any unexpended or unencumbered  
3 balance remaining at the end of a fiscal year shall not revert  
4 to the general fund.

5 SECTION 10. DELAYED REPEAL.--Sections 4 through 6 of this  
6 act are repealed effective July 1, 2028.

7 SECTION 11. EFFECTIVE DATE.--The effective date of the  
8 provisions of this act is July 1, 2025.

10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
underscoring material = new  
[bracketed material] = delete