

AN ACT

RELATING TO THE PUBLIC PEACE, HEALTH, SAFETY AND WELFARE;
AMENDING THE TAX ADMINISTRATION ACT TO PROVIDE FOR A
DISTRIBUTION OF RECEIPTS FROM THE GROSS RECEIPTS TAX.

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

Section 1. Section 7-1-6.4 NMSA 1978 (being Laws 1983,
Chapter 211, Section 9, as amended) is amended to read:

"7-1-6.4. DISTRIBUTION--MUNICIPALITY FROM GROSS
RECEIPTS TAX.--

A. Except as provided in Subsection B of this
section, a distribution pursuant to Section 7-1-6.1 NMSA 1978
shall be made to each municipality in an amount, subject to
any increase or decrease made pursuant to Section 7-1-6.15
NMSA 1978, equal to the product of the quotient of one and
two hundred twenty-five thousandths percent divided by the
tax rate imposed by Section 7-9-4 NMSA 1978 times the net
receipts for the month attributable to the gross receipts tax
from business locations:

(1) within that municipality;

(2) on land owned by the state, commonly
known as the "state fair grounds", within the exterior
boundaries of that municipality;

(3) outside the boundaries of any
municipality on land owned by that municipality; and

(4) on an Indian reservation or pueblo grant in an area that is contiguous to that municipality and in which the municipality performs services pursuant to a contract between the municipality and the Indian tribe or Indian pueblo if:

(a) the contract describes an area in which the municipality is required to perform services and requires the municipality to perform services that are substantially the same as the services the municipality performs for itself; and

(b) the governing body of the municipality has submitted a copy of the contract to the secretary.

B. If the reduction made by Laws 1991, Chapter 9, Section 9 to the distribution under this section impairs the ability of a municipality to meet its principal or interest payment obligations for revenue bonds outstanding prior to July 1, 1991 that are secured by the pledge of all or part of the municipality's revenue from the distribution made under this section, then the amount distributed pursuant to this section to that municipality shall be increased by an amount sufficient to meet any required payment, provided that the distribution amount does not exceed the amount that would have been due that municipality under this section as it was in effect on June 30, 1992.

C. In addition to the distribution pursuant to Subsection A of this section and except as provided in Subsection D of this section, from July 1, 2001 until June 30, 2011 a distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be made to a municipality having a population of more than three hundred thousand according to the most recent federal decennial census in the amount of two hundred fifty thousand dollars (\$250,000) from the net receipts attributable to the gross receipts tax. This distribution shall be made solely for the purpose of financing water and sewer distribution and collection systems only in the developed and underserved areas of the county in which the municipality is located. This distribution is contingent upon the secretary receiving certification from the municipality and the county in which the municipality is located that funding in the amount of seventy million dollars (\$70,000,000) has been secured from other sources to construct the water and sewer distribution and collection systems.

D. The distribution pursuant to Subsection C of this section shall be reduced by an amount equal to one-twelfth of the total amount of proceeds received in the previous fiscal year from severance tax bonds issued pursuant to the Severance Tax Bonding Act or any general fund appropriation, if the bonds were issued or the appropriation

made for the purpose of financing water and sewer distribution and collection systems only in the developed and underserved areas of the county in which the municipality is located. The distribution pursuant to Subsection C of this section shall not be less than zero." _____
