

1 SENATE BILL 346

2 **52ND LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2015**

3 INTRODUCED BY

4 William E. Sharer

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10 AN ACT

11 RELATING TO TAXATION; REDUCING THE RATE OF THE GROSS RECEIPTS
12 TAX, GOVERNMENTAL GROSS RECEIPTS TAX, MUNICIPAL GROSS RECEIPTS
13 TAX AND COUNTY GROSS RECEIPTS TAX; PROVIDING FOR A FLAT INCOME
14 TAX RATE OF TWO AND ONE-HALF PERCENT ON TAXABLE INCOME ABOVE
15 CERTAIN LEVELS; REMOVING PERMISSION OF A TAX INCREMENT
16 DEVELOPMENT DISTRICT TO ISSUE BONDS AGAINST AN INCREMENT OF THE
17 GROSS RECEIPTS TAX; REPEALING THE COMPENSATING TAX AND CERTAIN
18 CREDITS, DEDUCTIONS AND EXEMPTIONS PURSUANT TO THE INCOME TAX
19 ACT AND THE GROSS RECEIPTS AND COMPENSATING TAX ACT; REPEALING
20 THE CORPORATE INCOME AND FRANCHISE TAX ACT, THE ESTATE TAX ACT,
21 THE MOTOR VEHICLE EXCISE TAX ACT, THE LEASED VEHICLE GROSS
22 RECEIPTS TAX ACT, THE TAX ON BOATS, CERTAIN LOCAL OPTION GROSS
23 RECEIPT TAXES, THE SUPPLEMENTAL MUNICIPAL GROSS RECEIPTS TAX
24 ACT, THE LOCAL HOSPITAL GROSS RECEIPTS TAX ACT, THE COUNTY
25 CORRECTIONAL FACILITY GROSS RECEIPTS TAX ACT AND THE SPECIAL

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1 COUNTY HOSPITAL GASOLINE TAX ACT; REPLACING COUNTY OBLIGATIONS
2 TO THE COUNTY-SUPPORTED MEDICAID FUND AND SAFETY NET CARE POOL
3 FUND WITH STATE OBLIGATIONS; PROVIDING TEMPORARY AMNESTY FROM
4 PENALTIES AND INTEREST ON TAXES NOT PAID; PROVIDING THAT THE
5 REPEAL OF CERTAIN TAXES SHALL NOT IMPAIR OUTSTANDING BONDS OR
6 LOAN GUARANTEES; AMENDING, REPEALING AND ENACTING SECTIONS OF
7 THE NMSA 1978.

8

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

10 SECTION 1. Section 3-31-1 NMSA 1978 (being Laws 1973,
11 Chapter 395, Section 3, as amended) is amended to read:

12 "3-31-1. REVENUE BONDS--AUTHORITY TO ISSUE--PLEDGE OF
13 REVENUES--LIMITATION ON TIME OF ISSUANCE.--

14 A. In addition to any other law and constitutional
15 home rule powers authorizing a municipality to issue revenue
16 bonds, a municipality may issue revenue bonds pursuant to
17 Chapter 3, Article 31 NMSA 1978 for the purposes specified in
18 this section. [~~The term "pledged revenues", as used in Chapter~~
19 ~~3, Article 31 NMSA 1978, means the revenues, net income or net~~
20 ~~revenues authorized to be pledged to the payment of particular~~
21 ~~revenue bonds as specifically provided in Subsections A through~~
22 ~~J of this section.~~

23 ~~A.]~~ B. Utility revenue bonds may be issued for
24 acquiring, extending, enlarging, bettering, repairing or
25 otherwise improving a municipal utility or for any combination

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1 of the foregoing purposes. The municipality may pledge
2 irrevocably any or all of the net revenues from the operation
3 of the municipal utility or of any one or more of other such
4 municipal utilities for payment of the interest on and
5 principal of the revenue bonds. [~~These bonds are sometimes~~
6 ~~referred to in Chapter 3, Article 31 NMSA 1978 as "utility~~
7 ~~revenue bonds" or "utility bonds".~~

8 ~~B.]~~ C. Joint utility revenue bonds may be issued
9 for acquiring, extending, enlarging, bettering, repairing or
10 otherwise improving joint water facilities, sewer facilities,
11 gas facilities or electric facilities or for any combination of
12 the foregoing purposes. The municipality may pledge
13 irrevocably any or all of the net revenues from the operation
14 of these municipal utilities for the payment of the interest on
15 and principal of the bonds. [~~These bonds are sometimes~~
16 ~~referred to in Chapter 3, Article 31 NMSA 1978 as "joint~~
17 ~~utility revenue bonds" or "joint utility bonds".~~

18 ~~G.~~ ~~For the purposes of this subsection, "gross~~
19 ~~receipts tax revenue bonds" means gross receipts tax revenue~~
20 ~~bonds or sales tax revenue bonds.]~~

21 D. Gross receipts tax revenue bonds may be issued
22 for any [~~one or more of the following purposes:~~

23 ~~(1) constructing, purchasing, furnishing,~~
24 ~~equipping, rehabilitating, making additions to or making~~
25 ~~improvements to one or more public buildings or purchasing or~~

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1 ~~improving any ground relating thereto, including but not~~
2 ~~necessarily limited to acquiring and improving parking lots, or~~
3 ~~any combination of the foregoing;~~

4 ~~(2) acquiring or improving municipal or public~~
5 ~~parking lots, structures or facilities or any combination of~~
6 ~~the foregoing;~~

7 ~~(3) purchasing, acquiring or rehabilitating~~
8 ~~firefighting equipment or any combination of the foregoing;~~

9 ~~(4) acquiring, extending, enlarging,~~
10 ~~bettering, repairing, otherwise improving or maintaining storm~~
11 ~~sewers and other drainage improvements, sanitary sewers, sewage~~
12 ~~treatment plants or water utilities, including but not~~
13 ~~necessarily limited to the acquisition of rights of way and~~
14 ~~water and water rights, or any combination of the foregoing;~~

15 ~~(5) reconstructing, resurfacing, maintaining,~~
16 ~~repairing or otherwise improving existing alleys, streets,~~
17 ~~roads or bridges or any combination of the foregoing or laying~~
18 ~~off, opening, constructing or otherwise acquiring new alleys,~~
19 ~~streets, roads or bridges or any combination of the foregoing;~~
20 ~~provided that any of the foregoing improvements may include but~~
21 ~~are not limited to the acquisition of rights of way;~~

22 ~~(6) purchasing, acquiring, constructing,~~
23 ~~making additions to, enlarging, bettering, extending or~~
24 ~~equipping airport facilities or any combination of the~~
25 ~~foregoing, including without limitation the acquisition of~~

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1 ~~land, easements or rights of way therefor;~~

2 ~~(7) purchasing or otherwise acquiring or~~
3 ~~clearing land or for purchasing, otherwise acquiring and~~
4 ~~beautifying land for open space;~~

5 ~~(8) acquiring, constructing, purchasing,~~
6 ~~equipping, furnishing, making additions to, renovating,~~
7 ~~rehabilitating, beautifying or otherwise improving public~~
8 ~~parks, public recreational buildings or other public~~
9 ~~recreational facilities or any combination of the foregoing;~~

10 ~~(9) acquiring, constructing, extending,~~
11 ~~enlarging, bettering, repairing, otherwise improving or~~
12 ~~maintaining solid waste disposal equipment, equipment for~~
13 ~~operation and maintenance of sanitary landfills, sanitary~~
14 ~~landfills, solid waste facilities or any combination of the~~
15 ~~foregoing; and~~

16 ~~(10) acquiring, constructing, extending,~~
17 ~~bettering, repairing or otherwise improving a public transit~~
18 ~~system or regional transit systems or facilities.~~

19 The] municipal purpose. A municipality may pledge
20 irrevocably any or all of the gross receipts tax revenue
21 received by the municipality pursuant to Section [7-1-6.4 or]
22 7-1-6.12 NMSA 1978 to the payment of the interest on and
23 principal of the gross receipts tax revenue bonds [for any of
24 the purposes authorized in this section or for specific
25 purposes] or for any area of municipal government services

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1 ~~[including but not limited to those specified in Subsection C~~
2 ~~of Section 7-19D-9 NMSA 1978, or for public purposes authorized~~
3 ~~by municipalities having constitutional home rule charters. A~~
4 ~~law that imposes or authorizes the imposition of a municipal~~
5 ~~gross receipts tax or that affects the municipal gross receipts~~
6 ~~tax, or a law supplemental thereto or otherwise appertaining~~
7 ~~thereto, shall not be repealed or amended or otherwise directly~~
8 ~~or indirectly modified in such a manner as to impair adversely~~
9 ~~any outstanding revenue bonds that may be secured by a pledge~~
10 ~~of such municipal gross receipts tax unless the outstanding~~
11 ~~revenue bonds have been discharged in full or provision has~~
12 ~~been fully made therefor]. Revenues in excess of the annual~~
13 ~~principal and interest due on gross receipts tax revenue bonds~~
14 ~~secured by a pledge of gross receipts tax revenue may be~~
15 ~~accumulated in a debt service reserve account. The governing~~
16 ~~body of the municipality may appoint a commercial bank trust~~
17 ~~department to act as trustee of the gross receipts tax revenue~~
18 ~~and to administer the payment of principal of and interest on~~
19 ~~the bonds.~~

20 ~~[D. As used in this section, the term "public~~
21 ~~building" includes but is not limited to fire stations, police~~
22 ~~buildings, municipal jails, regional jails or juvenile~~
23 ~~detention facilities, libraries, museums, auditoriums,~~
24 ~~convention halls, hospitals, buildings for administrative~~
25 ~~offices, city halls and garages for housing, repairing and~~

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1 ~~maintaining city vehicles and equipment. As used in Chapter 3,~~
2 ~~Article 31 NMSA 1978, the term "gross receipts tax revenue~~
3 ~~bonds" means the bonds authorized in Subsection C of this~~
4 ~~section, and the term "gross receipts tax revenue" means the~~
5 ~~amount of money distributed to the municipality as authorized~~
6 ~~by Section 7-1-6.4 NMSA 1978 or the amount of money transferred~~
7 ~~to the municipality as authorized by Section 7-1-6.12 NMSA 1978~~
8 ~~for any municipal gross receipts tax imposed pursuant to the~~
9 ~~Municipal Local Option Gross Receipts Taxes Act. As used in~~
10 ~~Chapter 3, Article 31 NMSA 1978, the term "bond" means any~~
11 ~~obligation of a municipality issued under Chapter 3, Article 31~~
12 ~~NMSA 1978, whether designated as a bond, note, loan, warrant,~~
13 ~~debenture, lease-purchase agreement or other instrument~~
14 ~~evidencing an obligation of a municipality to make payments.]~~

15 E. Gasoline tax revenue bonds may be issued for
16 laying off, opening, constructing, reconstructing, resurfacing,
17 maintaining, acquiring rights of way, repairing and otherwise
18 improving municipal buildings, alleys, streets, public roads
19 and bridges or any combination of the foregoing purposes. The
20 municipality may pledge irrevocably any or all of the gasoline
21 tax revenue received by the municipality to the payment of the
22 interest on and principal of the gasoline tax revenue bonds.

23 ~~[As used in Chapter 3, Article 31 NMSA 1978, "gasoline tax~~
24 ~~revenue bonds" means the bonds authorized in this subsection,~~
25 ~~and "gasoline tax revenue" means all or portions of the amounts~~

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1 ~~of tax revenues distributed to municipalities pursuant to~~
2 ~~Sections 7-1-6.9 and 7-1-6.27 NMSA 1978, as from time to time~~
3 ~~amended and supplemented.]~~

4 F. Project revenue bonds may be issued for
5 acquiring, extending, enlarging, bettering, repairing,
6 improving, constructing, purchasing, furnishing, equipping and
7 rehabilitating any revenue-producing project, including, where
8 applicable, purchasing, otherwise acquiring or improving the
9 ground therefor, including but not necessarily limited to
10 acquiring and improving parking lots, or for any combination of
11 the foregoing purposes. The municipality may pledge
12 irrevocably any or all of the net revenues from the operation
13 of the revenue-producing project for which the particular
14 project revenue bonds are issued to the payment of the interest
15 on and principal of the project revenue bonds. The net
16 revenues of any revenue-producing project may not be pledged to
17 the project revenue bonds issued for a revenue-producing
18 project that clearly is unrelated in nature; but nothing in
19 this subsection shall prevent the pledge to such project
20 revenue bonds of any revenues received from existing, future or
21 disconnected facilities and equipment that are related to and
22 that may constitute a part of the particular revenue-producing
23 project. A general determination by the governing body that
24 any facilities or equipment is reasonably related to and
25 constitutes a part of a specified revenue-producing project

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1 shall be conclusive if set forth in the proceedings authorizing
2 the project revenue bonds. [~~As used in Chapter 3, Article 31~~
3 ~~NMSA 1978:~~

4 ~~(1) "project revenue bonds" means the bonds~~
5 ~~authorized in this subsection; and~~

6 ~~(2) "project revenues" means the net revenues~~
7 ~~of revenue-producing projects that may be pledged to project~~
8 ~~revenue bonds pursuant to this subsection.]~~

9 G. Fire district revenue bonds may be issued for
10 acquiring, extending, enlarging, bettering, repairing,
11 improving, constructing, purchasing, furnishing, equipping and
12 rehabilitating any fire district project, including where
13 applicable purchasing, otherwise acquiring or improving the
14 ground therefor, or for any combination of the foregoing
15 purposes. The municipality may pledge irrevocably any or all
16 of the revenues received by the fire district from the fire
17 protection fund as provided in the Fire Protection Fund Law and
18 any or all of the revenues provided for the operation of the
19 fire district project for which the particular bonds are issued
20 to the payment of the interest on and principal of the bonds.
21 The revenues of any fire district project shall not be pledged
22 to the bonds issued for a fire district project that clearly is
23 unrelated in its purpose; but nothing in this section prevents
24 the pledge to such bonds of any revenues received from
25 existing, future or disconnected facilities and equipment that

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1 are related to and that may constitute a part of the particular
2 fire district project. A general determination by the
3 governing body of the municipality that any facilities or
4 equipment is reasonably related to and constitutes a part of a
5 specified fire district project shall be conclusive if set
6 forth in the proceedings authorizing the fire district bonds.

7 H. Law enforcement protection revenue bonds may be
8 issued for the repair and purchase of law enforcement apparatus
9 and equipment that meet nationally recognized standards. The
10 municipality may pledge irrevocably any or all of the revenues
11 received by the municipality from the law enforcement
12 protection fund distributions pursuant to the Law Enforcement
13 Protection Fund Act to the payment of the interest on and
14 principal of the law enforcement protection revenue bonds.

15 ~~[I. Economic development gross receipts tax revenue~~
16 ~~bonds may be issued for the purpose of furthering economic~~
17 ~~development projects as defined in the Local Economic~~
18 ~~Development Act. The municipality may pledge irrevocably any~~
19 ~~or all of the revenue received from the municipal~~
20 ~~infrastructure gross receipts tax to the payment of the~~
21 ~~interest on and principal of the economic development gross~~
22 ~~receipts tax revenue bonds for any of the purposes authorized~~
23 ~~in this subsection. A law that imposes or authorizes the~~
24 ~~imposition of a municipal infrastructure gross receipts tax or~~
25 ~~that affects the municipal infrastructure gross receipts tax,~~

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1 ~~or a law supplemental to or otherwise pertaining to the tax,~~
2 ~~shall not be repealed or amended or otherwise directly or~~
3 ~~indirectly modified in such a manner as to impair adversely any~~
4 ~~outstanding revenue bonds that may be secured by a pledge of~~
5 ~~the municipal infrastructure gross receipts tax unless the~~
6 ~~outstanding revenue bonds have been discharged in full or~~
7 ~~provision has been fully made for their discharge. As used in~~
8 ~~Chapter 3, Article 31 NMSA 1978, "economic development gross~~
9 ~~receipts tax revenue bonds" means the bonds authorized in this~~
10 ~~subsection, and "municipal infrastructure gross receipts tax~~
11 ~~revenue" means any or all of the revenue from the municipal~~
12 ~~infrastructure gross receipts tax transferred to the~~
13 ~~municipality pursuant to Section 7-1-6.12 NMSA 1978.~~

14 ~~J. Municipal higher education facilities gross~~
15 ~~receipts tax revenue bonds may be issued for the purpose of~~
16 ~~acquisition, construction, renovation or improvement of~~
17 ~~facilities of a four-year post-secondary public educational~~
18 ~~institution located in the municipality and acquisition of or~~
19 ~~improvements to land for those facilities. The municipality~~
20 ~~may pledge irrevocably any or all of the revenue received from~~
21 ~~the municipal higher education facilities gross receipts tax to~~
22 ~~the payment of the interest on and principal of the municipal~~
23 ~~higher education facilities gross receipts tax revenue bonds.~~
24 ~~A law that imposes or authorizes the imposition of a municipal~~
25 ~~higher education facilities gross receipts tax or that affects~~

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1 ~~the municipal higher education facilities gross receipts tax,~~
2 ~~or a law supplemental to or otherwise pertaining to the tax,~~
3 ~~shall not be repealed or amended or otherwise directly or~~
4 ~~indirectly modified in such a manner as to impair adversely any~~
5 ~~outstanding revenue bonds that may be secured by a pledge of~~
6 ~~the municipal higher education facilities gross receipts tax~~
7 ~~unless the outstanding revenue bonds have been discharged in~~
8 ~~full or provision has been fully made for their discharge. As~~
9 ~~used in Chapter 3, Article 31 NMSA 1978, "municipal higher~~
10 ~~education facilities gross receipts tax revenue bonds" means~~
11 ~~the bonds authorized in this subsection and "municipal higher~~
12 ~~education facilities gross receipts tax revenue" means any or~~
13 ~~all of the revenue from the municipal higher education~~
14 ~~facilities gross receipts tax transferred to the municipality~~
15 ~~pursuant to Section 7-1-6.12 NMSA 1978.~~

16 ~~K.]~~ I. Except for the purpose of refunding previous
17 revenue bond issues, no municipality may sell revenue bonds
18 payable from pledged revenues after the expiration of two years
19 from the date of the ordinance authorizing the issuance of the
20 bonds or, for bonds to be issued and sold to the New Mexico
21 finance authority as authorized in Subsection C of Section
22 3-31-4 NMSA 1978, after the expiration of two years from the
23 date of the resolution authorizing the issuance of the bonds.
24 However, any period of time during which a particular revenue
25 bond issue is in litigation shall not be counted in determining

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1 the expiration date of that issue."

2 SECTION 2. A new section of Chapter 3, Article 31 NMSA
3 1978 is enacted to read:

4 "[NEW MATERIAL] DEFINITIONS.--As used in Chapter 3,
5 Article 31 NMSA 1978:

6 A. "bond" means any obligation of a municipality
7 issued under Chapter 3, Article 31 NMSA 1978, whether
8 designated as a bond, note, loan, warrant, debenture, lease-
9 purchase agreement or other instrument evidencing an obligation
10 of a municipality to make payments;

11 B. "gasoline tax revenue" means all or portions of
12 the amounts of tax revenues distributed to municipalities
13 pursuant to Sections 7-1-6.9 and 7-1-6.27 NMSA 1978;

14 C. "gasoline tax revenue bonds" means the bonds
15 authorized by Subsection E of Section 3-31-3 NMSA 1978;

16 D. "gross receipts tax revenue" means the amount of
17 money transferred to the municipality as authorized by Section
18 7-1-6.12 NMSA 1978 for any municipal gross receipts tax imposed
19 pursuant to the Municipal Local Option Gross Receipts Tax Act;

20 E. "gross receipts tax revenue bonds" means the
21 bonds authorized by Subsection D of Section 3-31-3 NMSA 1978;

22 F. "joint utility revenue bonds" or "joint utility
23 bonds" means the bonds authorized by Subsection C of Section
24 3-31-3 NMSA 1978;

25 G. "pledged revenues" means the revenues, net

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1 income or net revenues authorized to be pledged to the payment
2 of revenue bonds as specifically provided in Chapter 3, Article
3 31 NMSA 1978;

4 H. "project revenue bonds" means the bonds
5 authorized by Subsection F of Section 3-13-31 NMSA 1978;

6 I. "project revenues" means the net revenues of
7 revenue-producing projects that may be pledged to project
8 revenue bonds; and

9 J. "utility revenue bonds" or "utility bonds" means
10 the bonds authorized by Subsection B of Section 3-31-3 NMSA
11 1978."

12 SECTION 3. Section 3-37A-2 NMSA 1978 (being Laws 1979,
13 Chapter 284, Section 2, as amended) is amended to read:

14 "3-37A-2. DEFINITIONS.--As used in the Small Cities
15 Assistance Act:

16 A. "municipality" means an incorporated city, town
17 or village, whether incorporated under general act, special act
18 or special charter, and incorporated counties and H-class
19 counties;

20 B. "municipal share" means one and thirty-five one-
21 hundredths percent of the taxable gross receipts as defined in
22 the Gross Receipts [~~and Compensating~~] Tax Act reported annually
23 for each municipality to the taxation and revenue department
24 during a twelve-month period ending June 30;

25 C. "total municipal share" means the sum of all

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1 municipal shares;

2 D. "statewide per capita average" means the
3 quotient of the total municipal share divided by the total
4 population in all municipalities;

5 E. "municipal per capita average" means the
6 quotient of the municipal share divided by the municipality's
7 population;

8 F. "population" means the most recent official
9 census or estimate determined by the United States census
10 bureau [~~of the census~~], or, if neither is available,
11 "population" means an estimate as determined by the local
12 government division of the department of finance and
13 administration;

14 G. "local tax effort" means the amount produced by
15 a [~~one-fourth of one~~] one hundred twenty-five thousandths
16 percent municipal gross receipts tax in the previous fiscal
17 year;

18 H. "qualifying municipality" means a municipality
19 with a population of less than ten thousand that has enacted on
20 or before the last day of the preceding fiscal year an
21 ordinance or ordinances imposing a municipal gross receipts tax
22 pursuant to Section 7-19D-9 NMSA 1978 at a rate of [~~one-fourth~~
23 ~~of one~~] one hundred twenty-five thousandths percent or more;

24 I. "enacted" means adopted by a majority of the
25 members of the governing body of the municipality pursuant to

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1 Section 7-19D-9 NMSA 1978 and:

2 (1) for which no election has been called in
3 the manner and within the time provided by Section 7-19D-9 NMSA
4 1978; or

5 (2) that has been approved by a majority of
6 the registered voters voting on the question pursuant to
7 Section 7-19D-9 NMSA 1978; and

8 J. "minimum amount" means an amount equal to ninety
9 thousand dollars (\$90,000)."

10 SECTION 4. Section 3-51-32 NMSA 1978 (being Laws 1971,
11 Chapter 173, Section 17) is amended to read:

12 "3-51-32. POWER TO ISSUE BONDS.--

13 A. A city shall have power to issue bonds from time
14 to time in its discretion for the purpose of financing in whole
15 or in part the cost of any project.

16 B. A city shall also have the power to issue
17 refunding bonds from time to time for the purpose of refunding,
18 paying and retiring:

19 [~~(1)~~] ~~any bonds issued by it pursuant to the~~
20 ~~Greater Municipality Parking Law or pursuant to Laws 1963,~~
21 ~~Chapter 313, as amended and supplemented;~~

22 ~~(2)]~~ (1) any bonds authorized for parking
23 facilities and payable from the revenues of any parking
24 facilities;

25 [~~(3)]~~ (2) any bonds authorized for parking

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1 facilities and payable from any parking meter revenues;

2 [~~(4)~~] (3) any [~~sales~~] gross receipts tax
3 revenue bonds authorized for the purpose of any public building
4 to be used for parking facilities and pursuant to Subsection D
5 of Section [~~14-30-1C NMSA 1953~~] 3-31-1 NMSA 1978;

6 [~~(5)~~] (4) any gasoline tax revenue bonds
7 authorized for the purpose of any public building to be used
8 for parking facilities and pursuant to Subsection E of Section
9 [~~14-30-1D NMSA 1953~~] 3-31-1 NMSA 1978;

10 [~~(6)~~] (5) any bonds authorized for parking
11 facilities and payable from any combination of the income and
12 revenue pledged to the bonds described in Paragraphs (1)
13 through [~~(5)~~] (4) of this subsection [~~B~~]; or

14 [~~(7)~~] (6) any bonds [~~which~~] that have refunded
15 the bonds described in Paragraphs (1) through [~~(6)~~] (5) of this
16 subsection [~~B~~].

17 C. A city shall also have the power to issue bonds
18 for any combination of the purposes described in this section."

19 SECTION 5. Section 3-60A-13 NMSA 1978 (being Laws 1979,
20 Chapter 391, Section 13, as amended) is amended to read:

21 "3-60A-13. PROPERTY EXEMPT FROM TAXES AND FROM LEVY AND
22 SALE BY VIRTUE OF AN EXECUTION.--

23 A. All property of a municipality, including funds,
24 owned or held in fee simple by it for the purposes of the
25 Metropolitan Redevelopment Code shall be exempt from levy and

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1 sale by virtue of an execution, and no execution or other
2 judicial process shall issue against the property nor shall
3 judgment against a municipality be a charge or lien upon the
4 property; provided, however, that the provisions of this
5 section shall not apply to or limit the right of obligees to
6 pursue any remedies for the enforcement of any pledge or lien
7 given pursuant to the Redevelopment Law by a municipality on
8 its rents, fees, grants, land or revenues from projects.

9 B. The property of a municipality acquired or held
10 for the purposes of the Metropolitan Redevelopment Code is
11 declared to be public property used for essential public and
12 governmental purposes, and the property shall be exempt from
13 property taxes or assessments of the municipality, the county,
14 the state or any political subdivision thereof; provided that
15 the exemption shall terminate when the municipality transfers
16 its fee simple interest in the property to a purchaser that is
17 not entitled to the exemption with respect to the property.
18 Nothing in this subsection authorizes an exemption or deduction
19 from the imposition of the [~~gross receipts and compensating~~]
20 taxes under the Gross Receipts [~~and Compensating~~] Tax Act on
21 the gross receipts from the sale of property to or the use of
22 property by a municipality or any other person in connection
23 with a metropolitan redevelopment project created under the
24 Metropolitan Redevelopment Code."

25 SECTION 6. Section 3-65-8 NMSA 1978 (being Laws 2001,

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1 Chapter 231, Section 8) is amended to read:

2 "3-65-8. AUTHORIZATION OF PROJECT.--

3 A. Pursuant to the provisions of Section 6-21-6
4 NMSA 1978, the legislature authorizes the authority to make a
5 loan from the public project revolving fund to a municipality
6 to acquire land for and to design, purchase, construct,
7 remodel, renovate, rehabilitate, improve, equip or furnish a
8 minor league baseball stadium on terms and conditions
9 established by the authority.

10 B. Prior to receiving the loan, the governing body
11 shall approve the loan and related documents by an ordinance to
12 be adopted by a majority of the members of the governing body.
13 The ordinance shall pledge the stadium surcharge receipts to
14 make the loan payments. In addition to pledging stadium
15 surcharge receipts for making loan payments, the ordinance
16 shall pledge legally available gross receipts tax revenues
17 distributed to a municipality pursuant to Section [~~7-1-6.4 or~~
18 7-1-6.12 NMSA 1978 in an amount satisfactory to the authority
19 and in an amount at least sufficient to make the loan payments.
20 No action shall be brought questioning the legality of the
21 pledge of receipts and revenues, the ordinance, the loan, the
22 proceedings, the stadium surcharge or any other matter
23 concerning the loan after thirty days from the date of
24 publication of the ordinance approving the loan and related
25 documents and pledging stadium surcharge receipts and gross

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1 receipts tax revenues of the municipality to make the loan
2 payments.

3 C. The legislature or a municipality shall not
4 repeal, amend or otherwise modify any law or ordinance that
5 adversely affects or impairs the stadium surcharge or any loan
6 from the authority secured by a pledge of the stadium surcharge
7 and gross receipts tax revenues, unless the loan has been paid
8 in full or provisions have been made for full payment."

9 SECTION 7. Section 3-66-8 NMSA 1978 (being Laws 2005,
10 Chapter 351, Section 10) is amended to read:

11 "3-66-8. ISSUANCE OF BONDS.--

12 A. A municipality may issue revenue bonds, in
13 accordance with the procedures set forth in Sections 3-31-3
14 through 3-31-7 NMSA 1978, to acquire land for and to design,
15 purchase, construct, remodel, renovate, rehabilitate, improve,
16 equip or furnish a municipal event center.

17 B. Revenue bonds issued by a municipality may be
18 secured by event center revenues, event center surcharge
19 receipts or gross receipts tax revenues distributed to that
20 municipality pursuant to Section [~~7-1-6.4 or~~] 7-1-6.12 NMSA
21 1978.

22 C. An action shall not be brought questioning the
23 legality of the pledge of event center revenues, event center
24 surcharge receipts or gross receipts tax revenues, bonds issued
25 pursuant to the Municipal Event Center Funding Act, issuance of

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1 those bonds, an event center surcharge included in a vendor
2 contract or any other matter concerning the bonds after thirty
3 days from the date of publication of the ordinance authorizing
4 issuance of the bonds and the pledging of event center
5 receipts, event center surcharge receipts or gross receipts tax
6 revenues of a municipality to make debt service payments.

7 D. The legislature or a municipality shall not
8 repeal, amend or otherwise modify any law or ordinance that
9 adversely affects or impairs the event center surcharge or any
10 bonds secured by a pledge of the event center revenues, event
11 center surcharge receipts or gross receipts tax revenues,
12 unless the bonds have been paid in full or provisions have been
13 made for full payment."

