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HOUSE BILL 421

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

INTRODUCED BY

Linda Serrato

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 A TRANSFER FROM THE GENERAL FUND TO THE BUSINESS SECURITY ASSISTANCE FUND; 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 .229518.3GLG

underscoring material = new
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1 Business Security Assistance Act:

2 A. "business" means a physical, nonresidential
3 location where business is conducted, including a real estate
4 development site or other space;

5 B. "certified vendor" means a business incorporated
6 under the Business Corporation Act and doing business in New
7 Mexico that sells security equipment or provides security
8 services that 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; and

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

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

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

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

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

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

12 B. certify vendors as eligible to receive a rebate
13 for providing discounted security equipment or security
14 services.

15 **SECTION 4. [NEW MATERIAL] REBATE FOR SELLING DISCOUNTED**
16 **SECURITY EQUIPMENT AND SERVICES.--**

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

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

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

10 SECTION 5. [NEW MATERIAL] BUSINESS SECURITY ASSISTANCE
11 FUND CREATED--DISBURSEMENTS.--The "business security assistance
12 fund" is created as a nonreverting fund in the state treasury.
13 The fund consists of appropriations, gifts, donations, grants
14 and interest on the money in the fund. The department shall
15 administer the fund, and money in the fund is appropriated to
16 the department to provide rebates pursuant to Section 4 of the
17 Business Security Assistance Act. Disbursements from the fund
18 shall be made by warrant of the secretary of finance and
19 administration pursuant to vouchers signed by the
20 superintendent of regulation and licensing.

21 SECTION 6. [NEW MATERIAL] REPORTS.--On or before December
22 1 of each year, the department shall submit a report to the
23 legislative finance committee detailing the status of the
24 business security assistance fund and the number of businesses
25 that received a discounted sale of security equipment or a

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1 security service.

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

4 "[NEW MATERIAL] DEDUCTION--GROSS RECEIPTS--SECURITY
5 SERVICES AND EQUIPMENT.--

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

12 B. A taxpayer allowed a deduction pursuant to this
13 section shall report the amount of the deduction separately in
14 a manner required by the department.

15 C. The deduction provided by this section shall be
16 included in the tax expenditure budget pursuant to Section
17 7-1-84 NMSA 1978, including the annual aggregate cost of the
18 deduction.

19 D. As used in this section:

20 (1) "certified vendor" means a business
21 incorporated under the Business Corporation Act and doing
22 business in New Mexico that is certified by the regulation and
23 licensing department to sell discounted security equipment or
24 services pursuant to the Business Security Assistance Act;

25 (2) "security equipment" means "security

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1 equipment", as defined in the Business Security Assistance Act;
2 and

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

6 SECTION 8. TRANSFER.--One hundred million dollars
7 (\$100,000,000) is transferred from the general fund to the
8 business security assistance fund.

9 SECTION 9. APPROPRIATION.--One million dollars
10 (\$1,000,000) is appropriated from the general fund to the
11 regulation and licensing department for expenditure in fiscal
12 year 2026 and subsequent fiscal years to implement the Business
13 Security Assistance Act. Any unexpended or unencumbered
14 balance remaining at the end of a fiscal year shall not revert
15 to the general fund.

16 SECTION 10. DELAYED REPEAL.--Sections 1 through 7 of this
17 act are repealed effective July 1, 2028.

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