14 SECTION 8. Section 4-48B-12 NMSA 1978 (being Laws 1981,
15 Chapter 83, Section 12, as amended) is amended to read:

16 "4-48B-12. TAX LEVIES AUTHORIZED.--

17 A. The county commissioners are authorized to
18 impose a mill levy and collect annual assessments against the
19 net taxable value of the property in a county to pay the cost
20 of operating and maintaining county hospitals or to pay to
21 contracting hospitals in accordance with a health care
22 facilities contract [~~and in class A counties to pay for the~~
23 ~~county's transfer to the county-supported medicaid fund~~
24 ~~pursuant to Section 27-10-4 NMSA 1978]~~ as follows:

25 (1) in class A counties as defined in Section

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1 4-44-1 NMSA 1978, the mill levy shall not exceed a rate of six
2 dollars fifty cents (\$6.50), or any lower maximum amount
3 required by operation of the rate limitation provisions of
4 Section 7-37-7.1 NMSA 1978 upon a mill levy imposed pursuant to
5 this paragraph, on each one thousand dollars (\$1,000) of net
6 taxable value of property allocated to the county; ~~[however, if~~
7 ~~the county uses any portion, not to exceed one dollar fifty~~
8 ~~cents (\$1.50), of the rate authorized by this paragraph to meet~~
9 ~~the requirement of Section 27-10-4 NMSA 1978, the provisions of~~
10 ~~Section 7-37-7.1 NMSA 1978 do not apply to the portion of the~~
11 ~~rate necessary to produce the revenues required, provided that~~
12 ~~the portion of the rate does not exceed one dollar fifty cents~~
13 ~~(\$1.50)] and~~

14 (2) in other counties, the mill levy shall not
15 exceed four dollars twenty-five cents (\$4.25), or any lower
16 maximum amount required by operation of the rate limitation
17 provisions of Section 7-37-7.1 NMSA 1978 upon a mill levy
18 imposed pursuant to this paragraph, on each one thousand
19 dollars (\$1,000) of net taxable value of property allocated to
20 the county.

21 B. The mill levies provided in Paragraphs (1) and
22 (2) of Subsection A of this section shall be made at the
23 direction of the county commissioners, but only to the extent
24 that the county commissioners deem it necessary to operate and
25 maintain county hospitals and to pay the amounts required in

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1 the performance of any health care facilities contracts made
2 pursuant to the Hospital Funding Act [~~and to provide for a~~
3 ~~class A county's transfer to the county-supported medicaid fund~~
4 ~~pursuant to Section 27-10-4 NMSA 1978~~].

5 C. In the event that the mill levy provided for in
6 Paragraph (1) of Subsection A of this section is not authorized
7 by the electorate or the resulting mill levy proceeds are not
8 remitted to the entity operating the hospital within a
9 reasonable time period, any lease for operation of the hospital
10 between a county and a state educational institution named in
11 Article 12, Section 11 of the constitution of New Mexico may,
12 at the option of the state educational institution, be
13 terminated immediately. [~~Except as provided in Subsection D of~~
14 ~~this section~~] In the event that the mill levy provided for in
15 Paragraph (1) of Subsection A of this section is authorized, an
16 amount not less than the amount that would be produced by a
17 mill levy at the rate of four dollars (\$4.00), or any lower
18 amount that would be required by operation of the rate
19 limitation provisions of Section 7-37-7.1 NMSA 1978 upon this
20 rate, on each one thousand dollars (\$1,000) of net taxable
21 value of property allocated to the county shall be provided
22 from the proceeds of the mill levy to the state educational
23 institution operating the hospital for hospital purposes unless
24 the institution determines that the amount is not necessary.

25 [~~D. A class A county imposing the mill levy~~

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1 ~~provided for in Paragraph (1) of Subsection A of this section~~
2 ~~may enter into a mutual agreement with a state educational~~
3 ~~institution named in Article 12, Section 11 of the constitution~~
4 ~~of New Mexico operating the hospital permitting the transfer to~~
5 ~~the county-supported medicaid fund by the county pursuant to~~
6 ~~Section 27-10-4 NMSA 1978 of not to exceed the amount that~~
7 ~~would be produced by a mill levy at a rate of one dollar fifty~~
8 ~~cents (\$1.50) applied to the net taxable value of property~~
9 ~~allocated to the county for the prior property tax year and~~
10 ~~also not to exceed the amount that would be produced by~~
11 ~~imposition of the county health care gross receipts tax.~~

12 ~~E.]~~ D. The distribution of the mill levy authorized
13 at the rates specified in Subsection A of this section shall be
14 made to county and contracting hospitals as authorized in the
15 Hospital Funding Act."

16 **SECTION 9.** Section 4-61-2 NMSA 1978 (being Laws 1982,
17 Chapter 44, Section 2, as amended) is amended to read:

18 "4-61-2. DEFINITIONS.--As used in the Small Counties
19 Assistance Act:

20 A. "adjustment factor" means a fraction, the
21 numerator of which is the net taxable value of the state for
22 the property tax year prior to the year in which the amount of
23 small counties assistance is being determined and the
24 denominator of which is the net taxable value for property tax
25 year 2002; the adjustment factor shall be calculated without

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1 reference to assessed value determined pursuant to the Oil and
2 Gas Ad Valorem Production Tax Act, assessed value determined
3 pursuant to the Oil and Gas Production Equipment Ad Valorem Tax
4 Act or taxable value determined pursuant to the Copper
5 Production Ad Valorem Tax Act;

6 B. "ceiling valuation" means:

7 (1) for the 2002 property tax year, one
8 billion four hundred million dollars (\$1,400,000,000); and

9 (2) for each subsequent property tax year, an
10 amount equal to the product obtained by multiplying one billion
11 four hundred million dollars (\$1,400,000,000) by the adjustment
12 factor for the year;

13 C. "demographer" means the bureau of business and
14 economic research at the university of New Mexico;

15 D. "inflation factor" means a fraction whose
16 numerator is the annual implicit price deflator index for state
17 and local government purchases of goods and services, as
18 published in the United States department of commerce monthly
19 publication entitled "Survey of Current Business" or any
20 successor publication prepared by an agency of the United
21 States and adopted by the department of finance and
22 administration, for the calendar year one year prior to the
23 year in which the distribution is to be made and whose
24 denominator is the annual index for calendar year 2004;
25 provided that, if the inflation factor is calculated to have a

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1 value less than one, it shall be deemed to have a value of one;

2 E. "population" means the official population shown
3 by the most recent federal decennial census, or, if there is a
4 change in boundaries after the date of the census, "population"
5 for each affected unit shall be the most current estimated
6 population for that unit provided in writing by the
7 demographer; provided that after five years from the first day
8 of the calendar year of the most recent federal decennial
9 census, that census shall not be used, and "population" for the
10 period from that date until the date when the next following
11 official final decennial census population data are available
12 shall be the most current estimated population provided in
13 writing by the demographer;

14 F. "qualifying county" means a county that has:

15 (1) for the property tax year in which any
16 distribution under the Small Counties Assistance Act is made to
17 the county, imposed a property tax rate for general county
18 purposes pursuant to Paragraph (1) of Subsection B of Section
19 7-37-7 NMSA 1978 as limited by Section 7-37-7.1 NMSA 1978 of at
20 least eight dollars eighty-five cents (\$8.85) per one thousand
21 dollars (\$1,000) of net taxable value;

22 (2) by July 1 of the property tax year in
23 which any distribution under the Small Counties Assistance Act
24 is made to the county, received a written certification from
25 the director of the property tax division of the taxation and

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1 revenue department that the county assessor of that county has
2 implemented an acceptable program of maintaining current and
3 correct property values for property taxation purposes as
4 required by Section 7-36-16 NMSA 1978 or has submitted to the
5 director an acceptable plan for the implementation of such a
6 program;

7 (3) on July 1 of the year in which any
8 distribution under the Small Counties Assistance Act is made to
9 the county, a population of not more than forty-eight thousand;

10 (4) imposed county gross receipts tax
11 increments authorized pursuant to Section 7-20E-9 NMSA 1978
12 totaling at least [~~three-eighths~~] one-half percent and has
13 those increments in effect on July 1 of the year in which a
14 distribution is made; provided that this paragraph does not
15 apply to a county if the county's valuation for property
16 taxation purposes does not exceed the product of two hundred
17 thirty million dollars (\$230,000,000) multiplied by the
18 adjustment factor for the year; and

19 (5) a total valuation for the property tax
20 year preceding the year in which a distribution pursuant to the
21 Small Counties Assistance Act for that county is to be made
22 that is no greater than the ceiling valuation for that property
23 tax year;

24 G. "tax rate factor" means a fraction, the
25 numerator of which is the average rate imposed in Section

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1 ~~[7-9-7]~~ 7-9-4 NMSA 1978 for the fiscal year one year prior to
2 the fiscal year in which the distribution is to be made and the
3 denominator of which is five percent; and

4 H. "total valuation" means the sum for a
5 jurisdiction for a property tax year of the net taxable value
6 determined pursuant to the Property Tax Code, the assessed
7 value determined pursuant to the Oil and Gas Ad Valorem
8 Production Tax Act, the assessed value determined pursuant to
9 the Oil and Gas Production Equipment Ad Valorem Tax Act and the
10 taxable value determined pursuant to the Copper Production Ad
11 Valorem Tax Act."

12 **SECTION 10.** Section 4-61-3 NMSA 1978 (being Laws 1982,
13 Chapter 44, Section 3, as amended) is amended to read:

14 "4-61-3. SMALL COUNTIES ASSISTANCE FUND--
15 DISTRIBUTION.--

16 A. The "small counties assistance fund" is created
17 within the state treasury.

18 B. On or before September 1, 2003 and on or before
19 September 1 of each subsequent year, the demographer shall
20 certify in writing to the department of finance and
21 administration the population of the state and of each county
22 as of June 30 of the year.

23 C. On or before September 15, 2003 and on or before
24 September 15 of each subsequent year, the secretary of finance
25 and administration shall certify to the state treasurer with

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1 respect to each qualifying county:

2 (1) its population as certified by the
3 demographer;

4 (2) its total valuation for the preceding
5 property tax year; and

6 (3) the distribution amount calculated for it.

7 D. The distribution amount for each qualifying
8 county shall be determined for 2003 and each subsequent year
9 in accordance with the following table; provided that the
10 bracket amounts in the first two columns of the table shall
11 be adjusted annually after 2003 by the adjustment factor.
12 The bracket amounts in the last column shall be adjusted
13 annually after 2005 by the inflation factor and in 2011 and
14 subsequent years, shall be adjusted by the tax rate factor.
15 The department of finance and administration may round the
16 results of the adjustments made pursuant to this subsection
17 to the nearest one thousand dollars (\$1,000).

18 If the county's total valuation for the preceding
19 property tax year is:

20	at least:	but less	and the county	then the distribution
21		than:	population is:	amount is:
22	\$ 0	\$100,000,000	under 1,000	\$515,000
23	\$ 0	\$100,000,000	at least 1,000	
24			but under 4,000	\$370,000
25	\$ 0	\$100,000,000	at least 4,000	\$285,000

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1 \$100,000,000 \$230,000,000 under 12,000 \$200,000
2 \$100,000,000 \$230,000,000 at least 12,000 \$145,000
3 \$230,000,000 \$1,400,000,000 under 48,000 \$85,000.

4 ~~[E. If the balance in the small counties~~
5 ~~assistance fund as of the preceding August 31 exceeds the sum~~
6 ~~of the distributions to be made to qualifying counties~~
7 ~~pursuant to the provisions of Subsection D of this section,~~
8 ~~the department of finance and administration shall increase~~
9 ~~the distribution amount for each county receiving a~~
10 ~~distribution amount pursuant to the provisions of Subsection~~
11 ~~D of this section by:~~

12 ~~(1) fifty thousand dollars (\$50,000) if the~~
13 ~~county has imposed and has in effect on July 1 of the year in~~
14 ~~which the distribution is to be made a county correctional~~
15 ~~facility gross receipts tax at a rate of at least one-eighth~~
16 ~~percent;~~

17 ~~(2) twenty thousand dollars (\$20,000) if the~~
18 ~~county has imposed and has in effect on July 1 of the year in~~
19 ~~which the distribution is to be made a county gross receipts~~
20 ~~tax increment of one-sixteenth percent; or~~

21 ~~(3) seventy thousand dollars (\$70,000) if~~
22 ~~the county has met the requirements of Paragraphs (1) and (2)~~
23 ~~of this subsection.~~

24 ~~F. If the balance in the small counties~~
25

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1 ~~assistance fund as of the preceding August 31 is less than~~
2 ~~the sum of the distributions determined pursuant to~~
3 ~~Subsection D of this section plus the distribution increases~~
4 ~~authorized pursuant to Subsection E of this section, the~~
5 ~~distribution increases pursuant to Subsection E of this~~
6 ~~section shall be proportionately reduced.~~

7 ~~G.]~~ E. If the balance in the small counties
8 assistance fund as of the preceding August 31 is less than
9 the sum of the distributions to be made to qualifying
10 counties, the department of finance and administration shall
11 reduce each qualifying county's calculated distribution by a
12 percentage computed by dividing the amount by which the fund
13 is insufficient by the sum of all the calculated
14 distributions and shall certify the reduced amounts as the
15 qualifying counties' distributions.

16 ~~H.]~~ F. Any interest accruing from the temporary
17 investment of the small counties assistance fund shall be
18 credited to the general fund.

19 ~~I.]~~ G. On or before September 30, 2003 and on or
20 before September 30 of each subsequent year, the state
21 treasurer shall distribute to each county for ~~whom~~ which a
22 distribution has been certified for that year the amount
23 certified for that county for that year. If the balance in
24 the fund as of the preceding August 31 exceeds the sum of
25 certified amounts distributed, the difference shall revert to

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1 the general fund.

2 [J.] H. If any date specified in Subsection B, C
3 or [F] G of this section falls on a Saturday, Sunday or legal
4 holiday, any action required to be performed as provided in
5 those subsections is timely if performed on the next day that
6 is not a Saturday, Sunday or legal holiday."

7 SECTION 11. Section 4-62-1 NMSA 1978 (being Laws 1992,
8 Chapter 95, Section 1, as amended) is amended to read:

9 "4-62-1. REVENUE BONDS--AUTHORITY TO ISSUE--PLEDGE OF
10 REVENUES--LIMITATION ON TIME OF ISSUANCE.--

11 A. In addition to any other law authorizing a
12 county to issue revenue bonds, a county may issue revenue
13 bonds pursuant to Chapter 4, Article 62 NMSA 1978 for the
14 purposes specified in this section. [~~The term "pledged~~
15 ~~revenues", as used in Chapter 4, Article 62 NMSA 1978, means~~
16 ~~the revenues, net income or net revenues authorized to be~~
17 ~~pledged to the payment of particular revenue bonds as~~
18 ~~specifically provided in Subsections B through M of this~~
19 ~~section.~~]

20 B. Gross receipts tax revenue bonds may be issued
21 for [~~one or more of the following purposes:~~

22 (~~1) constructing, purchasing, furnishing,~~
23 ~~equipping, rehabilitating, making additions to or making~~
24 ~~improvements to one or more public buildings or purchasing or~~
25 ~~improving ground relating thereto, including but not~~

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1 ~~necessarily limited to acquiring and improving parking lots,~~
2 ~~or any combination of the foregoing;~~

3 ~~(2) acquiring or improving county or public~~
4 ~~parking lots, structures or facilities or any combination of~~
5 ~~the foregoing;~~

6 ~~(3) purchasing, acquiring or rehabilitating~~
7 ~~firefighting equipment or any combination of the foregoing;~~

8 ~~(4) acquiring, extending, enlarging,~~
9 ~~bettering, repairing or otherwise improving or maintaining~~
10 ~~storm sewers and other drainage improvements, sanitary~~
11 ~~sewers, sewage treatment plants, water utilities or other~~
12 ~~water, wastewater or related facilities, including but not~~
13 ~~limited to the acquisition of rights of way and water and~~
14 ~~water rights, or any combination of the foregoing;~~

15 ~~(5) reconstructing, resurfacing,~~
16 ~~maintaining, repairing or otherwise improving existing~~
17 ~~alleys, streets, roads or bridges or any combination of the~~
18 ~~foregoing or laying off, opening, constructing or otherwise~~
19 ~~acquiring new alleys, streets, roads or bridges or any~~
20 ~~combination of the foregoing; provided that any of the~~
21 ~~foregoing improvements may include the acquisition of rights~~
22 ~~of way;~~

23 ~~(6) purchasing, acquiring, constructing,~~
24 ~~making additions to, enlarging, bettering, extending or~~
25 ~~equipping airport facilities or any combination of the~~

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1 ~~foregoing, including without limitation the acquisition of~~
2 ~~land, easements or rights of way;~~

3 ~~(7) purchasing or otherwise acquiring or~~
4 ~~clearing land or purchasing, otherwise acquiring and~~
5 ~~beautifying land for open space;~~

6 ~~(8) acquiring, constructing, purchasing,~~
7 ~~equipping, furnishing, making additions to, renovating,~~
8 ~~rehabilitating, beautifying or otherwise improving public~~
9 ~~parks, public recreational buildings or other public~~
10 ~~recreational facilities or any combination of the foregoing;~~

11 ~~(9) acquiring, constructing, extending,~~
12 ~~enlarging, bettering, repairing or otherwise improving or~~
13 ~~maintaining solid waste disposal equipment, equipment for~~
14 ~~operation and maintenance of sanitary landfills, sanitary~~
15 ~~landfills, solid waste facilities or any combination of the~~
16 ~~foregoing; or~~

17 ~~(10) acquiring, constructing, extending,~~
18 ~~bettering, repairing or otherwise improving public transit~~
19 ~~systems or any regional transit systems or facilities] any~~
20 ~~county purpose. A county may pledge irrevocably any or all~~
21 ~~of the revenue [from the first one-eighth increment, the~~
22 ~~third one-eighth increment and the one-sixteenth increment of~~
23 ~~the county gross receipts tax and any increment of the county~~
24 ~~infrastructure gross receipts tax and county capital outlay~~
25 ~~gross receipts tax] received by the county pursuant to~~

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1 Section 7-1-6.13 NMSA 1978 for payment of principal and
2 interest due in connection with, and other expenses related
3 to, gross receipts tax revenue bonds [~~for any of the purposes~~
4 ~~authorized in this section or specific purposes or~~] for any
5 area of county government services. If the revenue [~~from the~~
6 ~~first one-eighth increment, the third one-eighth increment or~~
7 ~~the one-sixteenth increment of the county gross receipts tax~~
8 ~~or any increment of the county infrastructure gross receipts~~
9 ~~tax or county capital outlay gross receipts tax~~] is pledged
10 for payment of principal and interest as authorized by this
11 subsection, the pledge shall require the revenues received
12 [~~from that increment of the county gross receipts tax or any~~
13 ~~increment of the county infrastructure gross receipts tax or~~
14 ~~county capital outlay gross receipts tax~~] to be deposited
15 into a special bond fund for payment of the principal,
16 interest and expenses. At the end of each fiscal year, money
17 remaining in the special bond fund after the annual
18 obligations for the bonds are fully met may be transferred to
19 any other fund of the county. Revenues in excess of the
20 annual principal and interest due on gross receipts tax
21 revenue bonds secured by a pledge of gross receipts tax
22 revenue may be accumulated in a debt service reserve account.
23 The governing body of the county may appoint a commercial
24 bank trust department to act as trustee of the proceeds of
25 the tax and to administer the payment of principal of and

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1 interest on the bonds.

2 ~~[G. Fire protection revenue bonds may be issued~~
3 ~~for acquiring, extending, enlarging, bettering, repairing,~~
4 ~~improving, constructing, purchasing, furnishing, equipping or~~
5 ~~rehabilitating any independent fire district project or~~
6 ~~facilities, including where applicable purchasing, otherwise~~
7 ~~acquiring or improving the ground for the project, or any~~
8 ~~combination of such purposes. A county may pledge~~
9 ~~irrevocably any or all of the county fire protection excise~~
10 ~~tax revenue for payment of principal and interest due in~~
11 ~~connection with, and other expenses related to, fire~~
12 ~~protection revenue bonds. These bonds may be referred to in~~
13 ~~Chapter 4, Article 62 NMSA 1978 as "fire protection revenue~~
14 ~~bonds".~~

15 ~~D. Environmental revenue bonds may be issued for~~
16 ~~the acquisition and construction of solid waste facilities,~~
17 ~~water facilities, wastewater facilities, sewer systems and~~
18 ~~related facilities. A county may pledge irrevocably any or~~
19 ~~all of the county environmental services gross receipts tax~~
20 ~~revenue for payment of principal and interest due in~~
21 ~~connection with, and other expenses related to, environmental~~
22 ~~revenue bonds. These bonds may be referred to in Chapter 4,~~
23 ~~Article 62 NMSA 1978 as "environmental revenue bonds".~~

24 ~~E.]~~ C. Gasoline tax revenue bonds may be issued
25 for the acquisition of rights of way for and the

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1 construction, reconstruction, resurfacing, maintenance,
2 repair or other improvement of county roads and bridges. A
3 county may pledge irrevocably any or all of the county
4 gasoline tax revenue for payment of principal and interest
5 due in connection with, and other expenses related to, county
6 gasoline tax revenue bonds. [~~These bonds may be referred to~~
7 ~~in Chapter 4, Article 62 NMSA 1978 as "gasoline tax revenue~~
8 ~~bonds".~~

9 F.] D. Utility revenue bonds or joint utility
10 revenue bonds may be issued for acquiring, extending,
11 enlarging, bettering, repairing or otherwise improving water
12 facilities, sewer facilities, gas facilities or electric
13 facilities or for any combination of the foregoing purposes.
14 A county may pledge irrevocably any or all of the net
15 revenues from the operation of the utility or joint utility
16 for which the particular utility or joint utility bonds are
17 issued to the payment of principal and interest due in
18 connection with, and other expenses related to, utility or
19 joint utility revenue bonds. [~~These bonds may be referred to~~
20 ~~in Chapter 4, Article 62 NMSA 1978 as "utility revenue bonds"~~
21 ~~or "joint utility revenue bonds".~~

22 G.] E. Project revenue bonds may be issued for
23 acquiring, extending, enlarging, bettering, repairing,
24 improving, constructing, purchasing, furnishing, equipping or
25 rehabilitating any revenue-producing project, including as

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1 applicable purchasing, otherwise acquiring or improving the
2 ground therefor and including but not limited to acquiring
3 and improving parking lots, or may be issued for any
4 combination of the foregoing purposes. The county may pledge
5 irrevocably any or all of the net revenues from the operation
6 of the revenue-producing project for which the particular
7 project revenue bonds are issued to the payment of the
8 interest on and principal of the project revenue bonds. The
9 net revenues of any revenue-producing project shall not be
10 pledged to the project revenue bonds issued for any other
11 revenue-producing project that is clearly unrelated in
12 nature; but nothing in this subsection prevents the pledge to
13 any of the project revenue bonds of the revenues received
14 from existing, future or disconnected facilities and
15 equipment that are related to and that may constitute a part
16 of the particular revenue-producing project. A general
17 determination by the governing body that facilities or
18 equipment is reasonably related to and constitutes a part of
19 a specified revenue-producing project shall be conclusive if
20 set forth in the proceedings authorizing the project revenue
21 bonds. ~~[As used in Chapter 4, Article 62 NMSA 1978:~~

22 ~~(1) "project revenue bonds" means the bonds~~
23 ~~authorized in this subsection; and~~

24 ~~(2) "project revenues" means the net~~
25 ~~revenues of revenue-producing projects that may be pledged to~~

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1 ~~project revenue bonds pursuant to this subsection.~~

2 H.] F. Fire district revenue bonds may be issued
3 for acquiring, extending, enlarging, bettering, repairing,
4 improving, constructing, purchasing, furnishing, equipping
5 and rehabilitating any fire district project, including where
6 applicable purchasing, otherwise acquiring or improving the
7 ground therefor, or for any combination of the foregoing
8 purposes. The county may pledge irrevocably any or all of
9 the revenues received by the fire district from the fire
10 protection fund as provided in the Fire Protection Fund Law
11 and any or all of the revenues provided for the operation of
12 the fire district project for which the particular bonds are
13 issued to the payment of the interest on and principal of the
14 bonds. The revenues of a fire district project shall not be
15 pledged to the bonds issued for a fire district project that
16 clearly is unrelated in its purpose; but nothing in this
17 section prevents the pledge to such bonds of revenues
18 received from existing, future or disconnected facilities and
19 equipment that are related to and that may constitute a part
20 of the particular fire district project. A general
21 determination by the governing body of the county that
22 facilities or equipment is reasonably related to and
23 constitutes a part of a specified fire district project shall
24 be conclusive if set forth in the proceedings authorizing the
25 fire district revenue bonds.

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1 ~~[F.]~~ G. Law enforcement protection revenue bonds
2 may be issued for the repair and purchase of law enforcement
3 apparatus and equipment that meet nationally recognized
4 standards. The county may pledge irrevocably any or all of
5 the revenues received by the county from the law enforcement
6 protection fund distributions pursuant to the Law Enforcement
7 Protection Fund Act to the payment of the interest on and
8 principal of the law enforcement protection revenue bonds.

9 ~~[J.] Hospital emergency gross receipts tax revenue~~
10 ~~bonds may be issued for acquiring, equipping, remodeling or~~
11 ~~improving a county hospital or county health facility. A~~
12 ~~county may pledge irrevocably to the payment of the interest~~
13 ~~on and principal of the hospital emergency gross receipts tax~~
14 ~~revenue bonds any or all of the revenues received by the~~
15 ~~county from a county hospital emergency gross receipts tax~~
16 ~~imposed pursuant to Section 7-20E-12.1 NMSA 1978 and~~
17 ~~dedicated to payment of bonds or a loan for acquiring,~~
18 ~~equipping, remodeling or improving a county hospital or~~
19 ~~county health facility.~~

20 ~~K.~~ Economic development gross receipts tax
21 ~~revenue bonds may be issued for the purpose of furthering~~
22 ~~economic development projects as defined in the Local~~
23 ~~Economic Development Act. A county may pledge irrevocably~~
24 ~~any or all of the county infrastructure gross receipts tax to~~
25 ~~the payment of the interest on and principal of the economic~~

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1 ~~development gross receipts tax revenue bonds for the purpose~~
2 ~~authorized in this subsection.~~

3 ~~L. County education gross receipts tax revenue~~
4 ~~bonds may be issued for public school or off-campus~~
5 ~~instruction program capital projects as authorized in Section~~
6 ~~7-20E-20 NMSA 1978. A county may pledge irrevocably any or~~
7 ~~all of the county education gross receipts tax revenue to the~~
8 ~~payment of interest on and principal of the county education~~
9 ~~gross receipts tax revenue bonds for the purpose authorized~~
10 ~~in this section.~~

11 ~~M.]~~ H. PILT revenue bonds may be issued by a
12 county to repay all or part of the principal and interest of
13 an outstanding loan owed by the county to the New Mexico
14 finance authority. A county may pledge irrevocably all or
15 part of PILT revenue to the payment of principal of and
16 interest on new loans or preexisting loans provided by the
17 New Mexico finance authority to finance a public project as
18 "public project" is defined in Subsection E of Section 6-21-3
19 NMSA 1978.

20 ~~[N.]~~ I. Except for the purpose of refunding
21 previous revenue bond issues, no county may sell revenue
22 bonds payable from pledged revenue after the expiration of
23 two years from the date of the ordinance authorizing the
24 issuance of the bonds or, for bonds to be issued and sold to
25 the New Mexico finance authority as authorized in Subsection

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1 C of Section 4-62-4 NMSA 1978, after the expiration of two
2 years from the date of the resolution authorizing the
3 issuance of the bonds. However, any period of time during
4 which a particular revenue bond issue is in litigation shall
5 not be counted in determining the expiration date of that
6 issue.

7 [Ø-] J. No bonds may be issued by a county, other
8 than an H class county, a class B county as defined in
9 Section 4-36-8 NMSA 1978 or a class A county as described in
10 Section 4-36-10 NMSA 1978, to acquire, equip, extend,
11 enlarge, better, repair or construct a utility unless the
12 utility is regulated by the public regulation commission
13 pursuant to the Public Utility Act and the issuance of the
14 bonds is approved by the commission. For purposes of Chapter
15 4, Article 62 NMSA 1978, a "utility" includes but is not
16 limited to a water, wastewater, sewer, gas or electric
17 utility or joint utility serving the public. H class
18 counties shall obtain public regulation commission approvals
19 required by Section 3-23-3 NMSA 1978.

20 [P-] K. Any law that imposes or authorizes the
21 imposition of a county gross receipts tax, [~~a county~~
22 ~~environmental services gross receipts tax, a county fire~~
23 ~~protection excise tax, a county infrastructure gross receipts~~
24 ~~tax, the county education gross receipts tax, a county~~
25 ~~capital outlay gross receipts tax, the gasoline tax or the~~

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1 ~~county hospital emergency gross receipts tax~~] or that affects
2 [~~any of those taxes~~] that tax, shall not be repealed or
3 amended in such a manner as to impair outstanding revenue
4 bonds that are issued pursuant to Chapter 4, Article 62 NMSA
5 1978 and that may be secured by a pledge of [~~those taxes~~]
6 that tax unless the outstanding revenue bonds have been
7 discharged in full or provision has been fully made therefor.

8 [Q. ~~As used in this section:~~

9 (1) ~~"county infrastructure gross receipts~~
10 ~~tax revenue" means the revenue from the county infrastructure~~
11 ~~gross receipts tax transferred to the county pursuant to~~
12 ~~Section 7-1-6.13 NMSA 1978;~~

13 (2) ~~"county capital outlay gross receipts~~
14 ~~tax revenue" means the revenue from the county capital outlay~~
15 ~~gross receipts tax transferred to the county pursuant to~~
16 ~~Section 7-1-6.13 NMSA 1978;~~

17 (3) ~~"county education gross receipts tax~~
18 ~~revenue" means the revenue from the county education gross~~
19 ~~receipts tax transferred to the county pursuant to Section~~
20 ~~7-1-6.13 NMSA 1978;~~

21 (4) ~~"county environmental services gross~~
22 ~~receipts tax revenue" means the revenue from the county~~
23 ~~environmental services gross receipts tax transferred to the~~
24 ~~county pursuant to Section 7-1-6.13 NMSA 1978;~~

25 (5) ~~"county fire protection excise tax~~

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1 ~~revenue" means the revenue from the county fire protection~~
2 ~~excise tax transferred to the county pursuant to Section~~
3 ~~7-1-6.13 NMSA 1978;~~

4 ~~(6) "county gross receipts tax revenue"~~
5 ~~means the revenue attributable to the first one-eighth~~
6 ~~increment, the third one-eighth increment and the one-~~
7 ~~sixteenth increment of the county gross receipts tax~~
8 ~~transferred to the county pursuant to Section 7-1-6.13 NMSA~~
9 ~~1978 and any distribution related to the first one-eighth~~
10 ~~increment made pursuant to Section 7-1-6.16 NMSA 1978;~~

11 ~~(7) "gasoline tax revenue" means the revenue~~
12 ~~from that portion of the gasoline tax distributed to the~~
13 ~~county pursuant to Sections 7-1-6.9 and 7-1-6.26 NMSA 1978;~~

14 ~~(8) "PILT revenue" means revenue received by~~
15 ~~the county from the federal government as payments in lieu of~~
16 ~~taxes; and~~

17 ~~(9) "public building" includes but is not~~
18 ~~limited to fire stations, police buildings, county or~~
19 ~~regional jails, county or regional juvenile detention~~
20 ~~facilities, libraries, museums, auditoriums, convention~~
21 ~~halls, hospitals, buildings for administrative offices,~~
22 ~~courthouses and garages for housing, repairing and~~
23 ~~maintaining county vehicles and equipment.~~

24 ~~R. As used in Chapter 4, Article 62 NMSA 1978,~~
25 ~~the term "bond" means any obligation of a county issued under~~

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1 ~~Chapter 4, Article 62 NMSA 1978, whether designated as a~~
2 ~~bond, note, loan, warrant, debenture, lease-purchase~~
3 ~~agreement or other instrument evidencing an obligation of a~~
4 ~~county to make payments.]"~~

5 SECTION 12. A new section of Chapter 4, Article 62 NMSA
6 1978 is enacted to read:

7 "[NEW MATERIAL] DEFINITIONS.--As used in Chapter 4,
8 Article 62 NMSA 1978:

9 A. "bond" means any obligation of a county issued
10 under Chapter 4, Article 62 NMSA 1978, whether designated as
11 a bond, note, loan, warrant, debenture, lease-purchase
12 agreement or other instrument evidencing an obligation of a
13 county to make payments;

14 B. "county gross receipts tax revenue" means the
15 revenue attributable to the county gross receipts tax
16 transferred to the county pursuant to Section 7-1-6.13 NMSA
17 1978 and any distribution made pursuant to Section 7-1-6.16
18 NMSA 1978;

19 C. "gasoline tax revenue bonds" means the bonds
20 authorized by Subsection C of Section 4-62-1 NMSA 1978;

21 D. "PILT revenue" means revenue received by the
22 county from the federal government as payments in lieu of
23 taxes;

24 E. "pledged revenues" means the revenues, net
25 income or net revenues authorized to be pledged to the

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1 payment of particular revenue bonds as specifically provided
2 in Section 4-62-1 NMSA 1978;

3 F. "project revenue bonds" means the bonds
4 authorized by Subsection E of Section 4-62-1 NMSA 1978;

5 G. "project revenues" means the net revenues of
6 revenue-producing projects that may be pledged to project
7 revenue bonds; and

8 H. "utility revenue bonds" or "joint utility
9 revenue bonds" means the bonds authorized by Subsection D of
10 Section 4-62-1 NMSA 1978."

11 SECTION 13. Section 5-10-3 NMSA 1978 (being Laws 1993,
12 Chapter 297, Section 3, as amended) is amended to read:

13 "5-10-3. DEFINITIONS.--As used in the Local Economic
14 Development Act:

15 A. "arts and cultural district" means a developed
16 district of public and private uses that is created pursuant
17 to the Arts and Cultural District Act;

18 B. "cultural facility" means a facility that is
19 owned by the state, a county, a municipality or a qualifying
20 entity that serves the public through preserving, educating
21 and promoting the arts and culture of a particular locale,
22 including theaters, museums, libraries, galleries, cultural
23 compounds, educational organizations, performing arts venues
24 and organizations, fine arts organizations, studios and media
25 laboratories and live-work housing facilities;

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1 C. "department" means the economic development
2 department;

3 D. "economic development project" or "project"
4 means the provision of direct or indirect assistance to a
5 qualifying entity by a local or regional government and
6 includes the purchase, lease, grant, construction,
7 reconstruction, improvement or other acquisition or
8 conveyance of land, buildings or other infrastructure; public
9 works improvements essential to the location or expansion of
10 a qualifying entity; payments for professional services
11 contracts necessary for local or regional governments to
12 implement a plan or project; the provision of direct loans or
13 grants for land, buildings or infrastructure; technical
14 assistance to cultural facilities; loan guarantees securing
15 the cost of land, buildings or infrastructure in an amount
16 not to exceed the revenue that may be derived from an
17 increment of the municipal [~~infrastructure~~] gross receipts
18 tax or the county [~~infrastructure~~] gross receipts tax that is
19 dedicated by the governing body of the municipality or county
20 for furthering or implementing economic development plans or
21 projects pursuant to the Local Economic Development Act or
22 projects pursuant to the Statewide Economic Development
23 Finance Act; grants for public works infrastructure
24 improvements essential to the location or expansion of a
25 qualifying entity; grants or subsidies to cultural

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1 facilities; purchase of land for a publicly held industrial
2 park or a publicly owned cultural facility; and the
3 construction of a building for use by a qualifying entity;

4 E. "governing body" means the city council, city
5 commission or board of trustees of a municipality or the
6 board of county commissioners of a county;

7 F. "local government" means a municipality or
8 county;

9 G. "municipality" means an incorporated city,
10 town or village;

11 H. "person" means an individual, corporation,
12 association, partnership or other legal entity;

13 I. "qualifying entity" means a corporation,
14 limited liability company, partnership, joint venture,
15 syndicate, association or other person that is one or a
16 combination of two or more of the following:

17 (1) an industry for the manufacturing,
18 processing or assembling of agricultural or manufactured
19 products;

20 (2) a commercial enterprise for storing,
21 warehousing, distributing or selling products of agriculture,
22 mining or industry, but, other than as provided in Paragraph
23 (5), (6) or (9) of this subsection, not including any
24 enterprise for sale of goods or commodities at retail or for
25 distribution to the public of electricity, gas, water or

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1 telephone or other services commonly classified as public
2 utilities;

3 (3) a business in which all or part of the
4 activities of the business involves the supplying of services
5 to the general public or to governmental agencies or to a
6 specific industry or customer, but, other than as provided in
7 Paragraph (5) or (9) of this subsection, not including
8 businesses primarily engaged in the sale of goods or
9 commodities at retail;

10 (4) an Indian nation, tribe or pueblo or a
11 federally chartered tribal corporation;

12 (5) a telecommunications sales enterprise
13 that makes the majority of its sales to persons outside
14 New Mexico;

15 (6) a facility for the direct sales by
16 growers of agricultural products, commonly known as farmers'
17 markets;

18 (7) a business that is the developer of a
19 metropolitan redevelopment project;

20 (8) a cultural facility; and

21 (9) a retail business;

22 J. "regional government" means any combination of
23 municipalities and counties that enter into a joint powers
24 agreement to provide for economic development projects
25 pursuant to a plan adopted by all parties to the joint powers

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1 agreement; and

2 K. "retail business" means a business that is
3 primarily engaged in the sale of goods or commodities at
4 retail and that is located in a municipality with a
5 population of ten thousand or less."

6 SECTION 14. Section 5-10-4 NMSA 1978 (being Laws 1993,
7 Chapter 297, Section 4, as amended) is amended to read:

8 "5-10-4. ECONOMIC DEVELOPMENT PROJECTS--RESTRICTIONS ON
9 PUBLIC EXPENDITURES OR PLEDGES OF CREDIT.--

10 A. No local or regional government shall provide
11 public support for economic development projects as permitted
12 pursuant to Article 9, Section 14 of the constitution of
13 New Mexico except as provided in the Local Economic
14 Development Act or as otherwise permitted by law.

15 B. The total amount of public money expended and
16 the value of credit pledged in the fiscal year in which that
17 money is expended by a local government for economic
18 development projects pursuant to Article 9, Section 14 of the
19 constitution of New Mexico and the Local Economic Development
20 Act shall not exceed ten percent of the annual general fund
21 expenditures of the local government in that fiscal year.

22 The limits of this subsection shall not apply to:

23 (1) the value of any land or building
24 contributed to any project pursuant to a project
25 participation agreement;

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1 (2) revenue generated through the imposition
2 of an increment of the municipal [~~infrastructure~~] gross
3 receipts tax [~~pursuant to the Municipal Local Option Gross~~
4 ~~Receipts Taxes Act~~] for furthering or implementing economic
5 development plans and projects as defined in the Local
6 Economic Development Act or projects as defined in the
7 Statewide Economic Development Finance Act; provided that no
8 more than the greater of fifty thousand dollars (\$50,000) or
9 ten percent of the revenue collected shall be used for
10 promotion and administration of or professional services
11 contracts related to the implementation of any such economic
12 development plan adopted by the governing body;

13 (3) revenue generated through the imposition
14 of an increment of a county [~~infrastructure~~] gross receipts
15 tax [~~pursuant to the County Local Option Gross Receipts Taxes~~
16 ~~Act~~] for furthering or implementing economic development
17 plans and projects as defined in the Local Economic
18 Development Act or projects as defined in the Statewide
19 Economic Development Finance Act; provided that no more than
20 the greater of fifty thousand dollars (\$50,000) or ten
21 percent of the revenue collected shall be used for promotion
22 and administration of or professional services contracts
23 related to the implementation of any such economic
24 development plan adopted by the governing body;

25 (4) the proceeds of a revenue bond issue to

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1 which municipal [~~infrastructure~~] gross receipts tax revenue
2 is pledged;

3 (5) the proceeds of a revenue bond issue to
4 which county [~~infrastructure~~] gross receipts tax revenue is
5 pledged; or

6 (6) funds donated by private entities to be
7 used for defraying the cost of a project.

8 C. A regional or local government that generates
9 revenue for economic development projects to which the limits
10 of Subsection B of this section do not apply shall create an
11 economic development fund into which such revenues shall be
12 deposited. The economic development fund and income from the
13 economic development fund shall be deposited as provided by
14 law. Money in the economic development fund may be expended
15 only as provided in the Local Economic Development Act or the
16 Statewide Economic Development Finance Act.

17 D. In order to expend money from an economic
18 development fund for arts and cultural district purposes,
19 cultural facilities or retail businesses, the governing body
20 of a municipality or county that has imposed [~~⌘~~] an increment
21 of the municipal or county [~~local option infrastructure~~]
22 gross receipts tax and dedicated the revenue from such taxes
23 for furthering or implementing economic development plans and
24 projects, as defined in the Local Economic Development Act,
25 or projects, as defined in the Statewide Economic Development

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1 Finance Act, by referendum of the majority of the voters
2 voting on the question approving the ordinance imposing the
3 municipal or county [~~infrastructure~~] gross receipts tax
4 before [~~July 1, 2013~~] January 1, 2016 shall be required to
5 adopt a resolution. The resolution shall call for an
6 election to approve arts and cultural districts as a
7 qualifying purpose and cultural facilities or retail
8 businesses as a qualifying entity before any revenue
9 generated by the municipal or county local option gross
10 receipts tax for furthering or implementing economic
11 development plans and projects, as defined in the Local
12 Economic Development Act, or projects, as defined in the
13 Statewide Economic Development Finance Act, can be expended
14 from the economic development fund for arts and cultural
15 district purposes, cultural facilities or retail businesses.

16 E. The governing body shall adopt a resolution
17 calling for an election within seventy-five days of the date
18 the ordinance is adopted on the question of approving arts
19 and cultural districts as a qualifying purpose and cultural
20 facilities or retail businesses as a qualifying entity
21 eligible to utilize revenue generated by the Municipal Local
22 Option Gross Receipts [~~Taxes~~] Tax Act or the County Local
23 Option Gross Receipts [~~Taxes~~] Tax Act for furthering or
24 implementing economic development plans and projects as
25 defined in the Local Economic Development Act or projects as

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1 defined in the Statewide Economic Development Finance Act.

2 F. The question shall be submitted to the voters
3 of the municipality or county as a separate question at a
4 regular municipal or county election or at a special election
5 called for that purpose by the governing body. A special
6 municipal election shall be called, conducted and canvassed
7 as provided in the Municipal Election Code. A special county
8 election shall be called, conducted and canvassed in
9 substantially the same manner as provided by law for general
10 elections.

11 G. If a majority of the voters voting on the
12 question approves the ordinance adding arts and cultural
13 districts and cultural facilities or retail businesses as an
14 approved use of the [~~local option~~] municipal or county
15 [~~economic development infrastructure~~] gross receipts tax,
16 [~~fund~~] the ordinance shall become effective on July 1 or
17 January 1, whichever date occurs first after the expiration
18 of three months from the date of the adopted ordinance. The
19 ordinance shall include the effective date."

20 SECTION 15. Section 5-15-3 NMSA 1978 (being Laws 2006,
21 Chapter 75, Section 3) is amended to read:

22 "5-15-3. DEFINITIONS.--As used in the Tax Increment for
23 Development Act:

24 A. "base gross receipts taxes" means:

25 (1) the total amount of gross receipts taxes

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1 collected within a tax increment development district, as
2 estimated by the governing body that adopted a resolution to
3 form that district, in consultation with the taxation and
4 revenue department, in the calendar year preceding the
5 formation of the tax increment development district or, when
6 an area is added to an existing district, the amount of gross
7 receipts taxes collected in the calendar year preceding the
8 effective date of the modification of the tax increment
9 development plan and designated by the governing body to be
10 available as part of the gross receipts tax increment; and

11 (2) any amount of gross receipts taxes that
12 would have been collected in such year if any applicable
13 additional gross receipts taxes imposed after that year had
14 been imposed in that year;

15 B. "base property taxes" means:

16 (1) the portion of property taxes produced
17 by the total of all property tax levied at the rate fixed
18 each year by each governing body levying a property tax on
19 the assessed value of taxable property within the tax
20 increment development area last certified for the year ending
21 immediately prior to the year in which a tax increment
22 development plan is approved for the tax increment
23 development area, or, when an area is added to an existing
24 tax increment development area, "base property taxes" means
25 that portion of property taxes produced by the total of all

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1 property tax levied at the rate fixed each year by each
2 governing body levying a property tax upon the assessed value
3 of taxable property within the tax increment development area
4 on the date of the modification of the tax increment
5 development plan and designated by the governing body to be
6 available as part of the property tax increment; and

7 (2) any amount of property taxes that would
8 have been collected in such year if any applicable additional
9 property taxes imposed after that year had been imposed in
10 that year;

11 C. "county [~~option~~] gross receipts [~~taxes~~] tax"
12 means the increment of the county gross receipts [~~taxes~~] tax
13 imposed by counties pursuant to the County Local Option Gross
14 Receipts [~~Taxes~~] Tax Act and designated by the governing body
15 of the county to be available as part of the gross receipts
16 tax increment;

17 D. "district" means a tax increment development
18 district;

19 E. "district board" means a board formed in
20 accordance with the provisions of the Tax Increment for
21 Development Act to govern a tax increment development
22 district;

23 F. "enhanced services" means public services
24 provided by a municipality or county within the district at a
25 higher level or to a greater degree than otherwise available

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1 to the land located in the district from the municipality or
2 county, including such services as public safety, fire
3 protection, street or sidewalk cleaning or landscape
4 maintenance in public areas; provided that "enhanced
5 services" does not include the basic operation and
6 maintenance related to infrastructure improvements financed
7 by the district pursuant to the Tax Increment for Development
8 Act;

9 G. "governing body" means the city council or
10 city commission of a city, the board of trustees or council
11 of a town or village or the board of county commissioners of
12 a county;

13 H. "gross receipts tax increment" means the gross
14 receipts taxes collected within a tax increment development
15 district in excess of the base gross receipts taxes collected
16 for the duration of the existence of a tax increment
17 development district and distributed to the district in the
18 same manner as distributions are made under the provisions of
19 the Tax Administration Act;

20 I. "gross receipts tax increment bonds" means
21 bonds issued by a district in accordance with the Tax
22 Increment for Development Act, the pledged revenue for which
23 is a gross receipts tax increment;

24 J. "local government" means a municipality or
25 county;

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1 K. "municipal [~~option~~] gross receipts [~~taxes~~]
2 tax" means [~~these~~] the increment of the municipal gross
3 receipts [~~taxes~~] tax imposed by municipalities pursuant to
4 the Municipal Local Option Gross Receipts [~~Taxes~~] Tax Act and
5 designated by the governing body of the municipality to be
6 available as part of the gross receipts tax increment;

7 L. "municipality" means an incorporated city,
8 town or village;

9 M. "owner" means a person owning real property
10 within the boundaries of a district;

11 N. "person" means an individual, corporation,
12 association, partnership, limited liability company or other
13 legal entity;

14 O. "project" means a tax increment development
15 project;

16 P. "property tax increment" means all property
17 tax collected on real property within the designated tax
18 increment development area that is in excess of the base
19 property tax until termination of the district and
20 distributed to the district in the same manner as
21 distributions are made under the provisions of the Tax
22 Administration Act;

23 Q. "property tax increment bonds" means bonds
24 issued by a district in accordance with the Tax Increment for
25 Development Act, the pledged revenue for which is a property

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1 tax increment;

2 R. "public improvements" means on-site
3 improvements and off-site improvements that directly or
4 indirectly benefit a tax increment development district or
5 facilitate development within a tax increment development
6 area and that are dedicated to the governing body in which
7 the district lies. "Public improvements" [~~include~~] includes:

8 (1) sanitary sewage systems, including
9 collection, transport, treatment, dispersal, effluent use and
10 discharge;

11 (2) drainage and flood control systems,
12 including collection, transport, storage, treatment,
13 dispersal, effluent use and discharge;

14 (3) water systems for domestic, commercial,
15 office, hotel or motel, industrial, irrigation, municipal or
16 fire protection purposes, including production, collection,
17 storage, treatment, transport, delivery, connection and
18 dispersal;

19 (4) highways, streets, roadways, bridges,
20 crossing structures and parking facilities, including all
21 areas for vehicular use for travel, ingress, egress and
22 parking;

23 (5) trails and areas for pedestrian,
24 equestrian, bicycle or other non-motor vehicle use for
25 travel, ingress, egress and parking;

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1 (6) pedestrian and transit facilities,
2 parks, recreational facilities and open space areas for the
3 use of members of the public for entertainment, assembly and
4 recreation;

5 (7) landscaping, including earthworks,
6 structures, plants, trees and related water delivery systems;

7 (8) public buildings, public safety
8 facilities and fire protection and police facilities;

9 (9) electrical generation, transmission and
10 distribution facilities;

11 (10) natural gas distribution facilities;

12 (11) lighting systems;

13 (12) cable or other telecommunications lines
14 and related equipment;

15 (13) traffic control systems and devices,
16 including signals, controls, markings and signage;

17 (14) school sites and facilities with the
18 consent of the governing board of the public school district
19 for which the facility is to be acquired, constructed or
20 renovated;

21 (15) library and other public educational or
22 cultural facilities;

23 (16) equipment, vehicles, furnishings and
24 other personal property related to the items listed in this
25 subsection;

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1 (17) inspection, construction management,
2 planning and program management and other professional
3 services costs incidental to the project;

4 (18) workforce housing; and

5 (19) any other improvement that the
6 governing body determines to be for the use or benefit of the
7 public;

8 S. "resident qualified elector" means a person
9 who resides within the boundaries of a tax increment
10 development district or proposed tax increment development
11 district and who is qualified to vote in the general
12 elections held in the state pursuant to Section 1-1-4 NMSA
13 1978;

14 ~~T. "state gross receipts tax" means the gross~~
15 ~~receipts tax imposed pursuant to the Gross Receipts and~~
16 ~~Compensating Tax Act, but does not include that portion~~
17 ~~distributed to municipalities pursuant to Sections 7-1-6.4~~
18 ~~and 7-1-6.46 NMSA 1978 or to counties pursuant to Section~~
19 ~~7-1-6.47 NMSA 1978;~~

20 U.] T. "sustainable development" means land
21 development that achieves sustainable economic and social
22 goals in ways that can be supported for the long term by
23 conserving resources, protecting the environment and ensuring
24 human health and welfare using mixed-use, pedestrian-
25 oriented, multimodal land use planning;

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1 ~~[V.]~~ U. "tax increment development area" means
2 the land included within the boundaries of a tax increment
3 development district;

4 ~~[W.]~~ V. "tax increment development district"
5 means a district formed for the purposes of carrying out tax
6 increment development projects;

7 ~~[X.]~~ W. "tax increment development plan" means a
8 plan for the undertaking of a tax increment development
9 project;

10 ~~[Y.]~~ X. "tax increment development project" means
11 activities undertaken within a tax increment development area
12 to enhance the sustainability of the local, regional or
13 statewide economy; to support the creation of jobs, schools
14 and workforce housing; and to generate tax revenue for the
15 provision of public improvements and may include:

16 (1) acquisition of land within a designated
17 tax increment development area or a portion of that tax
18 increment development area;

19 (2) demolition and removal of buildings and
20 improvements and installation, construction or reconstruction
21 of streets, utilities, parks, playgrounds and improvements
22 necessary to carry out the objectives of the Tax Increment
23 for Development Act;

24 (3) installation, construction or
25 reconstruction of streets, water utilities, sewer utilities,

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1 parks, playgrounds and other public improvements necessary to
2 carry out the objectives of the Tax Increment for Development
3 Act;

4 (4) disposition of property acquired or held
5 by a tax increment development district as part of the
6 undertaking of a tax increment development project at the
7 fair market value of such property for uses in accordance
8 with the Tax Increment for Development Act;

9 (5) payments for professional services
10 contracts necessary to implement a tax increment development
11 plan or project;

12 (6) borrowing to purchase land, buildings or
13 infrastructure in an amount not to exceed the revenue stream
14 that may be derived from the gross receipts tax increment or
15 the property tax increment estimated to be received by a tax
16 increment development district; and

17 (7) grants for public improvements essential
18 to the location or expansion of a business;

19 [~~Z.~~] Y. "taxing entity" means the governing body
20 of a political subdivision of the state, the gross receipts
21 tax increment or property tax increment of which may be used
22 for a tax increment development project; and

23 [~~AA.~~] Z. "workforce housing" means decent, safe
24 and sanitary dwellings, apartments, single-family dwellings
25 or other living accommodations that are affordable for

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1 persons or families earning less than eighty percent of the
2 median income within the county in which the tax increment
3 development project is located; provided that an owner-
4 occupied housing unit is affordable to a household if the
5 expected sales price is reasonably anticipated to result in
6 monthly housing costs that do not exceed thirty-three percent
7 of the household's gross monthly income; provided that:

8 (1) determination of mortgage amounts and
9 payments are to be based on down payment rates and interest
10 rates generally available to lower- and moderate-income
11 households; and

12 (2) a renter-occupied housing unit is
13 affordable to a household if the unit's monthly housing
14 costs, including rent and basic utility and energy costs, do
15 not exceed thirty-three percent of the household's gross
16 monthly income."

17 **SECTION 16.** Section 5-15-15 NMSA 1978 (being Laws 2006,
18 Chapter 75, Section 15, as amended) is amended to read:

19 "5-15-15. TAX INCREMENT FINANCING--GROSS RECEIPTS TAX
20 INCREMENT.--

21 A. Notwithstanding any law to the contrary, but
22 in accordance with the provisions of the Tax Increment for
23 Development Act, a tax increment development plan, as
24 originally approved or as later modified, may contain a
25 provision that a portion of certain gross receipts tax

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1 increments collected within the tax increment development
2 area after the effective date of approval of the tax
3 increment development plan may be dedicated for the purpose
4 of securing gross receipts tax increment bonds pursuant to
5 the Tax Increment for Development Act.

6 B. As to a district formed by a municipality, [~~a~~
7 ~~portion of any of the following~~] any number of increments of
8 the municipal gross receipts tax [~~increments~~] may be paid by
9 the state directly into a special fund of the district to pay
10 the principal of, the interest on and any premium due in
11 connection with the bonds of, loans or advances to, or any
12 indebtedness incurred by, whether funded, refunded, assumed
13 or otherwise, the authority for financing or refinancing, in
14 whole or in part, a tax increment development project within
15 the tax increment development area.

16 [~~(1) municipal gross receipts tax authorized~~
17 ~~pursuant to the Municipal Local Option Gross Receipts Taxes~~
18 ~~Act;~~

19 [~~(2) municipal environmental services gross~~
20 ~~receipts tax authorized pursuant to the Municipal Local~~
21 ~~Option Gross Receipts Taxes Act;~~

22 [~~(3) municipal infrastructure gross receipts~~
23 ~~tax authorized pursuant to the Municipal Local Option Gross~~
24 ~~Receipts Taxes Act;~~

25 [~~(4) municipal capital outlay gross receipts~~

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1 ~~tax authorized pursuant to the Municipal Local Option Gross~~
2 ~~Receipts Taxes Act;~~

3 ~~(5) municipal regional transit gross~~
4 ~~receipts tax authorized pursuant to the Municipal Local~~
5 ~~Option Gross Receipts Taxes Act;~~

6 ~~(6) an amount distributed to municipalities~~
7 ~~pursuant to Sections 7-1-6.4 and 7-1-6.46 NMSA 1978; and~~

8 ~~(7) the state gross receipts tax.]~~

9 C. As to a district formed by a county, ~~[all or a~~
10 ~~portion of any of the following]~~ any number of increments of
11 the county gross receipts tax ~~[increments]~~ may be paid by the
12 state directly into a special fund of the district to pay the
13 principal of, the interest on and any premium due in
14 connection with the bonds of, loans or advances to or any
15 indebtedness incurred by, whether funded, refunded, assumed
16 or otherwise, the district for financing or refinancing, in
17 whole or in part, a tax increment development project within
18 the tax increment development area.

19 ~~[(1) county gross receipts tax authorized~~
20 ~~pursuant to the County Local Option Gross Receipts Taxes Act;~~

21 ~~(2) county environmental services gross~~
22 ~~receipts tax authorized pursuant to the County Local Option~~
23 ~~Gross Receipts Taxes Act;~~

24 ~~(3) county infrastructure gross receipts tax~~
25 ~~authorized pursuant to the County Local Option Gross Receipts~~

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1 ~~Taxes Act;~~

2 ~~(4) county capital outlay gross receipts tax~~
3 ~~authorized pursuant to the County Local Option Gross Receipts~~
4 ~~Taxes Act;~~

5 ~~(5) county regional transit gross receipts~~
6 ~~tax authorized pursuant to the County Local Option Gross~~
7 ~~Receipts Taxes Act;~~

8 ~~(6) the amount distributed to counties~~
9 ~~pursuant to Section 7-1-6.47 NMSA 1978; and~~

10 ~~(7) the state gross receipts tax.]~~

11 D. The gross receipts tax increment generated by
12 the imposition of municipal or county [~~local option~~] gross
13 receipts [~~taxes specified by statute for particular purposes~~]
14 tax may [~~nonetheless~~] be dedicated for the purposes of the
15 Tax Increment for Development Act if intent to do so is set
16 forth in the tax increment development plan approved by the
17 governing body [~~if the purpose for which the increment is~~
18 ~~intended to be used is consistent with the purposes set forth~~
19 ~~in the statute authorizing the municipal or county local~~
20 ~~option gross receipts tax].~~

21 E. An imposition of a gross receipts tax
22 increment attributable to the imposition of a gross receipts
23 tax by a taxing entity may be dedicated for the purpose of
24 securing gross receipts tax increment bonds with the
25 agreement of the taxing entity, evidenced by a resolution

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1 adopted by a majority vote of that taxing entity. A taxing
2 entity shall not agree to dedicate for the purposes of
3 securing gross receipts tax increment bonds more than
4 seventy-five percent of its gross receipts tax increment
5 attributable to the imposition of gross receipts taxes by the
6 taxing entity. A resolution of the taxing entity to dedicate
7 a gross receipts tax increment or to increase the dedication
8 of a gross receipts tax increment shall become effective only
9 on January 1 or July 1 of the calendar year.

10 ~~[F. An imposition of a gross receipts tax~~
11 ~~increment attributable to the imposition of the state gross~~
12 ~~receipts tax within a district less the distributions made~~
13 ~~pursuant to Section 7-1-6.4 NMSA 1978 may be dedicated for~~
14 ~~the purpose of securing gross receipts tax increment bonds~~
15 ~~with the agreement of the state board of finance, evidenced~~
16 ~~by a resolution adopted by a majority vote of the state board~~
17 ~~of finance. The state board of finance shall not agree to~~
18 ~~dedicate more than seventy-five percent of the gross receipts~~
19 ~~tax increment attributable to the imposition of the state~~
20 ~~gross receipts tax within the district. The resolution of~~
21 ~~the state board of finance shall become effective only on~~
22 ~~January 1 or July 1 of the calendar year and shall find that:~~

23 ~~(1) the state board of finance has reviewed~~
24 ~~the request for the use of the state gross receipts tax;~~

25 ~~(2) based upon review by the state board of~~

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1 ~~finance of the applicable tax increment development plan, the~~
2 ~~dedication by the state board of finance of a portion of the~~
3 ~~gross receipts tax increment attributable to the imposition~~
4 ~~of the state gross receipts tax within the district for use~~
5 ~~in meeting the required goals of the tax increment plan is~~
6 ~~reasonable and in the best interest of the state; and~~

7 ~~(3) the use of the state gross receipts tax~~
8 ~~is likely to stimulate the creation of jobs, economic~~
9 ~~opportunities and general revenue for the state through the~~
10 ~~addition of new businesses to the state and the expansion of~~
11 ~~existing businesses within the state.~~

12 G.] F. The governing body of the jurisdiction in
13 which a tax increment development district has been
14 established shall timely notify the assessor of the county in
15 which the district has been established, the taxation and
16 revenue department and the local government division of the
17 department of finance and administration when:

18 (1) a tax increment development plan has
19 been approved that contains a provision for the allocation of
20 a gross receipts tax increment;

21 (2) any outstanding bonds of the district
22 have been paid off; and

23 (3) the purposes of the district have
24 otherwise been achieved."

25 SECTION 17. Section 5-15A-1 NMSA 1978 (being Laws 2007,

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1 Chapter 310, Section 1 and Laws 2007, Chapter 313, Section 1)
2 is amended to read:

3 "5-15A-1. AUTHORIZATION OF ISSUANCE OF BONDS.--

4 [~~Pursuant to the provisions of Section 5-15-21 NMSA 1978~~] The
5 legislature authorizes the issuance of bonds not to exceed
6 five hundred million dollars (\$500,000,000) in net proceeds
7 as adjusted for inflation, secured by a gross receipts tax
8 increment attributed to the imposition of the state gross
9 receipts tax for the Mesa del Sol tax increment development
10 project [~~subject to (1) the determination that has been made~~
11 ~~by the New Mexico finance authority that the proceeds of the~~
12 ~~bonds issued pursuant to this authorization will be used for~~
13 ~~the Mesa del Sol tax increment development project in~~
14 ~~accordance with the development plan, (2) the review by the~~
15 ~~New Mexico finance authority of the master indenture prior to~~
16 ~~issuance of any bonds and (3) the review by the New Mexico~~
17 ~~finance authority of any proposed amendments to the master~~
18 ~~indenture prior to the issuance of any bonds subsequent to~~
19 ~~such amendments~~]; provided that:

20 A. prior to the issuance of any bonds, the New
21 Mexico finance authority shall review:

22 (1) the proposed issuance of the bonds and
23 determine that the proceeds of the bonds will be used for a
24 tax increment development project in accordance with the
25 development plan and present the proposed issuance of the

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1 bonds to the legislature for approval;
2 (2) the master indenture; and
3 (3) any proposed amendments to the master
4 indenture; and
5 B. the issuance of the bonds and the maximum
6 amount of bonds to be issued shall be specifically authorized
7 by law."

8 SECTION 18. Section 5-16-3 NMSA 1978 (being Laws 2006,
9 Chapter 15, Section 3) is amended to read:

10 "5-16-3. DEFINITIONS.--As used in the Regional
11 Spaceport District Act:

- 12 A. "authority" means the spaceport authority
13 created pursuant to the Spaceport Development Act;
- 14 B. "board" means the board of directors of a
15 district;
- 16 C. "bond" means a revenue bond issued by the
17 authority on behalf of a district;
- 18 D. "combination" means two or more governmental
19 units that exercise joint authority;
- 20 E. "district" means a regional spaceport district
21 that is a political subdivision of the state created pursuant
22 to the Regional Spaceport District Act;
- 23 F. "governmental unit" means the state, a county
24 or a municipality of the state or an Indian nation, tribe or
25 pueblo located within the boundaries of the state;

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1 G. "project" means any land, building or other
2 improvements acquired as part of a spaceport or associated
3 with a spaceport or to aid commerce in connection with a
4 spaceport and all real and personal property deemed necessary
5 in connection with the spaceport;

6 H. "revenues" means municipal [~~regional~~
7 ~~spaceport~~] gross receipts tax revenues and county [~~regional~~
8 ~~spaceport~~] gross receipts tax revenues dedicated by
9 resolution of the governing body of a municipality or county
10 and transferred to a district; and

11 I. "spaceport" means any facility in New Mexico
12 at which space vehicles may be launched or landed, including
13 all facilities and support infrastructure related to launch,
14 landing or payload processing."

15 SECTION 19. Section 6-14-2 NMSA 1978 (being Laws 1970,
16 Chapter 10, Section 2, as amended) is amended to read:

17 "6-14-2. DEFINITIONS.--As used in the Public Securities
18 Act:

19 A. "net effective interest rate" means the
20 interest rate of public securities, compounded semiannually,
21 necessary to discount the scheduled debt service payments of
22 principal and interest to the date of the public securities
23 and to the price paid to the public body for the public
24 securities, excluding any interest accrued to the date of
25 delivery and based upon a year with the same number of days

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1 as the number of days for which interest is computed on the
2 public securities;

3 B. "public body" means this state or any
4 department, board, agency or instrumentality of the state,
5 any county, city, town, village, school district, other
6 district, educational institution or any other governmental
7 agency or political subdivision of the state; and

8 C. "public securities" means any bonds, notes,
9 warrants or other obligations now or hereafter authorized to
10 be issued by any public body pursuant to the provisions of
11 any general or special law enacted by the legislature, but
12 does not include bonds, notes, warrants or other obligations
13 issued pursuant to:

- 14 (1) the Industrial Revenue Bond Act;
- 15 (2) the County Improvement District Act;
- 16 (3) [~~Sections 3-33-1 through 3-33-43~~]
17 Chapter 3, Article 33 NMSA 1978;
- 18 (4) the Pollution Control Revenue Bond Act;
- 19 (5) the County Pollution Control Revenue
20 Bond Act;
- 21 (6) the County Industrial Revenue Bond Act;
- 22 (7) the Metropolitan Redevelopment Code;
- 23 [~~(8) the Supplemental Municipal Gross~~
24 ~~Receipts Tax Act;~~
25 ~~(9)~~ (8) the Hospital Equipment Loan Act; or

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1 [~~(10)~~] (9) the New Mexico Finance Authority
2 Act."

3 SECTION 20. Section 6-22-2 NMSA 1978 (being Laws 1992,
4 Chapter 105, Section 2) is amended to read:

5 "6-22-2. DEFINITIONS.--As used in the State Aid
6 Intercept Act:

7 A. "default" means the actual nonpayment of
8 principal or interest on a local revenue bond when payment is
9 scheduled by the indenture relating the local revenue bond;

10 B. "local government" means a municipality or
11 county;

12 C. "local revenue bond" means a bond issued after
13 July 1, 1992 pursuant to [~~Sections 3-33-1 through 3-33-43~~]
14 Chapter 3, Article 33 NMSA 1978 or Chapter 4, Article 62 NMSA
15 1978;

16 D. "qualified local revenue bond" means a local
17 revenue bond for which a state distributions intercept
18 authorization has been granted pursuant to this section;

19 E. "secretary" means the secretary of finance and
20 administration; and

21 F. "state distributions" means any or all of the
22 funds distributed to local governments pursuant to Section
23 [~~7-1-6.4~~] 7-1-6.9 [~~and Subsection B of Section 7-1-6.11~~] NMSA
24 1978."

25 SECTION 21. Section 6-23-8 NMSA 1978 (being Laws 1993,
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1 Chapter 231, Section 8, as amended) is amended to read:

2 "6-23-8. MUNICIPALITIES--USE OF CERTAIN REVENUES
3 AUTHORIZED.--Upon adoption of an ordinance or resolution by
4 an affirmative vote of a majority of the members of the
5 governing body at any regular or special meeting of the
6 governing body called for this purpose, a municipality may
7 pledge utility cost savings, conservation-related cost
8 savings or any or all revenues not otherwise pledged or
9 obligated from gross receipts taxes received by the
10 municipality pursuant to [~~Section 7-1-6.4 NMSA 1978 and~~]
11 Section 7-1-6.12 NMSA 1978 for payments pursuant to a
12 guaranteed utility savings contract with a qualified provider
13 and any installment payment contract or lease-purchase
14 agreement pursuant to that guaranteed utility savings
15 contract. The ordinance or resolution shall declare the
16 necessity for the guaranteed utility savings contract and
17 related contracts or agreements and shall designate the
18 source of the pledged revenues. Any revenues pledged for
19 such contract payments shall be deposited in a special fund,
20 and the municipality shall not use any other revenues to make
21 such payments. At the end of each fiscal year, any money
22 remaining in the special fund after payment obligations are
23 met may be transferred to any other fund of the
24 municipality."

25 SECTION 22. Section 6-23-9 NMSA 1978 (being Laws 1993,

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1 Chapter 231, Section 9, as amended) is amended to read:

2 "6-23-9. COUNTIES--USE OF CERTAIN REVENUES

3 AUTHORIZED.--Upon adoption of an ordinance or resolution by
4 an affirmative vote of a majority of the members of the board
5 of county commissioners at any regular or special meeting of
6 the board called for this purpose, a county may pledge
7 utility cost savings, conservation-related cost savings or
8 any or all of the revenue not otherwise pledged or obligated
9 from ~~[the first one-eighth of one percent increment and of~~
10 ~~one-half of the revenue from the third one-eighth of one~~
11 ~~percent increment of]~~ the county gross receipts tax
12 transferred to the county pursuant to Section 7-1-6.13 NMSA
13 1978 ~~[and any or all of the revenue from the distribution~~
14 ~~related to the first one-eighth of one percent increment made~~
15 ~~pursuant to Section 7-1-6.16 NMSA 1978]~~ for the purpose of
16 making payments pursuant to a guaranteed utility savings
17 contract with a qualified provider or any installment payment
18 contract or lease-purchase agreement pursuant to that
19 guaranteed utility savings contract. The ordinance or
20 resolution shall declare the necessity for the guaranteed
21 utility savings contract and related contracts or agreements
22 and shall designate the source of the pledged revenues. Any
23 revenues pledged for such contract payments shall be
24 deposited in a special fund, and the county shall not use any
25 other county or state revenue to make such payments. At the

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1 end of each fiscal year, any money remaining in the special
2 fund after the payment obligations are met may be transferred
3 to any other fund of the county."

4 SECTION 23. Section 6-25-7 NMSA 1978 (being Laws 2003,
5 Chapter 349, Section 7, as amended) is amended to read:

6 "6-25-7. PROJECT REVENUE BONDS.--

7 A. The authority may issue project revenue bonds
8 on behalf of an eligible entity to provide funds for a
9 project. Project revenue bonds issued pursuant to the
10 Statewide Economic Development Finance Act shall not be a
11 general obligation of the authority or the state within the
12 meaning of any provision of the constitution of New Mexico
13 and shall never give rise to a pecuniary liability of the
14 authority or the state or a charge against the general credit
15 or taxing powers of the state. Project revenue bonds shall
16 be payable from the revenue derived from a project being
17 financed by the bonds and from other revenues pledged by an
18 eligible entity, and may be secured in such manner as
19 provided in the Statewide Economic Development Finance Act
20 and as determined by the authority. Project revenue bonds
21 may be executed and delivered at any time, may be in such
22 form and denominations, may be payable in installments and at
23 times not exceeding thirty years from their date of delivery,
24 may bear or accrete interest at a rate or rates and may
25 contain such provisions not inconsistent with the Statewide

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1 Economic Development Finance Act, all as provided in the
2 resolution and proceedings of the authority authorizing
3 issuance of the bonds. Project revenue bonds issued by the
4 authority pursuant to the Statewide Economic Development
5 Finance Act may be sold at public or private sale in such
6 manner and from time to time as may be determined by the
7 authority, and the authority may pay all expenses that the
8 authority may determine necessary in connection with the
9 authorization, sale and issuance of the bonds. All project
10 revenue bonds issued pursuant to the Statewide Economic
11 Development Finance Act shall be negotiable.

12 B. The principal of and interest on project
13 revenue bonds issued pursuant to the Statewide Economic
14 Development Finance Act shall be secured by a pledge of the
15 revenues of the project being financed with the proceeds of
16 the bonds, may be secured by a mortgage of all or a part of
17 the project being financed or other collateral pledged by an
18 eligible entity, and may be secured by the lease of such
19 project, which collateral and lease may be assigned, in whole
20 or in part, by the department to the authority or to third
21 parties to carry out the purposes of the Statewide Economic
22 Development Finance Act. The resolution of the authority
23 pursuant to which the project revenue bonds are authorized to
24 be issued or any such mortgage may contain any agreement and
25 provisions customarily contained in instruments securing

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1 bonds, including provisions respecting the fixing and
2 collection of all revenues from any project to which the
3 resolution or mortgage pertains, the terms to be incorporated
4 in the lease of the project, the maintenance and insurance of
5 the project, the creation and maintenance of special funds
6 from the revenues of the project and the rights and remedies
7 available in event of default to the bondholders or to the
8 trustee under a mortgage, all as determined by the authority
9 or the department and as shall not be in conflict with the
10 Statewide Economic Development Finance Act; provided,
11 however, that in making any such agreements or provisions,
12 the authority and the department may not obligate themselves
13 except with respect to the project and application of the
14 revenues from the project, and except as expressly permitted
15 by the Statewide Economic Development Finance Act, and shall
16 not have the power to incur a pecuniary liability or a
17 charge, or to pledge the general credit or taxing power of
18 the state. The resolution authorizing the issuance of
19 project revenue bonds may provide procedures and remedies in
20 the event of default in payment of the principal of or
21 interest on the bonds or in the performance of any agreement.
22 No breach of any such agreement shall impose any pecuniary
23 liability upon the authority, the department or the state or
24 any charge against the general credit or taxing powers of the
25 state.

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1 C. The authority may arrange for such other
2 guarantees, insurance or other credit enhancements or
3 additional security provided by an eligible entity as
4 determined by the authority for the project revenue bonds and
5 may provide for the payment of the costs from the proceeds of
6 the bonds, or may require payment of the costs by the
7 eligible entity on whose behalf the bonds are issued.

8 D. Project revenue bonds issued to finance a
9 project may also be secured by pledging a portion of the
10 qualifying municipal or county [~~infrastructure~~] gross
11 receipts tax revenues by the municipality or county in which
12 the project is located, as permitted by the Local Economic
13 Development Act.

14 E. The project revenue bonds and the income from
15 the bonds, all mortgages or other instruments executed as
16 security for the bonds, all lease agreements made pursuant to
17 the provisions of the Statewide Economic Development Finance
18 Act and revenue derived from any sale or lease of a project
19 shall be exempt from all taxation by the state or any
20 political subdivision of the state. The authority may issue
21 project revenue bonds the interest on which is exempt from
22 taxation under federal law.

23 F. In any calendar year, no more than fifteen
24 percent of the state ceiling allocated pursuant to the
25 Private Activity Bond Act may be used for projects financed

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1 pursuant to the Statewide Economic Development Finance Act."

2 SECTION 24. Section 7-1-2 NMSA 1978 (being Laws 1965,
3 Chapter 248, Section 2, as amended) is amended to read:

4 "7-1-2. APPLICABILITY.--The Tax Administration Act
5 applies to and governs:

6 A. the administration and enforcement of the
7 following taxes or tax acts as they now exist or may
8 hereafter be amended:

- 9 (1) Income Tax Act;
10 (2) Withholding Tax Act;
11 [~~(3)~~] ~~Venture Capital Investment Act~~;
12 ~~(4)~~ (3) Gross Receipts [~~and Compensating~~]
13 Tax Act and any state gross receipts tax;
14 [~~(5)~~] (4) Liquor Excise Tax Act;
15 [~~(6)~~] (5) Local Liquor Excise Tax Act;
16 [~~(7)~~] (6) any municipal local option gross
17 receipts tax;
18 [~~(8)~~] (7) any county local option gross
19 receipts tax;
20 [~~(9)~~] (8) Special Fuels Supplier Tax Act;
21 [~~(10)~~] (9) Gasoline Tax Act;
22 [~~(11)~~] (10) petroleum products loading fee,
23 which fee shall be considered a tax for the purpose of the
24 Tax Administration Act;
25 [~~(12)~~] (11) Alternative Fuel Tax Act;

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- 1 [~~(13)~~] (12) Cigarette Tax Act;
- 2 [~~(14)~~] (13) Estate Tax Act;
- 3 [~~(15)~~] (14) Railroad Car Company Tax Act;
- 4 [~~(16)~~] ~~Investment Credit Act, rural job tax~~
5 ~~credit, Laboratory Partnership with Small Business Tax Credit~~
6 ~~Act, Technology Jobs Tax Credit Act, film production tax~~
7 ~~credit, New Mexico filmmaker tax credit, Affordable Housing~~
8 ~~Tax Credit Act, high-wage jobs tax credit and Research and~~
9 ~~Development Small Business Tax Credit Act;~~
- 10 ~~(17) Corporate Income and Franchise Tax Act;~~
- 11 [~~(18)~~] (15) Uniform Division of Income for
12 Tax Purposes Act;
- 13 [~~(19)~~] (16) Multistate Tax Compact;
- 14 [~~(20)~~] (17) Tobacco Products Tax Act; and
- 15 [~~(21)~~] (18) the telecommunications relay
16 service surcharge imposed by Section 63-9F-11 NMSA 1978,
17 which surcharge shall be considered a tax for the purposes of
18 the Tax Administration Act;
- 19 B. the administration and enforcement of the
20 following taxes, surtaxes, advanced payments or tax acts as
21 they now exist or may hereafter be amended:
- 22 (1) Resources Excise Tax Act;
- 23 (2) Severance Tax Act;
- 24 (3) any severance surtax;
- 25 (4) Oil and Gas Severance Tax Act;

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- 1 (5) Oil and Gas Conservation Tax Act;
2 (6) Oil and Gas Emergency School Tax Act;
3 (7) Oil and Gas Ad Valorem Production Tax
4 Act;
5 (8) Natural Gas Processors Tax Act;
6 (9) Oil and Gas Production Equipment Ad
7 Valorem Tax Act;
8 (10) Copper Production Ad Valorem Tax Act;
9 (11) any advance payment required to be made
10 by any act specified in this subsection, which advance
11 payment shall be considered a tax for the purposes of the Tax
12 Administration Act;
13 (12) Enhanced Oil Recovery Act;
14 (13) Natural Gas and Crude Oil Production
15 Incentive Act; and
16 (14) intergovernmental production tax credit
17 and intergovernmental production equipment tax credit;
18 C. the administration and enforcement of the
19 following taxes, surcharges, fees or acts as they now exist
20 or may hereafter be amended:
21 (1) Weight Distance Tax Act;
22 (2) the workers' compensation fee authorized
23 by Section 52-5-19 NMSA 1978, which fee shall be considered a
24 tax for purposes of the Tax Administration Act;
25 (3) Uniform Unclaimed Property Act (1995);

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1 (4) 911 emergency surcharge and the network
2 and database surcharge, which surcharges shall be considered
3 taxes for purposes of the Tax Administration Act;

4 (5) the solid waste assessment fee
5 authorized by the Solid Waste Act, which fee shall be
6 considered a tax for purposes of the Tax Administration Act;

7 (6) the water conservation fee imposed by
8 Section 74-1-13 NMSA 1978, which fee shall be considered a
9 tax for the purposes of the Tax Administration Act; and

10 (7) the gaming tax imposed pursuant to the
11 Gaming Control Act; and

12 D. the administration and enforcement of all
13 other laws, with respect to which the department is charged
14 with responsibilities pursuant to the Tax Administration Act,
15 but only to the extent that the other laws do not conflict
16 with the Tax Administration Act."

17 SECTION 25. Section 7-1-3 NMSA 1978 (being Laws 1965,
18 Chapter 248, Section 3, as amended) is amended to read:

19 "7-1-3. DEFINITIONS.--Unless the context clearly
20 indicates a different meaning, the definitions of words and
21 phrases as they are stated in this section are to be used,
22 and whenever in the Tax Administration Act these words and
23 phrases appear, the singular includes the plural and the
24 plural includes the singular:

25 A. "automated clearinghouse transaction" means an

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1 electronic credit or debit transmitted through an automated
2 clearinghouse payable to the state treasurer and deposited
3 with the fiscal agent of New Mexico;

4 B. "department" means the taxation and revenue
5 department, the secretary or any employee of the department
6 exercising authority lawfully delegated to that employee by
7 the secretary;

8 C. "electronic payment" means a payment made by
9 automated clearinghouse deposit, any funds wire transfer
10 system or a credit card, debit card or electronic cash
11 transaction through the internet;

12 D. "employee of the department" means any
13 employee of the department, including the secretary, or any
14 person acting as agent or authorized to represent or perform
15 services for the department in any capacity with respect to
16 any law made subject to administration and enforcement under
17 the provisions of the Tax Administration Act;

18 E. "financial institution" means any state or
19 federally chartered, federally insured depository
20 institution;

21 F. "Internal Revenue Code" means the Internal
22 Revenue Code of 1986, as that code may be amended or its
23 sections renumbered;

24 G. "levy" means the lawful power, hereby invested
25 in the secretary, to take into possession or to require the

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1 present or future surrender to the secretary or the
2 secretary's delegate of any property or rights to property
3 belonging to a delinquent taxpayer;

4 H. "local option gross receipts tax" means a tax
5 authorized to be imposed by a county or municipality upon the
6 taxpayer's gross receipts, as that term is defined in the
7 Gross Receipts [~~and Compensating~~] Tax Act, and required to be
8 collected by the department at the same time and in the same
9 manner as the gross receipts tax; "local option gross
10 receipts tax" includes the taxes imposed pursuant to the
11 Municipal Local Option Gross Receipts [~~Taxes~~] Tax Act,
12 [~~Supplemental Municipal Gross Receipts Tax Act~~] County Local
13 Option Gross Receipts [~~Taxes~~] Tax Act [~~Local Hospital Gross~~
14 ~~Receipts Tax Act, County Correctional Facility Gross Receipts~~
15 ~~Tax Act~~] and such other acts as may be enacted authorizing
16 counties or municipalities to impose taxes on gross receipts,
17 which taxes are to be collected by the department in the same
18 time and in the same manner as it collects the gross receipts
19 tax;

20 I. "managed audit" means a review and analysis
21 conducted by a taxpayer under an agreement with the
22 department to determine the taxpayer's compliance with a tax
23 administered pursuant to the Tax Administration Act and the
24 presentation of the results to the department for assessment
25 of tax found to be due;

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1 J. "net receipts" means the total amount of money
2 paid by taxpayers to the department in a month pursuant to a
3 tax or tax act less any refunds disbursed in that month with
4 respect to that tax or tax act;

5 K. "overpayment" means an amount paid, pursuant
6 to any law subject to administration and enforcement under
7 the provisions of the Tax Administration Act, by a person to
8 the department or withheld from the person in excess of tax
9 due from the person to the state at the time of the payment
10 or at the time the amount withheld is credited against tax
11 due;

12 L. "paid" includes the term "paid over";

13 M. "pay" includes the term "pay over";

14 N. "payment" includes the term "payment over";

15 O. "person" means any individual, estate, trust,
16 receiver, cooperative association, club, corporation,
17 company, firm, partnership, limited liability company,
18 limited liability partnership, joint venture, syndicate,
19 other association or gas, water or electric utility owned or
20 operated by a county or municipality; "person" also means, to
21 the extent permitted by law, a federal, state or other
22 governmental unit or subdivision, or an agency, department or
23 instrumentality thereof; and "person", as used in Sections
24 7-1-72 through 7-1-74 NMSA 1978, also includes an officer or
25 employee of a corporation, a member or employee of a

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1 partnership or any individual who, as such, is under a duty
2 to perform any act in respect of which a violation occurs;

3 P. "property" means property or rights to
4 property;

5 Q. "property or rights to property" means any
6 tangible property, real or personal, or any intangible
7 property of a taxpayer;

8 R. "return" means any tax or information return,
9 declaration of estimated tax or claim for refund, including
10 any amendments or supplements to the return, required or
11 permitted pursuant to a law subject to administration and
12 enforcement pursuant to the Tax Administration Act and filed
13 with the secretary or the secretary's delegate by or on
14 behalf of any person;

15 S. "return information" means a taxpayer's name,
16 address, government-issued identification number and other
17 identifying information; any information contained in or
18 derived from a taxpayer's return; any information with
19 respect to any actual or possible administrative or legal
20 action by an employee of the department concerning a
21 taxpayer's return, such as audits, managed audits, denial of
22 credits or refunds, assessments of tax, penalty or interest,
23 protests of assessments or denial of refunds or credits,
24 levies or liens; or any other information with respect to a
25 taxpayer's return or tax liability that was not obtained from

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1 public sources or that was created by an employee of the
2 department; but "return information" does not include
3 statistical data or other information that cannot be
4 associated with or directly or indirectly identify a
5 particular taxpayer;

6 T. "secretary" means the secretary of taxation
7 and revenue and, except for purposes of Subsection B of
8 Section 7-1-4 NMSA 1978 and Subsection E of Section 7-1-24
9 NMSA 1978, also includes the deputy secretary or a division
10 director or deputy division director delegated by the
11 secretary;

12 U. "secretary or the secretary's delegate" means
13 the secretary or any employee of the department exercising
14 authority lawfully delegated to that employee by the
15 secretary;

16 V. "security" means money, property or rights to
17 property or a surety bond;

18 W. "state" means any state of the United States,
19 the District of Columbia, the commonwealth of Puerto Rico and
20 any territory or possession of the United States;

21 X. "tax" means the total amount of each tax
22 imposed and required to be paid, withheld and paid or
23 collected and paid under provision of any law made subject to
24 administration and enforcement according to the provisions of
25 the Tax Administration Act and, unless the context otherwise

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1 requires, includes the amount of any interest or civil
2 penalty relating thereto; "tax" also means any amount of any
3 abatement of tax made or any credit, rebate or refund paid or
4 credited by the department under any law subject to
5 administration and enforcement under the provisions of the
6 Tax Administration Act to any person contrary to law and
7 includes, unless the context requires otherwise, the amount
8 of any interest or civil penalty relating thereto;

9 Y. "taxpayer" means a person liable for payment
10 of any tax, a person responsible for withholding and payment
11 or for collection and payment of any tax a person to whom an
12 assessment has been made, if the assessment remains unabated
13 or the amount thereof has not been paid, or a person who
14 entered into a special agreement to assume the liability of
15 gross receipts tax or governmental gross receipts tax of
16 another person and the special agreement was approved by the
17 secretary pursuant to the Tax Administration Act; and

18 Z. "tax return preparer" means a person who
19 prepares for others for compensation or who employs one or
20 more persons to prepare for others for compensation any
21 return of income tax, a substantial portion of any return of
22 income tax, any claim for refund with respect to income tax
23 or a substantial portion of any claim for refund with respect
24 to income tax; provided that a person shall not be a "tax
25 return preparer" merely because such person:

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1 (1) furnishes typing, reproducing or other
2 mechanical assistance;

3 (2) is an employee who prepares an income
4 tax return or claim for refund with respect to an income tax
5 return of the employer, or of an officer or employee of the
6 employer, by whom the person is regularly and continuously
7 employed; or

8 (3) prepares as a trustee or other fiduciary
9 an income tax return or claim for refund with respect to
10 income tax for any person."

11 SECTION 26. Section 7-1-6.2 NMSA 1978 (being Laws 1983,
12 Chapter 211, Section 7, as amended) is amended to read:

13 "7-1-6.2. DISTRIBUTION--SMALL CITIES ASSISTANCE FUND.--
14 A distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be
15 made to the small cities assistance fund in an amount equal
16 to [~~fifteen~~] three-thousandths percent of the net receipts
17 attributable to the [~~compensating~~] gross receipts tax."

18 SECTION 27. Section 7-1-6.5 NMSA 1978 (being Laws 1983,
19 Chapter 211, Section 10 and Laws 1983, Chapter 214, Section
20 6, as amended) is amended to read:

21 "7-1-6.5. DISTRIBUTION--SMALL COUNTIES ASSISTANCE
22 FUND.--A distribution pursuant to Section 7-1-6.1 NMSA 1978
23 shall be made to the small counties assistance fund in an
24 amount equal to [~~ten~~] one hundred seventy-five one-hundred-
25 thousandths percent of the net receipts attributable to the

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1 [compensating] gross receipts tax."

2 SECTION 28. Section 7-1-6.7 NMSA 1978 (being Laws 1994,
3 Chapter 5, Section 2, as amended) is amended to read:

4 "7-1-6.7. DISTRIBUTIONS--STATE AVIATION FUND.--

5 ~~[A. A distribution pursuant to Section 7-1-6.1~~
6 ~~NMSA 1978 shall be made to the state aviation fund in an~~
7 ~~amount equal to four and seventy-nine hundredths percent of~~
8 ~~the taxable gross receipts attributable to the sale of fuel~~
9 ~~specially prepared and sold for use in turboprop or jet-type~~
10 ~~engines as determined by the department.~~

11 B.] A. A distribution pursuant to Section 7-1-6.1
12 NMSA 1978 shall be made to the state aviation fund in an
13 amount equal to twenty-six hundredths percent of gasoline
14 taxes, exclusive of penalties and interest, collected
15 pursuant to the Gasoline Tax Act.

16 ~~[C. From July 1, 2013 through June 30, 2018, a~~
17 ~~distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be~~
18 ~~made to the state aviation fund in an amount equal to forty-~~
19 ~~six thousandths percent of the net receipts attributable to~~
20 ~~the gross receipts tax distributable to the general fund.~~

21 D.] B. A distribution pursuant to Section 7-1-6.1
22 NMSA 1978 shall be made to the state aviation fund from the
23 net receipts attributable to the gross receipts tax
24 distributable to the general fund in an amount equal to:

25 (1) eighty thousand dollars (\$80,000)

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1 monthly from July 1, 2007 through June 30, 2008;

2 (2) one hundred sixty-seven thousand dollars
3 (\$167,000) monthly from July 1, 2008 through June 30, 2009;
4 and

5 (3) two hundred fifty thousand dollars
6 (\$250,000) monthly after July 1, 2009."

7 SECTION 29. Section 7-1-6.15 NMSA 1978 (being Laws
8 1983, Chapter 211, Section 20, as amended) is amended to
9 read:

10 "7-1-6.15. ADJUSTMENTS OF DISTRIBUTIONS OR TRANSFERS TO
11 MUNICIPALITIES OR COUNTIES.--

12 A. The provisions of this section apply to:

13 (1) any distribution to a municipality [~~of~~
14 ~~gross receipts taxes pursuant to Section 7-1-6.4 NMSA 1978~~
15 ~~of~~] of interstate telecommunications gross receipts tax
16 pursuant to Section 7-1-6.36 NMSA 1978;

17 (2) any transfer to a municipality with
18 respect to any local option gross receipts tax imposed by
19 that municipality;

20 (3) any transfer to a county with respect to
21 any local option gross receipts tax imposed by that county;

22 (4) any distribution to a county pursuant to
23 Section 7-1-6.16 NMSA 1978;

24 (5) any distribution to a municipality or a
25 county of gasoline taxes pursuant to Section 7-1-6.9 NMSA

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1 1978;

2 (6) any transfer to a county with respect to
3 any tax imposed in accordance with the Local Liquor Excise
4 Tax Act;

5 (7) any distribution to a municipality or a
6 county of cigarette taxes pursuant to Sections 7-1-6.11,
7 7-12-15 and 7-12-16 NMSA 1978;

8 (8) any distribution to a county from the
9 county government road fund pursuant to Section 7-1-6.26 NMSA
10 1978; and

11 (9) any distribution to a municipality of
12 gasoline taxes pursuant to Section 7-1-6.27 NMSA 1978 [~~and~~

13 ~~(10) any distribution to a municipality of~~
14 ~~compensating taxes pursuant to Section 7-1-6.55 NMSA 1978].~~

15 B. If the secretary determines that any prior
16 distribution or transfer to a political subdivision was
17 erroneous, the secretary shall increase or decrease the next
18 distribution or transfer amount for that political
19 subdivision after the determination, except as provided in
20 Subsection C, D or E of this section, by the amount necessary
21 to correct the error. Subject to the provisions of
22 Subsection E of this section, the secretary shall notify the
23 political subdivision of the amount of each increase or
24 decrease.

25 C. No decrease shall be made to current or future

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1 distributions or transfers to a political subdivision for any
2 excess distribution or transfer made to that political
3 subdivision more than one year prior to the calendar year in
4 which the determination of the secretary was made.

5 D. The secretary, in lieu of recovery from the
6 next distribution or transfer amount, may recover an excess
7 distribution or transfer of one hundred dollars (\$100) or
8 more to the political subdivision in installments from
9 current and future distributions or transfers to that
10 political subdivision pursuant to an agreement with the
11 officials of the political subdivision whenever the amount of
12 the distribution or transfer decrease for the political
13 subdivision exceeds ten percent of the average distribution
14 or transfer amount for that political subdivision for the
15 twelve months preceding the month in which the secretary's
16 determination is made; provided that for the purposes of this
17 subsection, the "average distribution or transfer amount"
18 shall be the arithmetic mean of the distribution or transfer
19 amounts within the twelve months immediately preceding the
20 month in which the determination is made.

21 E. Except for the provisions of this section, if
22 the amount by which a distribution or transfer would be
23 adjusted pursuant to Subsection B of this section is one
24 hundred dollars (\$100) or less, no adjustment or notice need
25 be made.

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1 F. The secretary is authorized to decrease a
2 distribution to a municipality or county upon being directed
3 to do so by the secretary of finance and administration
4 pursuant to the State Aid Intercept Act or to redirect a
5 distribution to the New Mexico finance authority pursuant to
6 an ordinance or a resolution passed by the county or
7 municipality and a written agreement of the municipality or
8 county and the New Mexico finance authority. Upon direction
9 to decrease a distribution or notice to redirect a
10 distribution to a municipality or county, the secretary shall
11 decrease or redirect the next designated distribution, and
12 succeeding distributions as necessary, by the amount of the
13 state distributions intercept authorized by the secretary of
14 finance and administration pursuant to the State Aid
15 Intercept Act or by the amount of the state distribution
16 intercept authorized pursuant to an ordinance or a resolution
17 passed by the county or municipality and a written agreement
18 with the New Mexico finance authority. The secretary shall
19 transfer the state distributions intercept amount to the
20 municipal or county treasurer or other person designated by
21 the secretary of finance and administration or to the New
22 Mexico finance authority pursuant to written agreement to pay
23 the debt service to avoid default on qualified local revenue
24 bonds or meet other local revenue bond, loan or other debt
25 obligations of the municipality or county to the New Mexico

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1 finance authority.

2 G. Upon the direction of the secretary of finance
3 and administration pursuant to Section 9-6-5.2 NMSA 1978, the
4 secretary shall temporarily withhold a distribution to a
5 municipality or county that has failed to submit an audit
6 report required by the Audit Act or a financial report
7 required by Subsection F of Section 6-6-2 NMSA 1978. The
8 amount to be withheld, the source of the withheld
9 distribution and the number of months that the distribution
10 is to be withheld shall be as directed by the secretary of
11 finance and administration. A distribution withheld pursuant
12 to this subsection shall remain in the tax administration
13 suspense fund until distributed to the municipality or county
14 and shall not be distributed to the general fund."

15 SECTION 30. Section 7-1-6.16 NMSA 1978 (being Laws
16 1983, Chapter 213, Section 27, as amended) is amended to
17 read:

18 "7-1-6.16. COUNTY EQUALIZATION DISTRIBUTION.--

19 A. Beginning on September 15, 1989 and on
20 September 15 of each year thereafter, the department shall
21 distribute to any county that has imposed or continued in
22 effect during the state's preceding fiscal year a county
23 gross receipts tax pursuant to Section 7-20E-9 NMSA 1978 an
24 amount equal to:

25 (1) the product of a fraction, the numerator

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1 of which is the county's population and the denominator of
2 which is the state's population, multiplied by the annual sum
3 for the county; less

4 (2) the net receipts received by the
5 department during the report year, including any increase or
6 decrease made pursuant to Section 7-1-6.15 NMSA 1978,
7 attributable to the county gross receipts tax at a rate of
8 [~~one-eighth~~] three-tenths percent; provided that for any
9 month in the report year, if no county gross receipts tax was
10 in effect in the county in the previous month, the net
11 receipts, for the purposes of this section, for that county
12 for that month shall be zero.

13 B. If the amount determined by the calculation in
14 Subsection A of this section is zero or a negative number for
15 a county, no distribution shall be made to that county.

16 C. As used in this section:

17 (1) "annual sum" means for each county the
18 sum of the monthly amounts for those months in the report
19 year that follow a month in which the county had in effect a
20 county gross receipts tax;

21 (2) "monthly amount" means an amount equal
22 to the product of:

23 (a) the net receipts received by the
24 department in the month attributable to the state gross
25 receipts tax [~~plus five percent of the total amount of~~

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1 ~~deductions claimed pursuant to Section 7-9-92 NMSA 1978 for~~
2 ~~the month plus five percent of the total amount of deductions~~
3 ~~claimed pursuant to Section 7-9-93 NMSA 1978 for the month];~~
4 and

5 (b) a fraction, the numerator of which
6 is [~~one-eighth~~] three-tenths percent and the denominator of
7 which is the tax rate imposed by Section 7-9-4 NMSA 1978 in
8 effect on the last day of the previous month;

9 (3) "population" means the most recent
10 official census or estimate determined by the United States
11 census bureau for the unit or, if neither is available, the
12 most current estimated population for the unit provided in
13 writing by the bureau of business and economic research at
14 the university of New Mexico; and

15 (4) "report year" means the twelve-month
16 period ending on the July 31 immediately preceding the date
17 upon which a distribution pursuant to this section is
18 required to be made."

19 SECTION 31. Section 7-1-6.33 NMSA 1978 (being Laws
20 1991, Chapter 212, Section 15) is amended to read:

21 "7-1-6.33. DISTRIBUTION [~~TO COUNTY-SUPPORTED~~]-MEDICAID
22 FUND--SAFETY NET CARE POOL FUND--A distribution pursuant to
23 Section 7-1-6.1 NMSA 1978 shall be:

24 A. made to the [~~county-supported~~] medicaid fund
25 in an amount equal to fourteen-thousandths percent of the net

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1 receipts attributable to the [~~taxes imposed pursuant to the~~
2 ~~County Health Care~~] gross receipts tax [~~act~~]; and

3 B. made to the medicaid fund in an amount equal
4 to eighteen-thousandths percent of the net receipts
5 attributable to the gross receipts tax."

6 SECTION 32. Section 7-1-6.53 NMSA 1978 (being Laws
7 2005, Chapter 176, Section 11) is amended to read:

8 "7-1-6.53. DISTRIBUTION--ENERGY EFFICIENCY AND
9 RENEWABLE ENERGY BONDING FUND--GROSS RECEIPTS TAX.--A
10 distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be
11 made to the energy efficiency and renewable energy bonding
12 fund from the net receipts attributable to the gross receipts
13 tax imposed by the Gross Receipts [~~and Compensating~~] Tax Act
14 in an amount necessary to make the required bond debt service
15 payments pursuant to the Energy Efficiency and Renewable
16 Energy Bonding Act as determined by the New Mexico finance
17 authority. The distribution shall be made:

18 [~~A. after the required distribution pursuant to~~
19 ~~Section 7-1-6.4 NMSA 1978;~~

20 ~~B.]~~ A. contemporaneously with other distributions
21 of net receipts attributable to the gross receipts tax for
22 payment of debt service on outstanding bonds or to a fund
23 dedicated for that purpose; and

24 [~~G.]~~ B. prior to any other distribution of net
25 receipts attributable to the gross receipts tax."

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1 SECTION 33. Section 7-1-8.8 NMSA 1978 (being Laws 2009,
2 Chapter 243, Section 10) is amended to read:

3 "7-1-8.8. INFORMATION THAT MAY BE REVEALED TO OTHER
4 STATE AGENCIES.--An employee of the department may reveal to:

5 A. a committee of the legislature for a valid
6 legislative purpose, return information concerning any tax or
7 fee imposed pursuant to the Cigarette Tax Act;

8 B. the attorney general, return information
9 acquired pursuant to the Cigarette Tax Act for purposes of
10 Section 6-4-13 NMSA 1978 and the master settlement agreement
11 defined in Section 6-4-12 NMSA 1978;

12 C. the commissioner of public lands, return
13 information for use in auditing that pertains to rentals,
14 royalties, fees and other payments due the state under land
15 sale, land lease or other land use contracts;

16 D. the secretary of human services or the
17 secretary's delegate, under a written agreement with the
18 department, the last known address with date of all names
19 certified to the department as being absent parents of
20 children receiving public financial assistance, but only for
21 the purpose of enforcing the support liability of the absent
22 parents by the child support enforcement division or any
23 successor organizational unit;

24 E. the department of information technology, by
25 electronic media, a database updated quarterly that contains

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1 the names, addresses, county of address and taxpayer
2 identification numbers of New Mexico personal income tax
3 filers, but only for the purpose of producing the random jury
4 list for the selection of petit or grand jurors for the state
5 courts pursuant to Section 38-5-3 NMSA 1978;

6 F. the state courts, the random jury lists
7 produced by the department of information technology under
8 Subsection E of this section;

9 G. the director of the New Mexico department of
10 agriculture or the director's authorized representative, upon
11 request of the director or representative, the names and
12 addresses of all gasoline or special fuel distributors,
13 wholesalers and retailers;

14 H. the public regulation commission, return
15 information [~~with respect to the Corporate Income and~~
16 ~~Franchise Tax Act~~] required to enable the commission to carry
17 out its duties;

18 I. the state racing commission, return
19 information with respect to the state, municipal and county
20 gross receipts taxes paid by racetracks;

21 J. the gaming control board, tax returns of
22 license applicants and their affiliates as provided in
23 Subsection E of Section 60-2E-14 NMSA 1978;

24 K. the director of the workers' compensation
25 administration or to the director's representatives

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1 authorized for this purpose, return information to facilitate
2 the identification of taxpayers that are delinquent or
3 noncompliant in payment of fees required by Section 52-1-9.1
4 or 52-5-19 NMSA 1978; and

5 L. the secretary of workforce solutions or the
6 secretary's delegate, return information for use in
7 enforcement of unemployment insurance collections pursuant to
8 the terms of a written reciprocal agreement entered into by
9 the department with the secretary of workforce solutions for
10 exchange of information."

11 SECTION 34. Section 7-1-10 NMSA 1978 (being Laws 1965,
12 Chapter 248, Section 15, as amended) is amended to read:

13 "7-1-10. RECORDS REQUIRED BY STATUTE--TAXPAYER
14 RECORDS--ACCOUNTING METHODS--REPORTING METHODS--INFORMATION
15 RETURNS.--

16 A. Every person required by the provisions of any
17 statute administered by the department to keep records and
18 documents and every taxpayer shall maintain books of account
19 or other records in a manner that will permit the accurate
20 computation of state taxes or provide information required by
21 the statute under which the person is required to keep
22 records.

23 B. Methods of accounting shall be consistent for
24 the same business. A taxpayer engaged in more than one
25 business may use a different method of accounting for each

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1 business.

2 C. Prior to changing the method of accounting in
3 keeping books and records for tax purposes, a taxpayer shall
4 first secure the consent of the secretary or the secretary's
5 delegate. If consent is not secured, the department upon
6 audit may require the taxpayer to compute the amount of tax
7 due on the basis of the accounting method earlier used.

8 D. Prior to changing the method of reporting
9 taxes, other than for changes required by law, a taxpayer
10 shall first secure the consent of the secretary or the
11 secretary's delegate. Consent shall be granted or withheld
12 pursuant to the provisions of Section 7-4-19 NMSA 1978. If
13 consent is not secured, the secretary or the secretary's
14 delegate upon audit may require the taxpayer to compute the
15 amount of tax due on the basis of the reporting method
16 earlier used.

17 E. Upon the written application of a taxpayer and
18 at the sole discretion of the secretary or the secretary's
19 delegate, the secretary or the secretary's delegate may enter
20 into an agreement with a taxpayer allowing the taxpayer to
21 report values, gross receipts, deductions or the value of
22 property on an estimated basis for gross receipts [~~and~~
23 ~~compensating~~] tax, oil and gas severance tax, oil and gas
24 conservation tax, oil and gas emergency school tax and oil
25 and gas ad valorem production tax purposes for a limited

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1 period of time not to exceed four years. As used in this
2 section, "estimated basis" means a methodology that is
3 reasonably expected to approximate the tax that will be due
4 over the period of the agreement using summary rather than
5 detail data or alternate valuation applications or methods,
6 provided that:

7 (1) nothing in this section shall be
8 construed to require the secretary or the secretary's
9 delegate to enter into such an agreement; and

10 (2) the agreement must:

11 (a) specify the receipts, deductions
12 or values to be reported on an estimated basis and the
13 methodology to be followed by the taxpayer in making the
14 estimates;

15 (b) state the term of the agreement
16 and the procedures for terminating the agreement prior to its
17 expiration;

18 (c) be signed by the taxpayer or the
19 taxpayer's representative and the secretary or the
20 secretary's delegate; and

21 (d) contain a declaration by the
22 taxpayer or the taxpayer's representative that all statements
23 of fact made by the taxpayer or the taxpayer's representative
24 in the taxpayer's application and the agreement are true and
25 correct as to every material matter.

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1 F. The secretary may, by regulation, require any
2 person doing business in the state to submit to the
3 department information reports that are considered reasonable
4 and necessary for the administration of any provision of law
5 to which the Tax Administration Act applies."

6 SECTION 35. Section 7-1-13.1 NMSA 1978 (being Laws
7 1988, Chapter 99, Section 3, as amended) is amended to read:

8 "7-1-13.1. METHOD OF PAYMENT OF CERTAIN TAXES DUE.--

9 A. Payment of the taxes, including any applicable
10 penalties and interest, described in Paragraph (1), (2), (3)
11 or (4) of this subsection shall be made on or before the date
12 due in accordance with Subsection B of this section if the
13 taxpayer's average tax payment for the group of taxes during
14 the preceding calendar year equaled or exceeded twenty-five
15 thousand dollars (\$25,000):

16 (1) Group 1: all taxes due under the
17 Withholding Tax Act, the Gross Receipts [~~and Compensating~~]
18 Tax Act, local option gross receipts tax acts and the
19 Interstate Telecommunications Gross Receipts Tax Act [~~and the~~
20 ~~Leased Vehicle Gross Receipts Tax Act~~];

21 (2) Group 2: all taxes due under the Oil
22 and Gas Severance Tax Act, the Oil and Gas Conservation Tax
23 Act, the Oil and Gas Emergency School Tax Act and the Oil and
24 Gas Ad Valorem Production Tax Act;

25 (3) Group 3: the tax due under the Natural

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1 Gas Processors Tax Act; or

2 (4) Group 4: all taxes and fees due under
3 the Gasoline Tax Act, the Special Fuels Supplier Tax Act and
4 the Petroleum Products Loading Fee Act.

5 For taxpayers who have more than one identification
6 number issued by the department, the average tax payment
7 shall be computed by combining the amounts paid under the
8 several identification numbers.

9 B. Taxpayers who are required to make payment in
10 accordance with the provisions of this section shall make
11 payment by one or more of the following means on or before
12 the due date so that funds are immediately available to the
13 state on or before the due date:

14 (1) electronic payment; provided that a
15 result of the payment is that funds are immediately available
16 to the state of New Mexico on or before the due date;

17 (2) currency of the United States;

18 (3) check drawn on and payable at any New
19 Mexico financial institution provided that the check is
20 received by the department at the place and time required by
21 the department at least one banking day prior to the due
22 date; or

23 (4) check drawn on and payable at any
24 domestic non-New Mexico financial institution provided that
25 the check is received by the department at the time and place

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1 required by the department at least two banking days prior to
2 the due date.

3 C. If the taxes required to be paid under this
4 section are not paid in accordance with Subsection B of this
5 section, the payment is not timely and is subject to the
6 provisions of Sections 7-1-67 and 7-1-69 NMSA 1978.

7 D. For the purposes of this section, "average tax
8 payment" means the total amount of taxes paid with respect to
9 a group of taxes listed under Subsection A of this section
10 during a calendar year divided by the number of months in
11 that calendar year containing a due date on which the
12 taxpayer was required to pay one or more taxes in the group."

13 SECTION 36. Section 7-1-14 NMSA 1978 (being Laws 1969,
14 Chapter 145, Section 1, as amended) is amended to read:

15 "7-1-14. SECRETARY MAY DETERMINE WHERE CERTAIN GROSS
16 RECEIPTS ARE TO BE REPORTED--PLACE OF BUSINESS FOR
17 [~~CONSTRUCTION PROJECTS AND~~] CERTAIN [~~REAL PROPERTY SALES~~]
18 RECEIPTS---

19 A. By regulation, the secretary may require any
20 person maintaining one or more places of business to report
21 the person's taxable gross receipts and deductions for each
22 municipality or county or area within an Indian reservation
23 or pueblo grant in which the person maintains a place of
24 business.

25 B. For persons engaged in the construction

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1 business, the place where the construction project is
2 performed is a "place of business", and all receipts from
3 that project are to be reported from that place of business.

4 C. The secretary may, by regulation, also require
5 any person maintaining a business outside the boundaries of a
6 municipality on land owned by that municipality to report the
7 person's taxable gross receipts for that municipality.

8 D. For a person engaged in the business of
9 selling real estate, the location of the real property sold
10 or leased or manufactured home leased is the "place of
11 business", and all receipts from that sale or lease are to be
12 reported from that place of business.

13 E. For persons engaged in the business of earning
14 a wage, the "place of business" is that person's employer's
15 New Mexico place of business where the person primarily
16 performs the work, and all receipts from wages are to be
17 reported from that place of business.

18 F. For persons engaged in the business of
19 investing, the "place of business" for dividends or interest
20 earned is the person's primary place of residence, and all
21 receipts from dividends or interest earned are to be reported
22 from that place of business."

23 SECTION 37. Section 7-1-15 NMSA 1978 (being Laws 1969,
24 Chapter 31, Section 1, as amended) is amended to read:

25 "7-1-15. SECRETARY MAY SET TAX REPORTING AND PAYMENT

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1 INTERVALS.--The secretary may, pursuant to regulation, allow
2 taxpayers with an anticipated tax liability of less than two
3 hundred dollars (\$200) a month to report and pay taxes at
4 intervals [~~which~~] that the secretary may specify. However,
5 unless specifically permitted by law, an interval shall not
6 exceed six months. [~~The secretary may also allow direct~~
7 ~~marketers who have entered into an agreement with the~~
8 ~~department to collect and remit compensating tax to report~~
9 ~~and pay on a quarterly or semi-annual basis.]"~~

10 SECTION 38. Section 7-1-26 NMSA 1978 (being Laws 1965,
11 Chapter 248, Section 28, as amended) is amended to read:

12 "7-1-26. DISPUTING LIABILITIES--CLAIM FOR CREDIT,
13 REBATE OR REFUND.--

14 A. Any person who believes that an amount of tax
15 has been paid by or withheld from that person in excess of
16 that for which the person was liable, who has been denied any
17 credit or rebate claimed or who claims a prior right to
18 property in the possession of the department pursuant to a
19 levy made under authority of Sections 7-1-31 through 7-1-34
20 NMSA 1978 may claim a refund by directing to the secretary,
21 within the time limited by the provisions of Subsections D
22 and E of this section, a written claim for refund. Except as
23 provided in Subsection I of this section, a refund claim
24 shall include:

25 (1) the taxpayer's name, address and

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1 identification number;

2 (2) the type of tax for which a refund is
3 being claimed, the credit or rebate denied or the property
4 levied upon;

5 (3) the sum of money or other property being
6 claimed;

7 (4) with respect to refund, the period for
8 which overpayment was made; and

9 (5) a brief statement of the facts and the
10 law on which the claim is based, which may be referred to as
11 the "basis for the refund".

12 B. The secretary or the secretary's delegate may
13 allow the claim in whole or in part or may deny the claim.

14 (1) If the claim is denied in whole or in
15 part in writing, no claim may be refiled with respect to that
16 which was denied, but the person, within ninety days after
17 either the mailing or delivery of the denial of all or any
18 part of the claim, may elect to pursue one, but not more than
19 one, of the remedies in Subsection C of this section.

20 (2) If the department has neither granted
21 nor denied any portion of a claim for refund within one
22 hundred twenty days of the date the claim was mailed or
23 delivered to the department, the person may refile it within
24 the time limits set forth in Subsection D of this section or
25 may within ninety days elect to pursue one, but only one, of

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1 the remedies in Subsection C of this section. After the
2 expiration of the two hundred ten days from the date the
3 claim was mailed or delivered to the department, the
4 department may not approve or disapprove the claim unless the
5 person has pursued one of the remedies under Subsection C of
6 this section.

7 C. A person may elect to pursue one, but only
8 one, of the remedies in Paragraphs (1) and (2) of this
9 subsection. In any case, if a person does timely pursue more
10 than one remedy, the person shall be deemed to have elected
11 the first remedy invoked. The remedies are as follows:

12 (1) the person may direct to the secretary,
13 pursuant to the provisions of Section 7-1-24 NMSA 1978, a
14 written protest against the denial of, or failure to either
15 allow or deny, the claim or portion of the claim; or

16 (2) the person may commence a civil action
17 in the district court for Santa Fe county by filing a
18 complaint setting forth the circumstance of the claimed
19 overpayment, denied credit or rebate or denial of a prior
20 right to property levied upon by the department alleging that
21 on account thereof the state is indebted to the plaintiff in
22 the amount or property stated, together with any interest
23 allowable, demanding the refund to the plaintiff of that
24 amount or property and reciting the facts of the claim for
25 refund. The plaintiff or the secretary may appeal from any

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1 final decision or order of the district court to the court of
2 appeals.

3 D. Except as otherwise provided in Subsection E
4 of this section, no credit or refund of any amount may be
5 allowed or made to any person unless as the result of a claim
6 made by that person as provided in this section:

7 (1) within three years of the end of the
8 calendar year in which:

9 (a) the payment was originally due or
10 the overpayment resulted from an assessment by the department
11 pursuant to Section 7-1-17 NMSA 1978, whichever is later;

12 (b) the final determination of value
13 occurs with respect to any overpayment that resulted from a
14 disapproval by any agency of the United States or the state
15 of New Mexico or any court of increase in value of a product
16 subject to taxation under the Oil and Gas Severance Tax Act,
17 the Oil and Gas Conservation Tax Act, the Oil and Gas
18 Emergency School Tax Act, the Oil and Gas Ad Valorem
19 Production Tax Act or the Natural Gas Processors Tax Act;

20 (c) property was levied upon pursuant
21 to the provisions of the Tax Administration Act; or

22 (d) an overpayment of New Mexico tax
23 resulted from: 1) an internal revenue service audit
24 adjustment or a federal refund paid due to an adjustment of
25 an audit by the internal revenue service or an amended

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1 federal return; or 2) making a change to a federal return for
2 which federal approval is required by the Internal Revenue
3 Code;

4 ~~[(2) when an amount of a claim for credit~~
5 ~~under the provisions of the Investment Credit Act, Laboratory~~
6 ~~Partnership with Small Business Tax Credit Act or Technology~~
7 ~~Jobs Tax Credit Act or for the rural job tax credit pursuant~~
8 ~~to Section 7-2E-1.1 NMSA 1978 or similar credit has been~~
9 ~~denied, the taxpayer may claim a refund of the credit no~~
10 ~~later than one year after the date of the denial;~~

11 ~~(3)]~~ (2) when a taxpayer under audit by the
12 department has signed a waiver of the limitation on
13 assessments on or after July 1, 1993 pursuant to Subsection F
14 of Section 7-1-18 NMSA 1978, the taxpayer may file a claim
15 for refund of the same tax paid for the same period for which
16 the waiver was given, until a date one year after the later
17 of the date of the mailing of an assessment issued pursuant
18 to the audit, the date of the mailing of final audit findings
19 to the taxpayer or the date a proceeding is begun in court by
20 the department with respect to the same tax and the same
21 period;

22 ~~[(4)]~~ (3) if the payment of an amount of
23 tax was not made within three years of the end of the
24 calendar year in which the original due date of the tax or
25 date of the assessment of the department occurred, a claim

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1 for refund of that amount of tax can be made within one year
2 of the date on which the tax was paid; or

3 [~~5~~] (4) when a taxpayer has been assessed
4 a tax on or after July 1, 1993 under Subsection B, C or D of
5 Section 7-1-18 NMSA 1978 and when the assessment applies to a
6 period ending at least three years prior to the beginning of
7 the year in which the assessment was made, the taxpayer may
8 claim a refund for the same tax for the period of the
9 assessment or for any period following that period within one
10 year of the date of the assessment unless a longer period for
11 claiming a refund is provided in this section.

12 E. No credit or refund shall be allowed or made
13 to any person claiming a refund of gasoline tax under Section
14 7-13-11 NMSA 1978 unless notice of the destruction of the
15 gasoline was given the department within thirty days of the
16 actual destruction and the claim for refund is made within
17 six months of the date of destruction. No credit or refund
18 shall be allowed or made to any person claiming a refund of
19 gasoline tax under Section 7-13-17 NMSA 1978 unless the
20 refund is claimed within six months of the date of purchase
21 of the gasoline and the gasoline has been used at the time
22 the claim for refund is made.

23 F. If as a result of an audit by the department
24 or a managed audit covering multiple periods an overpayment
25 of tax is found in any period under the audit, that

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1 overpayment may be credited against an underpayment of the
2 same tax found in another period under audit pursuant to
3 Section 7-1-29 NMSA 1978, provided that the taxpayer files a
4 claim for refund for the overpayments identified in the audit.

5 G. Any refund of tax paid under any tax or tax
6 act administered under Subsection B of Section 7-1-2 NMSA
7 1978 may be made, at the discretion of the department, in the
8 form of credit against future tax payments if future tax
9 liabilities in an amount at least equal to the credit amount
10 reasonably may be expected to become due.

11 H. For the purposes of this section, the term
12 "oil and gas tax return" means a return reporting tax due
13 with respect to oil, natural gas, liquid hydrocarbons, carbon
14 dioxide, helium or nonhydrocarbon gas pursuant to the Oil and
15 Gas Severance Tax Act, the Oil and Gas Conservation Tax Act,
16 the Oil and Gas Emergency School Tax Act, the Oil and Gas Ad
17 Valorem Production Tax Act, the Natural Gas Processors Tax
18 Act or the Oil and Gas Production Equipment Ad Valorem Tax
19 Act.

20 I. The filing of a fully completed original
21 income tax return, [~~corporate income tax return, corporate~~
22 ~~income and franchise tax return~~] estate tax return or special
23 fuel excise tax return that shows a balance due the taxpayer
24 or a fully completed amended income tax return, [~~an amended~~
25 ~~corporate income tax return, an amended corporate income and~~

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1 ~~franchise tax return~~] an amended estate tax return, an
2 amended special fuel excise tax return or an amended oil and
3 gas tax return that shows a lesser tax liability than the
4 original return constitutes the filing of a claim for refund
5 for the difference in tax due shown on the original and
6 amended returns."

7 SECTION 39. Section 7-1-29 NMSA 1978 (being Laws 1965,
8 Chapter 248, Section 31, as amended) is amended to read:

9 "7-1-29. AUTHORITY TO MAKE REFUNDS OR CREDITS.--

10 A. In response to a claim for refund, credit or
11 rebate made as provided in Section 7-1-26 NMSA 1978, but
12 before a court acquires jurisdiction of the matter, the
13 secretary or the secretary's delegate may authorize payment
14 to a person in the amount of the [~~creditor~~] credit or rebate
15 claimed or refund an overpayment of tax determined by the
16 secretary or the secretary's delegate to have been
17 erroneously made by the person, together with allowable
18 interest. A payment of a credit rebate claimed or a refund
19 of tax and interest erroneously paid amounting to twenty
20 thousand dollars (\$20,000) or more shall be made with the
21 prior approval of the attorney general, except that the
22 secretary or the secretary's delegate may make refunds with
23 respect to the Oil and Gas Severance Tax Act, the Oil and Gas
24 Conservation Tax Act, the Oil and Gas Emergency School Tax
25 Act, the Oil and Gas Ad Valorem Production Tax Act, the

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1 Natural Gas Processors Tax Act or the Oil and Gas Production
2 Equipment Ad Valorem Tax Act, Section 7-13-17 NMSA 1978 and
3 the Cigarette Tax Act without the prior approval of the
4 attorney general regardless of the amount.

5 B. Pursuant to the final order of the district
6 court, the court of appeals, the supreme court of New Mexico
7 or a federal court, from which order, appeal or review is not
8 successfully taken, adjudging that a person has properly
9 claimed a credit or rebate or made an overpayment of tax, the
10 secretary shall authorize the payment to the person of the
11 amount thereof.

12 C. In the discretion of the secretary, any amount
13 of credit or rebate to be paid or tax to be refunded may be
14 offset against any amount of tax for which the person due to
15 receive the credit, rebate payment or refund is liable. The
16 secretary or the secretary's delegate shall give notice to
17 the taxpayer that the credit, rebate payment or refund will
18 be made in this manner, and the taxpayer shall be entitled to
19 interest pursuant to Section 7-1-68 NMSA 1978 until the tax
20 liability is credited with the credit, rebate or refund
21 amount.

22 D. In an audit by the department or a managed
23 audit covering multiple reporting periods in which both
24 underpayments and overpayments of a tax have been made in
25 different reporting periods, the department shall credit the

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1 tax overpayments against the underpayments, provided that the
2 taxpayer files a claim for refund of the overpayments. An
3 overpayment shall be applied as a credit first to the
4 earliest underpayment and then to succeeding underpayments.
5 An underpayment of tax to which an overpayment is credited
6 pursuant to this section shall be deemed paid in the period
7 in which the overpayment was made or the period to which the
8 overpayment was credited against an underpayment, whichever
9 is later. If the overpayments credited pursuant to this
10 section exceed the underpayments of a tax, the amount of the
11 net overpayment for the periods covered in the audit shall be
12 refunded to the taxpayer.

13 E. When a taxpayer makes a payment identified to
14 a particular return or assessment, and the department
15 determines that the payment exceeds the amount due pursuant
16 to that return or assessment, the secretary may apply the
17 excess to the taxpayer's other liabilities pursuant to the
18 tax acts to which the return or assessment applies, without
19 requiring the taxpayer to file a claim for a refund. The
20 liability to which an overpayment is applied pursuant to this
21 section shall be deemed paid in the period in which the
22 overpayment was made or the period to which the overpayment
23 was applied, whichever is later.

24 F. If the department determines, upon review of
25 an original or amended income tax return, [~~corporate income~~

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1 ~~and franchise tax return]~~ estate tax return, special ~~[fuels]~~
2 fuel excise tax return or oil and gas tax return, that there
3 has been an overpayment of tax for the taxable period to
4 which the return or amended return relates in excess of the
5 amount due to be refunded to the taxpayer pursuant to the
6 provisions of Subsection I of Section 7-1-26 NMSA 1978, the
7 department may refund that excess amount to the taxpayer
8 without requiring the taxpayer to file a refund claim.

9 G. Records of refunds and credits made in excess
10 of ten thousand dollars (\$10,000) shall be available for
11 inspection by the public. The department shall keep such
12 records for a minimum of three years from the date of the
13 refund or credit.

14 H. In response to a timely refund claim pursuant
15 to Section 7-1-26 NMSA 1978 and notwithstanding any other
16 provision of the Tax Administration Act, the secretary or the
17 secretary's delegate may refund or credit a portion of an
18 assessment of tax paid, including applicable penalties and
19 interest representing the amount of tax previously paid by
20 another person on behalf of the taxpayer on the same
21 transaction, provided that the requirements of equitable
22 recoupment are met. For purposes of this subsection, the
23 refund claim may be filed by the taxpayer to whom the
24 assessment was issued or by another person who claims to have
25 previously paid the tax on behalf of the taxpayer. Prior to

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1 granting the refund or credit, the secretary may require a
2 waiver of all rights to claim a refund or credit of the tax
3 previously paid by another person paying a tax on behalf of
4 the taxpayer."

5 SECTION 40. Section 7-1-68 NMSA 1978 (being Laws 1965,
6 Chapter 248, Section 69, as amended) is amended to read:

7 "7-1-68. INTEREST ON OVERPAYMENTS.--

8 A. As provided in this section, interest shall be
9 allowed and paid on the amount of tax overpaid by a person
10 that is subsequently refunded or credited to that person.

11 B. Interest on overpayments of tax shall accrue
12 and be paid at the underpayment rate established pursuant to
13 Section 6621 of the Internal Revenue Code, computed on a
14 daily basis; provided that if a different rate is specified
15 by a compact or other interstate agreement to which New
16 Mexico is a party, that rate shall apply to amounts due under
17 the compact or other agreement.

18 C. Unless otherwise provided by this section,
19 interest on an overpayment not arising from an assessment by
20 the department shall be paid from the date of the claim for
21 refund until a date preceding by not more than thirty days
22 the date of the credit or refund to any person; interest on
23 an overpayment arising from an assessment by the department
24 shall be paid from the date of overpayment until a date
25 preceding by not more than thirty days the date of the credit

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1 or refund to any person.

2 D. No interest shall be allowed or paid with
3 respect to an amount credited or refunded if:

4 (1) the amount of interest due is less than
5 one dollar (\$1.00);

6 (2) the credit or refund is made within:

7 (a) fifty-five days of the date of the
8 claim for refund of income tax, pursuant to ~~[either]~~ the
9 Income Tax Act ~~[or the Corporate Income and Franchise Tax~~
10 ~~Act]~~ for the tax year immediately preceding the tax year in
11 which the claim is made;

12 (b) sixty days of the date of the
13 claim for refund of any tax not provided for in this
14 paragraph;

15 (c) seventy-five days of the date of
16 the claim for refund of gasoline tax to users of gasoline off
17 the highways;

18 (d) one hundred twenty days of the
19 date of the claim for refund of tax imposed pursuant to the
20 Resources Excise Tax Act, the Severance Tax Act, the Oil and
21 Gas Severance Tax Act, the Oil and Gas Conservation Tax Act,
22 the Oil and Gas Emergency School Tax Act, the Oil and Gas Ad
23 Valorem Production Tax Act, the Natural Gas Processors Tax
24 Act or the Oil and Gas Production Equipment Ad Valorem Tax
25 Act; or

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1 (e) one hundred twenty days of the
2 date of the claim for refund of income tax, pursuant to the
3 Income Tax Act [~~or the Corporate Income and Franchise Tax~~
4 ~~Act~~] for any tax year more than one year prior to the year in
5 which the claim is made;

6 (3) Sections 6611(f) and 6611(g) of the
7 Internal Revenue Code, as those sections may be amended or
8 renumbered, prohibit payment of interest for federal income
9 tax purposes;

10 (4) the credit results from overpayments
11 found in an audit of multiple reporting periods and applied
12 to underpayments found in that audit or refunded as a net
13 overpayment to the taxpayer pursuant to Section 7-1-29 NMSA
14 1978;

15 (5) the department applies the credit or
16 refund to an intercept program, to the taxpayer's estimated
17 payment prior to the due date for the estimated payment or to
18 offset prior liabilities of the taxpayer pursuant to
19 Subsection E of Section 7-1-29 NMSA 1978; or

20 (6) the credit or refund results from
21 overpayments the department finds pursuant to Subsection F of
22 Section 7-1-29 NMSA 1978 that exceed the refund claimed by
23 the taxpayer on the return [~~or~~

24 ~~(7) the refund results from a film~~
25 ~~production tax credit pursuant to Section 7-2F-1 NMSA 1978].~~

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1 E. Nothing in this section shall be construed to
2 require the payment of interest upon interest."

3 **SECTION 41.** Section 7-1-69 NMSA 1978 (being Laws 1965,
4 Chapter 248, Section 70, as amended) is amended to read:

5 "7-1-69. CIVIL PENALTY FOR FAILURE TO PAY TAX OR FILE A
6 RETURN.--

7 A. Except as provided in Subsection C of this
8 section, in the case of failure due to negligence or
9 disregard of department rules and regulations, but without
10 intent to evade or defeat a tax, to pay when due the amount
11 of tax required to be paid, to pay in accordance with the
12 provisions of Section 7-1-13.1 NMSA 1978 when required to do
13 so or to file by the date required a return regardless of
14 whether a tax is due, there shall be added to the amount
15 assessed a penalty in an amount equal to the greater of:

16 (1) two percent per month or any fraction of
17 a month from the date the tax was due multiplied by the
18 amount of tax due but not paid, not to exceed twenty percent
19 of the tax due but not paid;

20 (2) two percent per month or any fraction of
21 a month from the date the return was required to be filed
22 multiplied by the tax liability established in the late
23 return, not to exceed twenty percent of the tax liability
24 established in the late return; or

25 (3) a minimum of five dollars (\$5.00), but

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1 the five-dollar (\$5.00) minimum penalty shall not apply to
2 taxes levied under the Income Tax Act or taxes administered
3 by the department pursuant to Subsection B of Section 7-1-2
4 NMSA 1978.

5 B. No penalty shall be assessed against a
6 taxpayer if the failure to pay an amount of tax when due
7 results from a mistake of law made in good faith and on
8 reasonable grounds.

9 C. If a different penalty is specified in a
10 compact or other interstate agreement to which New Mexico is
11 a party, the penalty provided in the compact or other
12 interstate agreement shall be applied to amounts due under
13 the compact or other interstate agreement at the rate and in
14 the manner prescribed by the compact or other interstate
15 agreement.

16 D. In the case of failure, with willful intent to
17 evade or defeat a tax, to pay when due the amount of tax
18 required to be paid, there shall be added to the amount
19 [~~fifty~~] one hundred percent of the tax or a minimum of
20 twenty-five dollars (\$25.00), whichever is greater, as
21 penalty.

22 E. If demand is made for payment of a tax,
23 including penalty imposed pursuant to this section, and if
24 the tax is paid within ten days after the date of such
25 demand, no penalty shall be imposed for the period after the

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1 date of the demand with respect to the amount paid.

2 F. If a taxpayer makes electronic payment of a
3 tax but the payment does not include all of the information
4 required by the department pursuant to the provisions of
5 Section 7-1-13.1 NMSA 1978 and if the department does not
6 receive the required information within five business days
7 from the later of the date a request by the department for
8 that information is received by the taxpayer or the due date,
9 the taxpayer shall be subject to a penalty of two percent per
10 month or any fraction of a month from the fifth day following
11 the date the request is received. If a penalty is imposed
12 under Subsection A of this section with respect to the same
13 transaction for the same period, no penalty shall be imposed
14 under this subsection.

15 G. No penalty shall be imposed on:

16 (1) tax due in excess of tax paid in
17 accordance with an approved estimated basis pursuant to
18 Section 7-1-10 NMSA 1978;

19 (2) tax due as the result of a managed
20 audit; or

21 (3) tax that is deemed paid by crediting
22 overpayments found in an audit or managed audit of multiple
23 periods pursuant to Section 7-1-29 NMSA 1978."

24 SECTION 42. A new section of the Tax Administration Act
25 is enacted to read:

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1 "[NEW MATERIAL] DISTRIBUTION--BONDS ISSUED BY A TAX
2 INCREMENT DEVELOPMENT DISTRICT.--A distribution pursuant to
3 Section 7-1-6.1 NMSA 1978 shall be made to a tax increment
4 development district from the net receipts attributable to
5 the gross receipts tax in an amount necessary to make the
6 required bond debt service payments for which revenue
7 attributable to the gross receipts tax is pledged pursuant to
8 Sections 5-15-21 and 5-15A-1 NMSA 1978, as those sections
9 were in effect prior to January 1, 2016, as determined by the
10 New Mexico finance authority. The distribution shall be
11 made:

12 A. contemporaneously with other distributions of
13 net receipts attributable to the gross receipts tax for
14 payment of debt service on outstanding bonds or to a fund
15 dedicated for that purpose; and

16 B. prior to any other distribution of net
17 receipts attributable to the gross receipts tax."

18 **SECTION 43.** A new section of the Tax Administration Act
19 is enacted to read:

20 "[NEW MATERIAL] DISTRIBUTION--GROSS RECEIPTS TAX--BOAT
21 SUSPENSE FUND.--A distribution pursuant to Section 7-1-6.1
22 NMSA 1978 shall be made to the "boat suspense fund", hereby
23 created in the state treasury, of the net receipts
24 attributable to the gross receipts tax from the sale of every
25 boat required to be registered in the state pursuant to the

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1 Boat Act. At the end of each month, the state treasurer
2 shall transfer fifty percent of the net revenue in the boat
3 suspense fund to the state parks division of the energy,
4 minerals and natural resources department. The amount
5 transferred is appropriated for use by the division for
6 improvements and maintenance of lakes and boating facilities
7 owned or leased by the state and for administration and
8 enforcement of the Boat Act."

9 SECTION 44. Section 7-2-2 NMSA 1978 (being Laws 1986,
10 Chapter 20, Section 26, as amended) is amended to read:

11 "7-2-2. DEFINITIONS.--For the purpose of the Income Tax
12 Act and unless the context requires otherwise:

13 A. "adjusted gross income" means adjusted gross
14 income as defined in Section 62 of the Internal Revenue Code,
15 as that section may be amended or renumbered;

16 B. "base income":

17 (1) means, for estates and trusts, that part
18 of the estate's or trust's income defined as taxable income
19 and upon which the federal income tax is calculated in the
20 Internal Revenue Code for income tax purposes plus, for
21 taxable years beginning on or after January 1, 1991, the
22 amount of the net operating loss deduction allowed by Section
23 172(a) of the Internal Revenue Code, as that section may be
24 amended or renumbered, and taken by the taxpayer for that
25 year;

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1 (2) means, for taxpayers other than estates
2 or trusts, that part of the taxpayer's income defined as
3 adjusted gross income plus, for taxable years beginning on or
4 after January 1, 1991, the amount of the net operating loss
5 deduction allowed by Section 172(a) of the Internal Revenue
6 Code, as that section may be amended or renumbered, and taken
7 by the taxpayer for that year;

8 (3) includes, for all taxpayers, any other
9 income of the taxpayer not included in adjusted gross income
10 but upon which a federal tax is calculated pursuant to the
11 Internal Revenue Code for income tax purposes, except amounts
12 for which a calculation of tax is made pursuant to Section 55
13 of the Internal Revenue Code, as that section may be amended
14 or renumbered; [~~"base income" also includes interest received~~
15 ~~on a state or local bond~~] and

16 (4) [~~includes, for all taxpayers, an amount~~
17 ~~deducted pursuant to Section 7-2-32 NMSA 1978 in a prior~~
18 ~~taxable year if:~~

19 (a) ~~such amount is transferred to~~
20 ~~another qualified tuition program, as defined in Section 529~~
21 ~~of the Internal Revenue Code, not authorized in the Education~~
22 ~~Trust Act; or~~

23 (b) ~~a distribution or refund is made~~
24 ~~for any reason other than: 1) to pay for qualified higher~~
25 ~~education expenses, as defined pursuant to Section 529 of the~~

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1 ~~Internal Revenue Code; or 2) upon the beneficiary's death,~~
2 ~~disability or receipt of a scholarship] does not include~~
3 ~~interest received on a bond, note, loan, warrant, debenture,~~
4 ~~lease-purchase agreement or other instrument evidencing an~~
5 ~~obligation of a taxpayer to make payments;~~

6 C. "compensation" means wages, salaries,
7 commissions and any other form of remuneration paid to
8 employees for personal services;

9 D. "department" means the taxation and revenue
10 department, the secretary or any employee of the department
11 exercising authority lawfully delegated to that employee by
12 the secretary;

13 E. "fiduciary" means a guardian, trustee,
14 executor, administrator, committee, conservator, receiver,
15 individual or corporation acting in any fiduciary capacity;

16 F. "filing status" means "married filing joint
17 returns", "married filing separate returns", "head of
18 household", "surviving spouse" and "single", as those terms
19 are generally defined for federal tax purposes;

20 G. "fiscal year" means any accounting period of
21 twelve months ending on the last day of any month other than
22 December;

23 H. "head of household" means "head of household"
24 as generally defined for federal income tax purposes;

25 I. "individual" means a natural person, an

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1 estate, a trust or a fiduciary acting for a natural person,
2 trust or estate;

3 J. "Internal Revenue Code" means the United
4 States Internal Revenue Code of 1986, as amended;

5 K. "lump-sum amount" means, for the purpose of
6 determining liability for federal income tax, an amount that
7 was not included in adjusted gross income but upon which the
8 five-year-averaging or the ten-year-averaging method of tax
9 computation provided in Section 402 of the Internal Revenue
10 Code, as that section may be amended or renumbered, was
11 applied;

12 L. "modified gross income" means all income of
13 the taxpayer and, if any, the taxpayer's spouse and
14 dependents, undiminished by losses and from whatever source,
15 including:

- 16 (1) compensation;
17 (2) net profit from business;
18 (3) gains from dealings in property;
19 (4) interest;
20 [~~(5)~~] (5) net rents;
21 [~~(6)~~] (5) royalties;
22 [~~(7)~~] (6) dividends;
23 [~~(8)~~] (7) alimony and separate maintenance
24 payments;
25 [~~(9)~~] (8) annuities;

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- 1 [~~(10)~~] (9) income from life insurance and
2 endowment contracts;
- 3 [~~(11)~~] (10) pensions;
- 4 [~~(12)~~] (11) discharge of indebtedness;
- 5 [~~(13)~~] (12) distributive share of
6 partnership income;
- 7 [~~(14)~~] (13) income in respect of a decedent;
- 8 [~~(15)~~] (14) income from an interest in an
9 estate or a trust;
- 10 [~~(16)~~] (15) social security benefits;
- 11 [~~(17)~~] (16) unemployment compensation
12 benefits;
- 13 [~~(18)~~] (17) workers' compensation benefits;
- 14 [~~(19)~~] (18) public assistance and welfare
15 benefits; and
- 16 [~~(20)~~] (19) cost-of-living allowances; [~~and~~
17 ~~(21)~~—gifts]
- 18 M. "modified gross income" excludes:
- 19 (1) payments for hospital, dental, medical
20 or drug expenses to or on behalf of the taxpayer;
- 21 (2) the value of room and board provided by
22 federal, state or local governments or by private individuals
23 or agencies based upon financial need and not as a form of
24 compensation;
- 25 (3) payments pursuant to a federal, state or

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1 local government program directly or indirectly to a third
2 party on behalf of the taxpayer when identified to a
3 particular use or invoice by the payer; or

4 (4) payments for credits and rebates
5 pursuant to the Income Tax Act and made for a credit pursuant
6 to Section 7-3-9 NMSA 1978;

7 N. "net income" means, for estates and trusts,
8 base income adjusted to exclude amounts that the state is
9 prohibited from taxing because of the laws or constitution of
10 this state or the United States and means, for taxpayers
11 other than estates or trusts, base income adjusted to
12 exclude:

13 (1) an amount equal to the standard
14 deduction allowed the taxpayer for the taxpayer's taxable
15 year by Section 63 of the Internal Revenue Code, as that
16 section may be amended or renumbered;

17 (2) an amount equal to the itemized
18 deductions defined in Section 63 of the Internal Revenue
19 Code, as that section may be amended or renumbered, allowed
20 the taxpayer for the taxpayer's taxable year less the amount
21 excluded pursuant to Paragraph (1) of this subsection and
22 less the amount of state and local income and sales taxes
23 included in the taxpayer's itemized deductions;

24 (3) an amount equal to the product of the
25 exemption amount allowed for the taxpayer's taxable year by

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1 Section 151 of the Internal Revenue Code, as that section may
2 be amended or renumbered, multiplied by the number of
3 personal exemptions allowed for federal income tax purposes;

4 (4) income from obligations of the United
5 States of America less expenses incurred to earn that income;

6 (5) other amounts that the state is
7 prohibited from taxing because of the laws or constitution of
8 this state or the United States;

9 (6) for taxable years that began prior to
10 January 1, 1991, an amount equal to the sum of:

11 (a) net operating loss carryback
12 deductions to that year from taxable years beginning prior to
13 January 1, 1991 claimed and allowed, as provided by the
14 Internal Revenue Code; and

15 (b) net operating loss carryover
16 deductions to that year claimed and allowed;

17 (7) for taxable years beginning on or after
18 January 1, 1991 and prior to January 1, 2013, an amount equal
19 to the sum of any net operating loss carryover deductions to
20 that year claimed and allowed, provided that the amount of
21 any net operating loss carryover from a taxable year
22 beginning on or after January 1, 1991 and prior to January 1,
23 2013 may be excluded only as follows:

24 (a) in the case of a timely filed
25 return, in the taxable year immediately following the taxable

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1 year for which the return is filed; or

2 (b) in the case of amended returns or
3 original returns not timely filed, in the first taxable year
4 beginning after the date on which the return or amended
5 return establishing the net operating loss is filed; and

6 (c) in either case, if the net
7 operating loss carryover exceeds the amount of net income
8 exclusive of the net operating loss carryover for the taxable
9 year to which the exclusion first applies, in the next four
10 succeeding taxable years in turn until the net operating loss
11 carryover is exhausted for any net operating loss carryover
12 from a taxable year prior to January 1, 2013; in no event
13 shall a net operating loss carryover from a taxable year
14 beginning prior to January 1, 2013 be excluded in any taxable
15 year after the fourth taxable year beginning after the
16 taxable year to which the exclusion first applies;

17 (8) for taxable years beginning on or after
18 January 1, 2013, an amount equal to the sum of any net
19 operating loss carryover deductions to that year claimed and
20 allowed; provided that the amount of any net operating loss
21 carryover may be excluded only as follows:

22 (a) in the case of a timely filed
23 return, in the taxable year immediately following the taxable
24 year for which the return is filed; or

25 (b) in the case of amended returns or

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1 original returns not timely filed, in the first taxable year
2 beginning after the date on which the return or amended
3 return establishing the net operating loss is filed; and

4 (c) in either case, if the net
5 operating loss carryover exceeds the amount of net income
6 exclusive of the net operating loss carryover for the taxable
7 year to which the exclusion first applies, in the next
8 nineteen succeeding taxable years in turn until the net
9 operating loss carryover is exhausted for any net operating
10 loss carryover from a taxable year beginning on or after
11 January 1, 2013; in no event shall a net operating loss
12 carryover from a taxable year beginning: 1) prior to January
13 1, 2013 be excluded in any taxable year after the fourth
14 taxable year beginning after the taxable year to which the
15 exclusion first applies; and 2) on or after January 1, 2013
16 be excluded in any taxable year after the nineteenth taxable
17 year beginning after the taxable year to which the exclusion
18 first applies; and

19 (9) for taxable years beginning on or after
20 January 1, 2011, an amount equal to the amount included in
21 adjusted gross income that represents a refund of state and
22 local income and sales taxes that were deducted for federal
23 tax purposes in taxable years beginning on or after January
24 1, 2010;

25 0. "net operating loss" means any net operating

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1 loss, as defined by Section 172(c) of the Internal Revenue
2 Code, as that section may be amended or renumbered, for a
3 taxable year as further increased by the income, if any, from
4 obligations of the United States for that year less related
5 expenses;

6 P. "net operating loss carryover" means the
7 amount, or any portion of the amount, of a net operating loss
8 for any taxable year that, pursuant to Paragraph (6), (7) or
9 (8) of Subsection N of this section, may be excluded from
10 base income;

11 Q. "nonresident" means every individual not a
12 resident of this state;

13 R. "person" means any individual, estate, trust,
14 receiver, cooperative association, club, corporation,
15 company, firm, partnership, limited liability company, joint
16 venture, syndicate or other association; "person" also means,
17 to the extent permitted by law, any federal, state or other
18 governmental unit or subdivision or agency, department or
19 instrumentality thereof;

20 S. "resident" means an individual who is
21 domiciled in this state during any part of the taxable year
22 or an individual who is physically present in this state for
23 one hundred eighty-five days or more during the taxable year;
24 but any individual, other than someone who was physically
25 present in the state for one hundred eighty-five days or more

1 during the taxable year, who, on or before the last day of
2 the taxable year, changed the individual's place of abode to
3 a place without this state with the bona fide intention of
4 continuing actually to abide permanently without this state
5 is not a resident for the purposes of the Income Tax Act for
6 periods after that change of abode;

7 T. "secretary" means the secretary of taxation
8 and revenue or the secretary's delegate;

9 U. "state" means any state of the United States,
10 the District of Columbia, the commonwealth of Puerto Rico,
11 any territory or possession of the United States or any
12 political subdivision of a foreign country;

13 V. "state or local bond" means a bond issued by a
14 state other than New Mexico or by a local government other
15 than one of New Mexico's political subdivisions, the interest
16 from which is excluded from income for federal income tax
17 purposes under Section 103 of the Internal Revenue Code, as
18 that section may be amended or renumbered;

19 W. "surviving spouse" means "surviving spouse" as
20 generally defined for federal income tax purposes;

21 X. "taxable income" means net income less any
22 lump-sum amount;

23 Y. "taxable year" means the calendar year or
24 fiscal year upon the basis of which the net income is
25 computed under the Income Tax Act and includes, in the case

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1 of the return made for a fractional part of a year under the
2 provisions of the Income Tax Act, the period for which the
3 return is made; and

4 Z. "taxpayer" means any individual subject to the
5 tax imposed by the Income Tax Act."

6 SECTION 45. Section 7-2-7 NMSA 1978 (being Laws 2005,
7 Chapter 104, Section 4) is amended to read:

8 "7-2-7. INDIVIDUAL INCOME TAX RATES.--

9 A. Except as provided in Subsection B of this
10 section, the tax imposed by Section 7-2-3 NMSA 1978 shall be
11 at the [following rates for any taxable year beginning on or
12 after January 1, 2008:

13 ~~A. For married individuals filing separate~~
14 ~~returns:~~

If the taxable income is:	The tax shall be:
Not over \$4,000	1.7% of taxable income
Over \$ 4,000 but not over \$ 8,000	\$ 68.00 plus 3.2% of
	excess over \$ 4,000
Over \$ 8,000 but not over \$ 12,000	\$ 196 plus 4.7% of
	excess over \$ 8,000
Over \$ 12,000	\$ 384 plus 4.9% of
	excess over \$ 12,000.

23 ~~B. For heads of household, surviving spouses and~~
24 ~~married individuals filing joint returns:~~

25 ~~If the taxable income is:~~ ~~The tax shall be:~~

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1 ~~Not over \$8,000~~ ~~1.7% of taxable income~~
2 ~~Over \$ 8,000 but not over \$ 16,000~~ ~~\$ 136 plus 3.2% of~~
3 ~~excess over \$ 8,000~~
4 ~~Over \$ 16,000 but not over \$ 24,000~~ ~~\$ 392 plus 4.7% of~~
5 ~~excess over \$ 16,000~~
6 ~~Over \$ 24,000~~ ~~\$ 768 plus 4.9% of~~
7 ~~excess over \$ 24,000.~~

8 ~~C. For single individuals and for estates and~~
9 ~~trusts:~~

10 ~~If the taxable income is:~~ ~~The tax shall be:~~
11 ~~Not over \$5,500~~ ~~1.7% of taxable income~~
12 ~~Over \$ 5,500 but not over \$ 11,000~~ ~~\$ 93.50 plus 3.2% of~~
13 ~~excess over \$ 5,500~~
14 ~~Over \$ 11,000 but not over \$ 16,000~~ ~~\$ 269.50 plus 4.7% of~~
15 ~~excess over \$ 11,000~~
16 ~~Over \$ 16,000~~ ~~\$ 504.50 plus 4.9% of~~
17 ~~excess over \$ 16,000]~~

18 rate of two and one-half percent for the following taxpayers:

19 (1) married individuals filing separate
20 returns who have a taxable income of at least one hundred
21 forty-one thousand nine hundred seventy-five dollars
22 (\$141,975);

23 (2) heads of household, surviving spouses
24 and married individuals filing joint returns who have a
25 taxable income of at least two hundred eighty-three thousand

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1 nine hundred fifty dollars (\$283,950); and

2 (3) single individuals and estates and
3 trusts that have a taxable income of at least one hundred
4 eighty-nine thousand three hundred dollars (\$189,300).

5 B. For taxable years beginning on or after
6 January 1, 2017 and each subsequent taxable year, the taxable
7 income amounts in Paragraphs (1) through (3) of Subsection A
8 of this section shall be adjusted to account for inflation.
9 The department shall make the adjustment by multiplying the
10 taxable income amount for the taxable year beginning on or
11 after January 1, 2015 by a fraction, the numerator of which
12 is the consumer price index ending in the prior taxable year
13 and the denominator of which is the consumer price index
14 ending in 2015. The result of the multiplication shall be
15 rounded down to the nearest one dollar (\$1.00), except that
16 if the result would be an amount less than the corresponding
17 amount for the preceding tax year, then no adjustment shall
18 be made. For purposes of this subsection, "consumer price
19 index" means the consumer price index for all urban consumers
20 published by the United States department of labor for the
21 month ending September 30. The department shall publish
22 annually the amount determined by the calculation and post it
23 to the department's web site no later than December 1 of each
24 tax year.

25 [~~D-~~] C. The tax on the sum of any lump-sum

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1 amounts included in net income is an amount equal to five
2 multiplied by the difference between:

3 (1) the amount of tax due on the taxpayer's
4 taxable income; and

5 (2) the amount of tax that would be due on
6 an amount equal to the taxpayer's taxable income and twenty
7 percent of the taxpayer's lump-sum amounts included in net
8 income."

9 SECTION 46. A new section of the Income Tax Act is
10 enacted to read:

11 "[NEW MATERIAL] EXEMPTION--DONATIONS TO CERTAIN
12 ORGANIZATIONS.--Donations received by an organization that is
13 exempt from the federal income tax as an organization
14 described in Section 501(c)(3) of the Internal Revenue Code
15 is exempt from state income tax."

16 SECTION 47. Section 7-2C-2 NMSA 1978 (being Laws 1985,
17 Chapter 106, Section 2, as amended by Laws 2006, Chapter 52,
18 Section 1 and by Laws 2006, Chapter 53, Section 1) is amended
19 to read:

20 "7-2C-2. PURPOSE.--

21 A. The purpose of the Tax Refund Intercept
22 Program Act is to comply with state and federal law:

23 (1) by enhancing the enforcement of child
24 support and medical support obligations;

25 (2) to aid collection of outstanding debts

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1 owed for:

2 (a) overpayment of public assistance
3 and overissuance of food stamps;

4 (b) overpayment of unemployment
5 compensation benefits and nonpayment of contributions or
6 payments in lieu of contributions or other amounts due under
7 the Unemployment Compensation Law;

8 (c) nonpayment of reimbursements owed
9 to the uninsured employers' fund under the Workers'
10 Compensation Act; and

11 (d) nonpayment of the workers'
12 compensation fee due under the Workers' Compensation
13 Administration Act;

14 (3) to promote repayment of educational
15 loans;

16 (4) to aid collection of fines, fees and
17 costs owed to the district, magistrate and municipal courts;
18 and

19 (5) to aid collection of fines, fees and
20 costs owed to the Bernalillo county metropolitan court [~~and~~

21 ~~(6) to aid in the payment to the state~~
22 ~~investment officer of film production tax credit amounts owed~~
23 ~~to the state investment officer due to loans made against the~~
24 ~~credit pursuant to Subsection D of Section 7-27-5.26 NMSA~~
25 ~~1978].~~

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1 B. Efforts to accomplish the purpose of the Tax
2 Refund Intercept Program Act may be enhanced by establishing
3 a system to collect debts, in particular, outstanding child
4 support obligations, educational loans, amounts due under the
5 Unemployment Compensation Law, the Workers' Compensation Act
6 and the Workers' Compensation Administration Act, fines, fees
7 and costs owed to the district, magistrate and municipal
8 courts [~~film production tax credit amounts owed to the state~~
9 ~~investment officer~~] and fines, fees and costs owed to the
10 Bernalillo county metropolitan court, by setting off the
11 amount of such debts against the state income tax refunds [~~or~~
12 ~~film production tax credit amounts due the debtors~~]."

13 SECTION 48. Section 7-2C-3 NMSA 1978 (being Laws 1985,
14 Chapter 106, Section 3, as amended by Laws 2006, Chapter 52,
15 Section 2 and by Laws 2006, Chapter 53, Section 2) is amended
16 to read:

17 "7-2C-3. DEFINITIONS.--As used in the Tax Refund
18 Intercept Program Act:

19 A. "claimant agency" means the taxation and
20 revenue department or any of its divisions, the human
21 services department, the [~~employment security division of the~~
22 ~~labor~~] workforce transition services division of the
23 workforce solutions department, the workers' compensation
24 administration, any corporation authorized to be formed under
25 the Educational Assistance Act, a district, magistrate or

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1 municipal court or the Bernalillo county metropolitan court;

2 B. "debt" means a legally enforceable obligation
3 of an employer subject to the Unemployment Compensation Law,
4 the Workers' Compensation Act and the Workers' Compensation
5 Administration Act, or an individual to pay a liquidated
6 amount of money that:

7 (1) is equal to or more than one hundred
8 dollars (\$100);

9 (2) is due and owing a claimant agency,
10 which a claimant agency is obligated by law to collect or
11 which, in the case of an educational loan, a claimant agency
12 has lawfully contracted to collect;

13 (3) has accrued through contract, tort,
14 subrogation or operation of law; and

15 (4) either:

16 (a) has been secured by a warrant of
17 levy and lien for amounts due under the Unemployment
18 Compensation Law or workers' compensation fees due under the
19 Workers' Compensation Administration Act; or

20 (b) has been reduced to judgment for
21 all other cases;

22 C. "debtor" means any employer subject to the
23 Unemployment Compensation Law, the Workers' Compensation Act
24 and the Workers' Compensation Administration Act, or any
25 individual owing a debt;

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1 D. "department" or "division" means, unless the
2 context indicates otherwise, the taxation and revenue
3 department, the secretary of taxation and revenue or any
4 employee of the department exercising authority lawfully
5 delegated to that employee by the secretary;

6 E. "educational loan" means any loan for
7 educational purposes owned by a public post-secondary
8 educational institution or owned or guaranteed by any
9 corporation authorized to be formed under the Educational
10 Assistance Act;

11 F. "medical support" means amounts owed to the
12 human services department pursuant to the provisions of
13 Subsection B of Section 40-4C-12 NMSA 1978;

14 G. "public post-secondary educational
15 institution" means a publicly owned or operated institution
16 of higher education or other publicly owned or operated post-
17 secondary educational facility located within New Mexico;

18 H. "spouse" means an individual who is or was a
19 spouse of the debtor and who has joined with the debtor in
20 filing a joint return of income tax pursuant to the
21 provisions of the Income Tax Act, which joint return has
22 given rise to a refund that may be subject to the provisions
23 of the Tax Refund Intercept Program Act; and

24 I. "refund" means a refund, including any amount
25 of tax rebates or credits, under the Income Tax Act ~~[or the~~

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1 ~~Corporate Income and Franchise Tax Act~~] that the department
2 has determined to be due to [~~an individual or corporation~~] a
3 taxpayer."

4 SECTION 49. Section 7-2C-6 NMSA 1978 (being Laws 1985,
5 Chapter 106, Section 6, as amended by Laws 2006, Chapter 52,
6 Section 3 and by Laws 2006, Chapter 53, Section 3) is amended
7 to read:

8 "7-2C-6. PROCEDURES FOR SETOFF--NOTIFICATIONS TO
9 DEBTOR.--

10 A. Each year, a claimant agency seeking to
11 collect a debt through setoff shall notify the department in
12 the manner and by the date required by the department, which
13 date shall be in the period from November 1 through December
14 15. The notice to the department shall include the amount of
15 the debt, the name and identification number of the debtor
16 and such other information as the department may require.
17 The notice shall also include certification that the debt is
18 due and owing the claimant agency or that the claimant agency
19 is obligated by law to collect the debt. This notice shall
20 be effective only to initiate setoff against refunds that
21 would be made in the calendar year subsequent to the year in
22 which notification is made to the department.

23 B. The claimant agency shall inform the
24 department within one week of any changes in the status of
25 any debt submitted by the claimant agency for setoff.

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1 C. Upon proper and timely notification from the
2 claimant agency, the department shall determine whether the
3 debtor is entitled to a refund of at least fifty dollars
4 (\$50.00). The department shall notify the claimant agency in
5 writing, or in such other manner as the department and the
6 claimant agency may agree, with respect to each debt accepted
7 for setoff whether the debtor is due a refund of fifty
8 dollars (\$50.00) or more and, if so, the amount of refund,
9 the address of the debtor entered upon the return and, if the
10 refund arises from a joint return, the name and address of
11 the spouse as entered upon the return.

12 D. Within ten days after receiving the
13 notification from the department pursuant to Subsection C of
14 this section, the claimant agency shall send a notice by
15 first class mail to the debtor at the debtor's last known
16 address. The notice required by this subsection shall
17 include:

18 (1) a statement that a transfer of the
19 refund will be made and that the claimant agency intends to
20 set off the amount of the transfer against a claimed debt;

21 (2) the amount of the debt asserted and a
22 description of how the debt asserted arose;

23 (3) the name, address and telephone number
24 of the claimant agency;

25 (4) the amount of refund to be set off

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1 against the debt asserted;

2 (5) a statement that the debtor has thirty
3 days from the date indicated on the notice to contest the
4 setoff by applying to the claimant agency for a hearing with
5 respect to the validity of the debt asserted by that agency;
6 and

7 (6) a statement that failure of the debtor
8 to apply for a hearing within thirty days will be deemed a
9 waiver of the opportunity to contest the setoff and to a
10 hearing.

11 E. If the refund against which a debt is intended
12 to be set off results from a joint tax return, the claimant
13 agency shall send a notice by first class mail to the spouse
14 named on the return within ten days after receiving the
15 notification from the department pursuant to Subsection C of
16 this section. The notice to the spouse shall contain the
17 following information:

18 (1) a statement that a transfer of the
19 refund will be made and that the claimant agency intends to
20 set off the amount of the transfer against a claimed debt;

21 (2) the total amount of the refund and the
22 amount of each claimed debt;

23 (3) the name, address and telephone number
24 of the claimant agency;

25 (4) a statement that no debt is claimed

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1 against the spouse and that the spouse may be entitled to
2 receive all or part of the refund regardless of the claimed
3 debt against the debtor spouse;

4 (5) a statement that to assert a claim to
5 all or part of the refund, the spouse shall apply to the
6 claimant agency for a hearing within thirty days from the
7 date indicated on the notice with respect to the entitlement
8 of the spouse to all or part of the refund from which a
9 transfer will be made at the request of the claimant agency;
10 and

11 (6) a statement that failure of the spouse
12 to apply for a hearing within thirty days may be deemed a
13 waiver of any claim of the spouse with respect to the refund.

14 F. A debtor may contest the setoff of a debt by
15 applying to the claimant agency for a hearing within thirty
16 days of the date the notice required by Subsection D of this
17 section is sent to the debtor. Failure of the debtor to
18 apply for a hearing within the time required shall constitute
19 a waiver of the right to contest the debt or the setoff of
20 the debt.

21 G. A spouse may contest the setoff of a debt
22 against a refund to which the spouse claims entitlement in
23 whole or in part by applying to the claimant agency for a
24 hearing within thirty days of the date the notice required by
25 Subsection E of this section was sent to the spouse. Failure

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1 of the spouse to apply for a hearing within the time required
2 shall constitute a waiver of the right to contest the setoff
3 of the debt against a refund to which the spouse may claim
4 entitlement.

5 H. The department shall apply against the refund
6 the amount of the claimed debt, not to exceed the amount of
7 the refund, and shall transfer that amount to the claimant
8 agency with an accounting of the amount transferred. When
9 the amount of refund due exceeds the amount of all applied
10 debts, the department shall treat the excess as it does other
11 refunds relating to income taxes.

12 I. Whether or not the refund due the debtor
13 exceeds the amount of the applied debt, the department shall
14 notify the debtor at the time of the transfer to the claimant
15 agency of:

16 (1) the fact of the transfer and that the
17 claimant agency intends to set off the amount of the transfer
18 against the asserted debt;

19 (2) the total amount of the refund;

20 (3) the amount of debt asserted by the
21 claimant agency; and

22 (4) the name, address and telephone number
23 of the claimant agency.

24 J. Once the department has sent to the debtor the
25 notice required by Subsection I of this section, together

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1 with any excess of the amount of refund over the amount of
2 asserted debts, the department shall be deemed to have made
3 the refund required by the Income Tax Act [~~or the Corporate~~
4 ~~Income and Franchise Tax Act~~]."

5 SECTION 50. Section 7-3-3 NMSA 1978 (being Laws 1961,
6 Chapter 243, Section 3, as amended) is amended to read:

7 "7-3-3. TAX WITHHELD AT SOURCE.--

8 A. Every employer who deducts and withholds a
9 portion of an employee's wages for payment of income tax
10 under the provisions of the Internal Revenue Code shall
11 deduct and withhold an amount for each payroll period
12 computed from a state withholding tax table furnished by the
13 department; provided:

14 (1) if the employee instructs the employer
15 to withhold a greater amount, the employer shall deduct and
16 withhold the greater amount;

17 (2) if the employee is not a resident of New
18 Mexico and is to perform services in New Mexico for fifteen
19 or fewer days cumulatively during the calendar year, the
20 employer is not required to deduct and withhold an amount
21 from that employee's wages; and

22 (3) if the aggregate monthly amount withheld
23 under this section would be less than one dollar (\$1.00) for
24 an employee, the employer shall not be required to deduct and
25 withhold wages in regard to that employee.

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1 B. The department shall devise and furnish a
2 state withholding tax table based on statutes made and
3 provided to employers required to withhold amounts under this
4 section. This table shall be devised to provide for a yearly
5 aggregate withholding that will approximate the state income
6 tax and gross receipts tax liability of average taxpayers in
7 each exemption category and from wages received.

8 C. If an individual requests in writing that the
9 payor deduct and withhold an amount from the amount of the
10 pension or annuity due the individual, the payor making
11 payment of a pension or annuity to an individual domiciled in
12 New Mexico shall deduct and withhold the amount requested to
13 be deducted and withheld, provided that the payor is not
14 required to deduct and withhold any amount less than ten
15 dollars (\$10.00) per payment. The written request shall
16 include the payee's name, current address, taxpayer
17 identification number and, if applicable, the contract,
18 policy or account number to which the request applies.

19 D. Every person in New Mexico who is required by
20 the provisions of the Internal Revenue Code to deduct and
21 withhold federal tax from payment of winnings that are
22 subject to withholding shall deduct and withhold from such
23 payment a tax in an amount equal to six percent of the
24 winnings, except that an Indian nation, tribe or pueblo or an
25 agency, department, subdivision or instrumentality thereof is

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1 not required to deduct or withhold from payments made to
2 members or spouses of members of that Indian nation, tribe or
3 pueblo."

4 SECTION 51. Section 7-3-9 NMSA 1978 (being Laws 1961,
5 Chapter 243, Section 11, as amended) is amended to read:

6 "7-3-9. WITHHELD AMOUNTS CREDITED AGAINST TAX.--The
7 entire amount of income upon which tax was deducted and
8 withheld shall be included in the gross income of the
9 withholdee for state income tax and gross receipts tax
10 purposes. The amount of tax deducted and withheld under the
11 provisions of the Withholding Tax Act during the taxable year
12 shall be credited against any state income tax or gross
13 receipts tax liability for that taxable year."

14 SECTION 52. Section 7-3-13 NMSA 1978 (being Laws 2010,
15 Chapter 53, Section 7) is amended to read:

16 "7-3-13. WITHHOLDING INFORMATION RETURN REQUIRED--
17 PENALTY.--

18 A. An employer that has more than fifty employees
19 and is not required to file an unemployment insurance tax
20 form with the workforce solutions department or a payor shall
21 file quarterly a withholding information return with the
22 department on or before the last day of the month following
23 the close of the calendar quarter.

24 B. The quarterly withholding information return
25 required by this section shall contain all information

1 required by the department, including:

2 (1) each employee's or payee's social
3 security number;

4 (2) each employee's or payee's name;

5 (3) each employee's or payee's gross wages,
6 pensions or annuity payments;

7 (4) each employee's or payee's state income
8 tax or gross receipts tax withheld; and

9 (5) the workers' compensation fees due on
10 behalf of each employee or payee.

11 C. Each quarterly withholding information return
12 shall be filed with the department using a department-
13 approved electronic medium.

14 D. Any employer or payor required to file the
15 quarterly withholding information return who fails to do so
16 by the due date or to file the return in accordance with
17 Subsection C of this section is subject to a penalty in the
18 amount of fifty dollars (\$50.00)."

19 **SECTION 53.** Section 7-3A-2 NMSA 1978 (being Laws 2003,
20 Chapter 86, Section 5, as amended) is amended to read:

21 "7-3A-2. DEFINITIONS.--As used in the Oil and Gas
22 Proceeds and Pass-Through Entity Withholding Tax Act:

23 A. "department" means the taxation and revenue
24 department, the secretary of taxation and revenue or any
25 employee of the department exercising authority lawfully

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1 delegated to that employee by the secretary;

2 B. "Internal Revenue Code" means the Internal
3 Revenue Code of 1986, as amended;

4 C. "net income" means, for any pass-through
5 entity,

6 ~~[(1) in the case of an owner that is taxed~~
7 ~~as a corporation for federal income tax purposes "net income"~~
8 ~~as defined in the Corporate Income and Franchise Tax Act; and~~

9 ~~(2) for all other owners]~~ "net income" as
10 defined in the Income Tax Act;

11 D. "oil and gas" means crude oil, natural gas,
12 liquid hydrocarbons or any combination thereof, or carbon
13 dioxide;

14 E. "oil and gas proceeds" means any amount
15 derived from oil and gas production from any well located in
16 New Mexico and payable as royalty interest, overriding
17 royalty interest, production payment interest, working
18 interest or any other obligation expressed as a right to a
19 specified interest in the cash proceeds received from the
20 sale of oil and gas production or in the cash value of that
21 production, subject to all taxes withheld therefrom pursuant
22 to law; "oil and gas proceeds" excludes "net profits
23 interest" and other types of interest the extent of which
24 cannot be determined with reference to a specified share of
25 the oil and gas production and excludes any amounts deducted

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1 by the remitter from payments to interest owners or paid by
2 interest owners to the remitter that are for expenses related
3 to the production from the well or cessation of production
4 from the well for which the interest owner is liable;

5 F. "owner" means a partner in a partnership not
6 taxed as a corporation for federal income tax purposes for
7 the taxable year, a shareholder of an S corporation or of a
8 corporation other than an S corporation that is not taxed as
9 a corporation for federal income tax purposes for the taxable
10 year, a member of a limited liability company or any similar
11 person holding an ownership interest in any pass-through
12 entity [~~"Owner" also means a performing artist to whom~~
13 ~~payments are due from a personal services business~~];

14 G. "partnership" means a combination of persons,
15 including a partnership, joint venture, common trust fund,
16 association, pool or working agreement, or any other
17 combination of persons that is treated as a partnership for
18 federal income tax purposes;

19 H. "pass-through entity" means [~~a personal~~
20 ~~services business or~~] any [~~other~~] business association other
21 than:

- 22 (1) a sole proprietorship;
23 (2) an estate or trust that does not
24 distribute income to beneficiaries;
25 (3) a corporation, limited liability

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1 company, partnership or other entity not a sole
2 proprietorship taxed as a corporation for federal income tax
3 purposes for the taxable year;

4 (4) a partnership that is organized as an
5 investment partnership in which the partners' income is
6 derived solely from interest, dividends and sales of
7 securities;

8 (5) a single member limited liability
9 company that is treated as a disregarded entity for federal
10 income tax purposes; or

11 (6) a publicly traded partnership as defined
12 in Subsection (b) of Section 7704 of the Internal Revenue
13 Code;

14 I. "person" means an individual, club, company,
15 cooperative association, corporation, estate, firm, joint
16 venture, partnership, receiver, syndicate, trust or other
17 association, limited liability company, limited liability
18 partnership or gas, water or electric utility owned or
19 operated by a county or municipality and, to the extent
20 permitted by law, a federal, state or other governmental unit
21 or subdivision or an agency, a department or an
22 instrumentality thereof;

23 ~~[J. "personal services business" means a business~~
24 ~~organization that receives payments for the services of a~~
25 ~~performing artist for purposes of the film production tax~~

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1 ~~credit;~~

2 ~~K.]~~ J. "remittee" means a person that is entitled
3 to payment of oil and gas proceeds by a remitter; and

4 ~~[L.]~~ K. "remitter" means a person that pays oil
5 and gas proceeds to any remittee."

6 **SECTION 54.** Section 7-3A-3 NMSA 1978 (being Laws 2003,
7 Chapter 86, Section 6, as amended) is amended to read:

8 "7-3A-3. WITHHOLDING FROM OIL AND GAS PROCEEDS AND NET
9 INCOME.--

10 A. Except as otherwise provided in this section,
11 a remitter shall deduct and withhold from each payment of oil
12 and gas proceeds being made to a remittee for each quarter an
13 amount equal to the rate specified in Subsection D of this
14 section multiplied by the amount prior to withholding that
15 otherwise would have been payable to the remittee.

16 B. Except as otherwise provided in this section,
17 a pass-through entity shall deduct and withhold from each
18 owner's allocable share of net income for that calendar year
19 an amount equal to the rate specified in Subsection D of this
20 section multiplied by the owner's allocable share of that net
21 income, reduced, but not below zero, by the amount required
22 to be withheld from the owner's allocable share of net income
23 under Subsection A of this section.

24 C. The obligation to deduct and withhold from
25 payments or allocable net income as provided in Subsections A

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1 and B of this section does not apply to payments that are
2 made to:

3 (1) a corporation whose principal place of
4 business is in New Mexico or an individual who is a resident
5 of New Mexico;

6 (2) remittees with a New Mexico address as
7 shown on internal revenue service form 1099-Misc or a
8 successor form or on a pro forma 1099-Misc or a successor
9 form for those entities that do not receive an internal
10 revenue service form 1099-Misc;

11 (3) the United States, this state or any
12 agency, instrumentality or political subdivision of either;

13 (4) any federally recognized Indian nation,
14 tribe or pueblo or any agency, instrumentality or political
15 subdivision thereof; or

16 (5) organizations that have been granted
17 exemption from the federal income tax by the United States
18 commissioner of internal revenue as organizations described
19 in Section 501(c)(3) of the Internal Revenue Code. However,
20 the obligation to deduct and withhold from payments of
21 allocable net income to organizations identified in this
22 paragraph applies if that income constitutes unrelated
23 business income.

24 D. ~~[Except as provided in Subsection H of this~~
25 ~~section]~~ The rate of withholding shall be set by a department

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1 directive; provided that the rate may not exceed [~~the higher~~
2 ~~of~~] the maximum bracket rate set by Section 7-2-7 NMSA 1978
3 for the taxable year [~~or the maximum bracket rate set by~~
4 ~~Section 7-2A-5 NMSA 1978 for the taxable year~~]; and provided
5 further that remitters shall be given ninety days' notice of
6 a change in the rate.

7 E. If a remitter receives oil and gas proceeds
8 from which an amount has been deducted and withheld pursuant
9 to the Oil and Gas Proceeds and Pass-Through Entity
10 Withholding Tax Act or a pass-through entity has deducted and
11 withheld an amount pursuant to [~~the Oil and Gas Proceeds and~~
12 ~~Pass-Through Entity Withholding Tax~~] that act from the
13 allocable share of net income of an owner that is also a
14 pass-through entity, the remitter or payee pass-through
15 entity may take credit for that amount in determining the
16 amount the remitter or payee pass-through entity must
17 withhold and deduct pursuant to this section.

18 F. If the amount to be withheld from all payments
19 to a remittee in a calendar quarter has not exceeded thirty
20 dollars (\$30.00) and a payment to a remittee is less than ten
21 dollars (\$10.00), no withholding is required. If the amount
22 to be withheld from an owner's allocable share of net income
23 in any calendar year is less than one hundred dollars (\$100),
24 no withholding is required.

25 G. [~~Except as provided in Subsection H of this~~

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1 ~~section]~~ At the option of a remitter or pass-through entity,
2 a remitter or pass-through entity may agree with a remittee
3 or an owner that the remittee or owner pay the amount that
4 the remitter or pass-through entity would have been required
5 to withhold and remit to the department on behalf of the
6 remittee or owner pursuant to the Oil and Gas Proceeds and
7 Pass-Through Entity Withholding Tax Act. The payments by the
8 remittee or owner shall be remitted on the dates set forth in
9 Section 7-3A-6 NMSA 1978 on forms and in the manner required
10 by the department.

11 ~~[H. Excluding wages, a personal services business~~
12 ~~shall deduct and withhold an amount equal to the owner's~~
13 ~~allocable share of net income multiplied by the highest rate~~
14 ~~for single individuals provided in Section 7-2-7 NMSA 1978.~~

15 ~~F.]~~ H. If the remittee or owner is an insurance
16 company and falls under the provisions of Section 59A-6-6
17 NMSA 1978, no withholding is required pursuant to this
18 section."

19 **SECTION 55.** Section 7-3A-7 NMSA 1978 (being Laws 2003,
20 Chapter 86, Section 10, as amended) is amended to read:

21 "7-3A-7. STATEMENTS OF WITHHOLDING.--

22 A. Every remitter shall:

23 (1) file an annual statement of withholding
24 for each remittee that:

25 (a) is in electronic format and

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1 includes a form 1099-Misc or a successor form or on a pro
2 forma 1099-Misc or a successor form for those entities that
3 do not receive an internal revenue service form 1099-Misc;

4 (b) is filed with the department on or
5 before the last day of February of the year following that
6 for which the statement is made; and

7 (c) includes the total oil and gas
8 proceeds paid to the remittee and the total amount of tax
9 withheld for the calendar year; and

10 (2) provide a copy of the annual statement
11 of withholding to the remittee on or before February 15 of
12 the year following the year for which the statement is made.

13 B. The department shall develop and adopt rules
14 regarding the filing of a report pursuant to this section and
15 the attachment of form 1099-Misc or a successor form or a pro
16 forma 1099-Misc or a successor form, if the remitter is not
17 able to file those forms in an electronic format.

18 C. Every remitter shall file an electronic report
19 of the remittees who have certified that the remittee is
20 responsible for filing the remittee's own oil and gas
21 proceeds tax report and for paying the remittee's oil and gas
22 proceeds tax liability due.

23 D. Every pass-through entity doing business in
24 New Mexico shall:

25 (1) file an annual information return with

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1 the department that:

2 (a) is filed on or before the due date
3 of the entity's federal return for the taxable year;

4 (b) is signed by the business manager
5 or one of the owners of the pass-through entity; and

6 (c) contains all information required
7 by the department, including the pass-through entity's gross
8 income; the pass-through entity's net income; the amount of
9 each owner's allocable share of the pass-through entity's net
10 income; and the name, address and tax identification number
11 of each owner entitled to an allocable share of net income;
12 and

13 (2) provide to each of its owners sufficient
14 information to enable the owner to comply with the provisions
15 of the Income Tax Act [~~and the Corporate Income and Franchise~~
16 ~~Tax Act~~] with respect to the owner's allocable share of net
17 income.

18 E. The department shall compile each year the
19 annual statements of withholding received from the remitters
20 and the annual information returns received from pass-through
21 entities and compare the compilations with the records of
22 corporations, individuals, estates or trusts filing income
23 tax returns."

24 SECTION 56. Section 7-3A-8 NMSA 1978 (being Laws 2003,
25 Chapter 86, Section 11, as amended) is amended to read:

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1 "7-3A-8. WITHHELD AMOUNTS CREDITED AGAINST INCOME
2 TAX.--The entire amount of oil and gas proceeds and an
3 allocable share of net income upon which the tax was deducted
4 and withheld or upon which payments were made by owners in
5 lieu of withholding shall be included in the base income of
6 the remittee for purposes of the Income Tax Act [~~and the~~
7 ~~Corporate Income and Franchise Tax Act~~]. The amount of tax
8 deducted and withheld or payments made by owners in lieu of
9 withholding pursuant to the Oil and Gas Proceeds and Pass-
10 Through Entity Withholding Tax Act during the taxable year
11 shall be credited against any income tax [~~or corporate income~~
12 ~~tax~~] due from the remittee or owner."

13 SECTION 57. Section 7-3A-9 NMSA 1978 (being Laws 2003,
14 Chapter 86, Section 12, as amended) is amended to read:

15 "7-3A-9. INTERPRETATION OF ACT--ADMINISTRATION AND
16 ENFORCEMENT OF ACT--REPORT TO LEGISLATURE.--

17 A. The department shall interpret the provisions
18 of the Oil and Gas Proceeds and Pass-Through Entity
19 Withholding Tax Act.

20 B. The department shall administer and enforce
21 the Oil and Gas Proceeds and Pass-Through Entity Withholding
22 Tax Act, and the Tax Administration Act applies to the
23 administration and enforcement of the Oil and Gas Proceeds
24 and Pass-Through Entity Withholding Tax Act.

25 C. No later than December 1 of each year, the

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1 department shall submit a report to the legislature showing:

2 (1) the total amount of taxes withheld by
3 remitters and paid to the department during the previous
4 calendar year pursuant to the Oil and Gas Proceeds and
5 Pass-Through Entity Withholding Tax Act; and

6 (2) the amount of taxes withheld by
7 remitters pursuant to the Oil and Gas Proceeds and Pass-
8 Through Entity Withholding Tax Act that were credited against
9 income taxes [~~or corporate income taxes~~] by remittees during
10 the previous calendar year."

11 SECTION 58. Section 7-5-2 NMSA 1978 (being Laws 1967,
12 Chapter 56, Section 2, as amended) is amended to read:

13 "7-5-2. ELECTION OF ALTERNATIVE TAX.--Any person may
14 elect to pay a tax of three-fourths percent of the person's
15 annual gross receipts derived from sales in or into New
16 Mexico in lieu of paying an income tax if:

17 A. [~~who~~] the person is required by the Income Tax
18 Act [~~or the Corporate Income and Franchise Tax Act~~] to file a
19 return;

20 B. [~~whose~~] the person's only activities in New
21 Mexico consist of making sales;

22 C. [~~who~~] the person does not own or rent real
23 estate within the state of New Mexico; and

24 D. [~~whose~~] the person's annual gross sales in or
25 into New Mexico amount to not more than one hundred thousand

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1 dollars (\$100,000). [~~may elect to pay a tax of three-fourths~~
2 ~~of one percent of his annual gross receipts derived from~~
3 ~~sales in or into New Mexico in lieu of paying an income~~
4 ~~tax.]"~~

5 SECTION 59. Section 7-5A-3 NMSA 1978 (being Laws 2005,
6 Chapter 225, Section 3) is amended to read:

7 "7-5A-3. DEFINITIONS.--As used in the Streamlined Sales
8 and Use Tax Administration Act:

9 A. "agreement" means the streamlined sales and
10 use tax agreement;

11 B. "certified automated system" means software
12 certified jointly by member states to:

13 (1) calculate the sales tax imposed by each
14 jurisdiction on a transaction;

15 (2) determine the amount of tax to remit to
16 the appropriate state; and

17 (3) maintain a record of the transaction;

18 C. "certified service provider" means an agent
19 that performs all of the sales tax functions of a seller and
20 that is certified jointly by member states to perform all of
21 the sales tax functions of the seller;

22 D. "member state" means a state of the United
23 States that enters into the agreement with another state and
24 the District of Columbia if it enters into the agreement with
25 another state;

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1 E. "person" means an individual, trust, estate,
2 fiduciary, partnership, limited liability company, limited
3 liability partnership, corporation and any other legal
4 entity;

5 F. "sales tax" means the gross receipts tax
6 levied pursuant to the Gross Receipts [~~and Compensating~~] Tax
7 Act or a tax imposed by a state on the sale of goods or
8 services; and

9 G. "seller" means a person making sales, leases
10 and rentals of personal property and services [~~and~~

11 H. ~~"use tax" means the compensating tax levied~~
12 ~~pursuant to the Gross Receipts and Compensating Tax Act]."~~

13 SECTION 60. Section 7-9-1 NMSA 1978 (being Laws 1966,
14 Chapter 47, Section 1, as amended) is amended to read:

15 "7-9-1. SHORT TITLE.--Chapter 7, Article 9 NMSA 1978
16 may be cited as the "Gross Receipts [~~and Compensating~~] Tax
17 Act"."

18 SECTION 61. Section 7-9-3 NMSA 1978 (being Laws 1978,
19 Chapter 46, Section 1, as amended) is amended to read:

20 "7-9-3. DEFINITIONS.--As used in the Gross Receipts
21 [~~and Compensating~~] Tax Act:

22 A. "buying" or "selling" means a transfer of
23 property for consideration or the performance of service for
24 consideration;

25 B. "department" means the taxation and revenue

1 department, the secretary of taxation and revenue or an
2 employee of the department exercising authority lawfully
3 delegated to that employee by the secretary;

4 C. "financial corporation" means a savings and
5 loan association or an incorporated savings and loan company,
6 trust company, mortgage banking company, consumer finance
7 company or other financial corporation;

8 D. "initial use" or "initially used" means the
9 first employment for the intended purpose and does not
10 include the following activities:

11 (1) observation of tests conducted by the
12 performer of services;

13 (2) participation in progress reviews,
14 briefings, consultations and conferences conducted by the
15 performer of services;

16 (3) review of preliminary drafts, drawings
17 and other materials prepared by the performer of the
18 services;

19 (4) inspection of preliminary prototypes
20 developed by the performer of services; or

21 (5) similar activities;

22 E. "leasing" means an arrangement whereby, for a
23 consideration, property is employed for or by any person
24 other than the owner of the property, except that the
25 granting of a license to use property is licensing and is not

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1 a lease;

2 F. "local option gross receipts tax" means a tax
3 authorized to be imposed by a county or municipality upon the
4 taxpayer's gross receipts and required to be collected by the
5 department at the same time and in the same manner as the
6 gross receipts tax; "local option gross receipts tax"
7 includes the taxes imposed pursuant to the Municipal Local
8 Option Gross Receipts ~~[Taxes]~~ Tax Act, ~~[Supplemental~~
9 ~~Municipal Gross Receipts Tax Act]~~ County Local Option Gross
10 Receipts ~~[Taxes]~~ Tax Act ~~[Local Hospital Gross Receipts Tax~~
11 ~~Act, County Correctional Facility Gross Receipts Tax Act]~~ and
12 such other acts as may be enacted authorizing counties or
13 municipalities to impose taxes on gross receipts, which taxes
14 are to be collected by the department;

15 G. "manufactured home" means a movable or
16 portable housing structure for human occupancy that exceeds
17 either a width of eight feet or a length of forty feet
18 constructed to be towed on its own chassis and designed to be
19 installed with or without a permanent foundation;

20 H. "manufacturing" means combining or processing
21 components or materials to increase their value for sale in
22 the ordinary course of business, but does not include
23 construction;

24 I. "person" means:

25 (1) an individual, estate, trust, receiver,

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1 cooperative association, club, corporation, company, firm,
2 partnership, limited liability company, limited liability
3 partnership, joint venture, syndicate or other entity,
4 including any gas, water or electric utility owned or
5 operated by a county, municipality or other political
6 subdivision of the state; or

7 (2) a national, federal, state, Indian or
8 other governmental unit or subdivision, or an agency,
9 department or instrumentality of any of the foregoing;

10 J. "property" means real property, tangible
11 personal property, licenses other than the licenses of
12 copyrights, trademarks or patents and franchises. Tangible
13 personal property includes electricity and manufactured
14 homes;

15 [~~K. "research and development services" means an~~
16 ~~activity engaged in for other persons for consideration, for~~
17 ~~one or more of the following purposes:~~

18 (1) ~~advancing basic knowledge in a~~
19 ~~recognized field of natural science;~~

20 (2) ~~advancing technology in a field of~~
21 ~~technical endeavor;~~

22 (3) ~~developing a new or improved product,~~
23 ~~process or system with new or improved function, performance,~~
24 ~~reliability or quality, whether or not the new or improved~~
25 ~~product, process or system is offered for sale, lease or~~

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1 ~~other transfer;~~

2 ~~(4) developing new uses or applications for~~
3 ~~an existing product, process or system, whether or not the~~
4 ~~new use or application is offered as the rationale for~~
5 ~~purchase, lease or other transfer of the product, process or~~
6 ~~system;~~

7 ~~(5) developing analytical or survey~~
8 ~~activities incorporating technology review, application,~~
9 ~~trade-off study, modeling, simulation, conceptual design or~~
10 ~~similar activities, whether or not offered for sale, lease or~~
11 ~~other transfer; or~~

12 ~~(6) designing and developing prototypes or~~
13 ~~integrating systems incorporating the advances, developments~~
14 ~~or improvements included in Paragraphs (1) through (5) of~~
15 ~~this subsection;~~

16 ~~L.]~~ K. "secretary" means the secretary of
17 taxation and revenue or the secretary's delegate;

18 ~~[M.]~~ L. "service" means all activities engaged in
19 for other persons for a consideration, which activities
20 involve predominantly the performance of a service as
21 distinguished from selling or leasing property. "Service"
22 includes activities performed by a person for its members or
23 shareholders. In determining what is a service, the intended
24 use, principal objective or ultimate objective of the
25 contracting parties shall not be controlling. "Service"

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1 includes construction activities and all tangible personal
2 property that will become an ingredient or component part of
3 a construction project. That tangible personal property
4 retains its character as tangible personal property until it
5 is installed as an ingredient or component part of a
6 construction project in New Mexico. Sales of tangible
7 personal property that will become an ingredient or component
8 part of a construction project to persons engaged in the
9 construction business are sales of tangible personal
10 property; and

11 [N.] M. "use" or "using" includes use,
12 consumption or storage other than storage for subsequent sale
13 in the ordinary course of business or for use solely outside
14 this state."

15 SECTION 62. Section 7-9-3.3 NMSA 1978 (being Laws 2003,
16 Chapter 272, Section 4) is amended to read:

17 "7-9-3.3. DEFINITION--ENGAGING IN BUSINESS.--As used in
18 the Gross Receipts [~~and Compensating~~] Tax Act, "engaging in
19 business" means carrying on or causing to be carried on any
20 activity with the purpose of direct or indirect benefit

21 [~~except that:~~

22 A. ~~"engaging in business" does not include having~~
23 ~~a worldwide web site as a third-party content provider on a~~
24 ~~computer physically located in New Mexico but owned by~~
25 ~~another nonaffiliated person; and~~

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1 ~~B. "engaging in business" does not include using~~
2 ~~a nonaffiliated third-party call center to accept and process~~
3 ~~telephone or electronic orders of tangible personal property~~
4 ~~or licenses primarily from non-New Mexico buyers, which~~
5 ~~orders are forwarded to a location outside New Mexico for~~
6 ~~filling, or to provide services primarily to non-New Mexico~~
7 ~~customers]."~~

8 SECTION 63. Section 7-9-3.5 NMSA 1978 (being Laws 2003,
9 Chapter 272, Section 3, as amended) is amended to read:

10 "7-9-3.5. DEFINITION--GROSS RECEIPTS.--

11 A. As used in the Gross Receipts [~~and~~
12 ~~Compensating~~] Tax Act:

13 (1) "gross receipts" means the total amount
14 of money or the value of other consideration received from
15 selling property in New Mexico, from leasing or licensing
16 property employed in New Mexico, from granting a right to use
17 a franchise employed in New Mexico, from selling services
18 performed outside New Mexico, the product of which is
19 initially used in New Mexico, or from performing services in
20 New Mexico. In an exchange in which the money or other
21 consideration received does not represent the value of the
22 property or service exchanged, "gross receipts" means the
23 reasonable value of the property or service exchanged;

24 (2) "gross receipts" includes:

25 (a) any receipts from sales of

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1 tangible personal property handled on consignment;

2 (b) the total commissions or fees
3 derived from the business of buying, selling or promoting the
4 purchase, sale or lease, as an agent or broker on a
5 commission or fee basis, of any property, service, stock,
6 bond or security;

7 (c) amounts paid by members of any
8 cooperative association or similar organization for sales or
9 leases of personal property or performance of services by
10 such organization;

11 (d) amounts received from transmitting
12 messages or conversations by persons providing telephone or
13 telegraph services;

14 (e) amounts received by a New Mexico
15 florist from the sale of flowers, plants or other products
16 that are customarily sold by florists where the sale is made
17 pursuant to orders placed with the New Mexico florist that
18 are filled and delivered outside New Mexico by an out-of-
19 state florist; and

20 (f) the receipts of a home service
21 provider from providing mobile telecommunications services to
22 customers whose place of primary use is in New Mexico if: 1)
23 the mobile telecommunications services originate and
24 terminate in the same state, regardless of where the services
25 originate, terminate or pass through; and 2) the charges for

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1 mobile telecommunications services are billed by or for a
2 customer's home service provider and are deemed provided by
3 the home service provider. For the purposes of this section,
4 "home service provider", "mobile telecommunications
5 services", "customer" and "place of primary use" have the
6 meanings given in the federal Mobile Telecommunications
7 Sourcing Act; and

8 (3) "gross receipts" excludes:

9 (a) cash discounts allowed and taken;

10 (b) New Mexico gross receipts tax and
11 governmental gross receipts tax [~~and leased vehicle gross~~
12 ~~receipts tax~~] payable on transactions for the reporting
13 period;

14 (c) taxes imposed pursuant to the
15 provisions of any local option gross receipts tax that is
16 payable on transactions for the reporting period;

17 (d) any gross receipts or sales taxes
18 imposed by an Indian nation, tribe or pueblo; provided that
19 the tax is approved, if approval is required by federal law
20 or regulation, by the secretary of the interior of the United
21 States; and provided further that the gross receipts or sales
22 tax imposed by the Indian nation, tribe or pueblo provides a
23 reciprocal exclusion for gross receipts, sales or gross
24 receipts-based excise taxes imposed by the state or its
25 political subdivisions;

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1 (e) any type of time-price
2 differential; and

3 (f) amounts received solely on behalf
4 of another in a disclosed agency capacity [~~and~~

5 ~~(g) amounts received by a New Mexico~~
6 ~~florist from the sale of flowers, plants or other products~~
7 ~~that are customarily sold by florists where the sale is made~~
8 ~~pursuant to orders placed with an out-of-state florist for~~
9 ~~filling and delivery in New Mexico by a New Mexico florist].~~

10 B. When the sale of property or service is made
11 under any type of charge, conditional or time-sales contract
12 or the leasing of property is made under a leasing contract,
13 the seller or lessor may elect to treat all receipts,
14 excluding any type of time-price differential, under such
15 contracts as gross receipts as and when the payments are
16 actually received. If the seller or lessor transfers the
17 seller's or lessor's interest in any such contract to a third
18 person, the seller or lessor shall pay the gross receipts tax
19 upon the full sale or leasing contract amount, excluding any
20 type of time-price differential."

21 SECTION 64. Section 7-9-4 NMSA 1978 (being Laws 1966,
22 Chapter 47, Section 4, as amended) is amended to read:

23 "7-9-4. IMPOSITION AND RATE OF TAX--DENOMINATION AS
24 "GROSS RECEIPTS TAX".--

25 A. For the privilege of engaging in business, an

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1 excise tax equal to [~~five and one-eighth~~] one percent of
2 gross receipts is imposed on any person engaging in business
3 in New Mexico, except as provided in Subsection B of this
4 section.

5 [B.] The tax imposed by this section shall be
6 referred to as the "gross receipts tax".

7 B. On or before December 1 of each year, the
8 department shall make a recommendation to the revenue
9 stabilization and tax policy committee and the legislative
10 finance committee for legislation that may be necessary to
11 keep the gross receipts tax rate at or below one percent and
12 the local option gross receipts taxes, in the aggregate,
13 below one percent."

14 SECTION 65. Section 7-9-4.3 NMSA 1978 (being Laws 1991,
15 Chapter 8, Section 2, as amended by Laws 1993, Chapter 332,
16 Section 1 and by Laws 1993, Chapter 352, Section 1) is
17 amended to read:

18 "7-9-4.3. IMPOSITION AND RATE OF TAX--DENOMINATION AS
19 "GOVERNMENTAL GROSS RECEIPTS TAX"--For the privilege of
20 engaging in certain activities by governments, there is
21 imposed on every agency, institution, instrumentality or
22 political subdivision of the state, except any school
23 district and any entity licensed by the department of health
24 that is principally engaged in providing health care
25 services, an excise tax of [~~five~~] one percent of governmental

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1 gross receipts. The tax imposed by this section shall be
2 referred to as the "governmental gross receipts tax".

3 SECTION 66. Section 7-9-13.2 NMSA 1978 (being Laws
4 1992, Chapter 100, Section 3, as amended) is amended to read:

5 "7-9-13.2. EXEMPTION--GOVERNMENTAL GROSS RECEIPTS TAX--
6 RECEIPTS SUBJECT TO CERTAIN OTHER TAXES.--Exempted from the
7 governmental gross receipts tax are receipts from
8 transactions involving tangible personal property or services
9 on which receipts or transactions the gross receipts tax,
10 [~~compensating tax, motor vehicle excise tax~~] gasoline tax,
11 [~~special fuel tax~~] special fuel excise tax, oil and gas
12 emergency school tax, resources tax, processors tax or
13 service tax [~~or the excise tax imposed under Section~~
14 ~~66-12-6.1 NMSA 1978~~] is imposed."

15 SECTION 67. Section 7-9-26 NMSA 1978 (being Laws 1969,
16 Chapter 144, Section 19, as amended) is amended to read:

17 "7-9-26. EXEMPTION--GROSS RECEIPTS [~~AND COMPENSATING~~]
18 TAX--FUEL.--Exempted from the gross receipts [~~and~~
19 ~~compensating~~] tax are the receipts from selling [~~and the use~~
20 ~~of~~] gasoline, special fuel or alternative fuel on which the
21 tax imposed by Section 7-13-3, [~~7-16-3 or~~] 7-16A-3 or 7-16B-4
22 NMSA 1978 [~~or the Alternative Fuel Tax Act~~] has been paid and
23 not refunded."

24 SECTION 68. Section 7-9-44 NMSA 1978 (being Laws 1969,
25 Chapter 144, Section 34, as amended) is amended to read:

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1 "7-9-44. SUSPENSION OF THE RIGHT TO USE A NONTAXABLE
2 TRANSACTION CERTIFICATE.--

3 ~~[A. The secretary may suspend for not more than~~
4 ~~one year the privilege of a person to execute nontaxable~~
5 ~~transaction certificates if that person:~~

6 ~~(1) fails to pay, within one year of the~~
7 ~~date the tax is due, the compensating tax on the subsequent~~
8 ~~use of property or services purchased through the execution~~
9 ~~of a nontaxable transaction certificate; or~~

10 ~~(2) executes with the seller or lessor a~~
11 ~~nontaxable transaction certificate inapplicable to the~~
12 ~~transaction when no compensating tax is due on that buyer's~~
13 ~~or lessee's use of the property or service.~~

14 ~~B.]~~ A. The secretary may suspend for not more
15 than six months the privilege of a person to execute
16 nontaxable transaction certificates, to claim deductions on
17 the basis of nontaxable transaction certificates accepted by
18 that person or both if that person fails to account in the
19 manner and time required by the department, in accordance
20 with Subsection E of Section 7-9-43 NMSA 1978, for the
21 certificates executed or accepted by that person.

22 ~~[G.]~~ B. A suspension under this section voids the
23 department's approval of the person's application for the
24 privilege of executing nontaxable transaction certificates
25 and, prior to resumption of the privilege, the person whose

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1 privilege to execute nontaxable transaction certificates has
2 been suspended shall reapply for the privilege of executing
3 such certificates in accordance with Section 7-9-43 NMSA
4 1978.

5 ~~[D-]~~ C. Notwithstanding the provisions of Section
6 7-1-8 NMSA 1978, the department may notify the public or
7 provide for notice to the public of the suspension of a
8 person's privilege to execute nontaxable transaction
9 certificates."

10 SECTION 69. Section 7-9-45 NMSA 1978 (being Laws 1969,
11 Chapter 144, Section 35, as amended) is amended to read:

12 "7-9-45. DEDUCTIONS.--

13 A. In computing the gross receipts tax or
14 governmental gross receipts tax due, [~~only those receipts~~
15 ~~specified in Sections 7-9-46 through 7-9-76.2, 7-9-77.1,~~
16 ~~7-9-83, 7-9-85 through 7-9-87 and 7-9-89 NMSA 1978 may be~~
17 ~~deducted~~] receipts [~~whether specified once or several times~~
18 ~~in those sections~~] may be deducted only once from gross
19 receipts or governmental gross receipts.

20 B. Receipts that are exempted from the gross
21 receipts tax [~~may~~] shall not be deducted from gross receipts.
22 Receipts that are deducted from gross receipts [~~may~~] shall
23 not be exempted from the gross receipts tax.

24 C. Receipts that are exempted from the
25 governmental gross receipts tax shall not be deducted from

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1 governmental gross receipts. Receipts that are deducted from
2 governmental gross receipts shall not be exempted from the
3 governmental gross receipts tax."

4 SECTION 70. A new section of the Gross Receipts Tax Act
5 is enacted to read:

6 "[NEW MATERIAL] EXEMPTION--GROSS RECEIPTS--DONATIONS TO
7 CERTAIN ORGANIZATIONS.--Exempted from the gross receipts tax
8 are the receipts of donations to an organization that is
9 exempt from the federal income tax as an organization
10 described in Section 501(c)(3) of the Internal Revenue Code."

11 SECTION 71. A new section of the Gross Receipts Tax Act
12 is enacted to read:

13 "[NEW MATERIAL] CREDIT--REFUND--GROSS RECEIPTS.--

14 A. A New Mexico resident who files a gross
15 receipts tax return or on whose behalf wages are withheld
16 pursuant to the Withholding Tax Act or Gross Receipts Tax Act
17 may, by April 15 of each calendar year, claim a credit in the
18 appropriate amount shown in the following table against gross
19 receipts tax paid during the previous calendar year and based
20 upon the claimant's percentage of income for federal purposes
21 and adjusted for family size for the previous federal income
22 tax period in relation to the federal poverty guidelines as
23 defined by the United States census bureau. Income for
24 federal purposes, adjusted for family size, as a percentage
25 of federal poverty guidelines, is:

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1	Over:	But Not Over:	Tax Credit Is:
2	0%	100%	1.64 x gross receipts tax paid
3	100%	110%	1.50 x gross receipts tax paid
4	110%	120%	1.36 x gross receipts tax paid
5	120%	130%	1.21 x gross receipts tax paid
6	130%	140%	1.07 x gross receipts tax paid
7	140%	150%	0.93 x gross receipts tax paid
8	150%	160%	0.79 x gross receipts tax paid
9	160%	170%	0.64 x gross receipts tax paid
10	170%	180%	0.50 x gross receipts tax paid
11	180%	190%	0.36 x gross receipts tax paid
12	190%	200%	0.21 x gross receipts tax paid
13	200%	210%	0.07 x gross receipts tax paid.

14 B. The tax credit provided for in this section
15 shall first be deducted from the taxpayer's gross receipts
16 tax liability. If the tax credit exceeds the taxpayer's
17 gross receipts tax liability, the excess shall be refunded to
18 the taxpayer. The credit shall not be transferred to another
19 taxpayer.

20 C. The taxpayer shall claim the refund in a form
21 provided by the department. The department shall refund the
22 amount of the credit in excess of the gross receipts tax
23 liability within one hundred twenty days after the date the
24 taxpayer claimed the credit.

25 D. A taxpayer who is or may be claimed as a

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1 dependent pursuant to the Internal Revenue Code of 1986 shall
2 not claim the credit provided by this section. In no event
3 shall the department allow a person who is or may be claimed
4 as a dependent pursuant to the Internal Revenue Code of 1986
5 to claim the credit provided by this section.

6 E. For purposes of this section, a person who
7 filed a joint federal income tax return with the person's
8 spouse for the preceding taxable year shall be deemed to have
9 an income for federal purposes for that taxable year equal to
10 one-half of the income for federal purposes reported on the
11 joint return."

12 SECTION 72. Section 7-19D-1 NMSA 1978 (being Laws 1993,
13 Chapter 346, Section 1) is amended to read:

14 "7-19D-1. SHORT TITLE.--Chapter 7, Article 19D NMSA
15 1978 may be cited as the "Municipal Local Option Gross
16 Receipts [~~Taxes~~] Tax Act".

17 SECTION 73. Section 7-19D-4 NMSA 1978 (being Laws 1993,
18 Chapter 346, Section 4) is amended to read:

19 "7-19D-4. ORDINANCE SHALL CONFORM TO CERTAIN PROVISIONS
20 OF THE GROSS RECEIPTS [~~AND COMPENSATING~~] TAX ACT AND
21 REQUIREMENTS OF THE DEPARTMENT.--

22 A. An ordinance imposing a tax [~~under~~] pursuant
23 to the provisions of the Municipal Local Option Gross
24 Receipts [~~Taxes~~] Tax Act shall adopt by reference the same
25 definitions and the same provisions relating to exemptions

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1 [and deductions] as are contained in the Gross Receipts [and
2 Compensating] Tax Act then in effect and as it may be amended
3 from time to time.

4 B. The governing body of any municipality
5 imposing a tax [under] pursuant to provisions of the
6 Municipal Local Option Gross Receipts [Taxes] Tax Act shall
7 impose the tax by adopting the model ordinance with respect
8 to the tax furnished to the municipality by the department.
9 An ordinance that does not conform substantially to the model
10 ordinance of the department is not valid."

11 SECTION 74. Section 7-19D-9 NMSA 1978 (being Laws 1978,
12 Chapter 151, Section 1, as amended) is repealed and a new
13 Section 7-19D-9 NMSA 1978 is enacted to read:

14 "7-19D-9. [NEW MATERIAL] MUNICIPAL GROSS RECEIPTS TAX--
15 AUTHORITY TO IMPOSE RATE.--

16 A. The majority of the members of the governing
17 body of a municipality may impose by ordinance an excise tax
18 at a rate not to exceed one-half percent of the gross
19 receipts of a person engaging in business in the municipality
20 for the privilege of engaging in business. The tax may be
21 imposed in increments of five-hundredths percent or any
22 multiple of five-hundredths percent.

23 B. The tax imposed pursuant to this section may
24 be referred to as the "municipal gross receipts tax".

25 C. The governing body of a municipality may, at

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1 the time of enacting an ordinance imposing the municipal
2 gross receipts tax, dedicate the revenue for a specific
3 purpose or area of municipal government services. If the
4 governing body proposes to dedicate such revenue, the
5 ordinance and, if any election is held, the ballot shall
6 clearly state the purpose to which the revenue will be
7 dedicated, and any revenue so dedicated shall be used by the
8 municipality for that purpose unless a subsequent ordinance
9 is adopted to change the purpose to which dedicated or to
10 place the revenue in the general fund of the municipality.

11 D. Ordinances enacted by a governing body of a
12 municipality that, in the aggregate, impose increments less
13 than or equal to [~~twenty-five thousandths~~] twenty-five
14 hundredths percent shall not be subject to referendum.

15 E. Except as provided in Subsection D of this
16 section, an ordinance imposing an increment of the municipal
17 gross receipts tax shall not go into effect until after an
18 election is held and a majority of the voters of the
19 municipality voting in the election votes in favor of
20 imposing the tax. The governing body shall adopt a
21 resolution calling for an election on the question of
22 imposing the tax at the next regular municipal election. The
23 question shall be submitted to the voters of the municipality
24 as a separate question. If a majority of the voters voting
25 on the question approves the ordinance imposing the tax, the

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1 ordinance shall become effective in accordance with the
2 provisions of the Municipal Local Option Gross Receipts Tax
3 Act. If the question of imposing the tax fails, the
4 governing body shall not again propose the imposition of any
5 increment of the tax for a period of one year from the date
6 of the election."

7 SECTION 75. Section 7-20E-1 NMSA 1978 (being Laws 1993,
8 Chapter 354, Section 1) is amended to read:

9 "7-20E-1. SHORT TITLE.--Chapter 7, Article 20E NMSA
10 1978 may be cited as the "County Local Option Gross Receipts
11 [~~Taxes~~] Tax Act"."

12 SECTION 76. Section 7-20E-4 NMSA 1978 (being Laws 1993,
13 Chapter 354, Section 4) is amended to read:

14 "7-20E-4. ORDINANCE SHALL CONFORM TO CERTAIN PROVISIONS
15 OF THE GROSS RECEIPTS [~~AND COMPENSATING~~] TAX ACT AND
16 REQUIREMENTS OF THE DEPARTMENT.--

17 A. An ordinance imposing a tax [~~under~~] pursuant
18 to the provisions of the County Local Option Gross Receipts
19 [~~Taxes~~] Tax Act shall adopt by reference the same definitions
20 and the same provisions relating to exemptions [~~and~~
21 ~~deductions~~] as are contained in the Gross Receipts [~~and~~
22 ~~Compensating~~] Tax Act then in effect and as it may be amended
23 from time to time.

24 B. The governing body of any county imposing a
25 tax [~~under~~] authorized by the County Local Option Gross

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1 Receipts [~~Taxes~~] Tax Act shall impose the tax by adopting the
2 model ordinance with respect to the tax furnished to the
3 county by the department. An ordinance that does not conform
4 substantially to the model ordinance of the department is not
5 valid."

6 SECTION 77. Section 7-20E-9 NMSA 1978 (being Laws 1983,
7 Chapter 213, Section 30, as amended) is repealed and a new
8 Section 7-20E-9 NMSA 1978 is enacted to read:

9 "7-20E-9. [NEW MATERIAL] COUNTY GROSS RECEIPTS TAX--
10 AUTHORITY TO IMPOSE RATE.--

11 A. The majority of the members of the governing
12 body of a county may impose by ordinance an excise tax at a
13 rate not to exceed one-half percent of the gross receipts of
14 a person engaging in business in the county or county area
15 for the privilege of engaging in business. The tax may be
16 imposed in an increment of five-hundredths percent or any
17 multiple of five-hundredths percent.

18 B. The tax imposed pursuant to this section may
19 be referred to as the "county gross receipts tax".

20 C. The governing body of a county may, at the
21 time of enacting an ordinance imposing the county gross
22 receipts tax, dedicate the revenue for a specific purpose or
23 area of county government services. If the governing body
24 proposes to dedicate such revenue, the ordinance and, if any
25 election is held, the ballot shall clearly state the purpose

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1 to which the revenue will be dedicated, and any revenue so
2 dedicated shall be used by the county for that purpose unless
3 a subsequent ordinance is adopted to change the purpose to
4 which dedicated or to place the revenue in the general fund
5 of the county.

6 D. Ordinances enacted by a governing body of a
7 county that, in the aggregate, impose increments less than or
8 equal to [~~twenty-five thousandths~~] twenty-five hundredths
9 percent shall not be subject to referendum.

10 E. Except as provided in Subsection D of this
11 section, an ordinance imposing an increment of the county
12 gross receipts tax shall not go into effect until after an
13 election is held and a simple majority of the qualified
14 electors of the county or county area, as appropriate, voting
15 in the election votes in favor of imposing the tax. The
16 governing body shall adopt a resolution calling for an
17 election within seventy-five days of the date the ordinance
18 is adopted on the question of imposing the tax. The question
19 may be submitted to the qualified electors and voted upon as
20 a separate question in a general election or in any special
21 election called for that purpose by the governing body. A
22 special election upon the question shall be called, held,
23 conducted and canvassed in substantially the same manner as
24 provided by law for general elections. If the question of
25 imposing the tax fails, the governing body shall not again

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1 propose the tax for a period of one year after the election.
2 A certified copy of any ordinance imposing the tax shall be
3 mailed to the department within five days after the ordinance
4 is adopted in any election called for that purpose."

5 SECTION 78. Section 7-27-5.26 NMSA 1978 (being Laws
6 2000 (2nd S.S.), Chapter 6, Section 2, as amended) is amended
7 to read:

8 "7-27-5.26. INVESTMENT IN FILMS TO BE PRODUCED IN NEW
9 MEXICO.--

10 A. No more than six percent of the market value
11 of the severance tax permanent fund may be invested in New
12 Mexico film private equity funds or a New Mexico film project
13 under this section.

14 B. If an investment is made under this section,
15 not more than fifteen million dollars (\$15,000,000) of the
16 amount authorized for investment pursuant to Subsection A of
17 this section shall be invested in any one New Mexico film
18 private equity fund or any one New Mexico film project.

19 C. The state investment officer shall make
20 investments pursuant to this section only upon approval of
21 the [~~state investment~~] council after a review by the private
22 equity investment advisory committee and the New Mexico film
23 division of the economic development department. The state
24 investment officer may make debt or equity investments
25 pursuant to this section only in New Mexico film projects or

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1 New Mexico film private equity funds that invest only in film
2 projects that:

3 (1) are filmed wholly or substantially in
4 New Mexico;

5 (2) have shown to the satisfaction of the
6 New Mexico film division that a distribution contract is in
7 place with a reputable distribution company;

8 (3) have agreed that, while filming in New
9 Mexico, a majority of the production crew will be New Mexico
10 residents;

11 (4) have posted a completion bond that has
12 been approved by the New Mexico film division; provided that
13 a completion bond shall not be required if the fund or
14 project is guaranteed pursuant to Paragraph (5) of this
15 subsection; and

16 (5) have obtained a full, unconditional and
17 irrevocable guarantee of repayment of the invested amount in
18 favor of the severance tax permanent fund:

19 (a) from an entity that has a credit
20 rating of not less than Baa or BBB by a national rating
21 agency;

22 (b) from a substantial subsidiary of
23 an entity that has a credit rating of not less than Baa or
24 BBB by a national rating agency;

25 (c) by providing a full, unconditional

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1 and irrevocable letter of credit from a United States
2 incorporated bank with a credit rating of not less than A by
3 a national rating agency; or

4 (d) from a substantial and solvent
5 entity as determined by the [~~state investment~~] council in
6 accordance with its standards and practices; or

7 (6) if not guaranteed pursuant to Paragraph
8 (5) of this subsection, have obtained no less than one-third
9 of the estimated total production costs from other sources as
10 approved by the state investment officer.

11 [~~D. The state investment officer may loan at a~~
12 ~~market rate of interest, with respect to an eligible New~~
13 ~~Mexico film project, up to eighty percent of an expected and~~
14 ~~estimated film production tax credit available to a film~~
15 ~~production company pursuant to the provisions of Section~~
16 ~~7-2F-1 NMSA 1978; provided that the film production company~~
17 ~~agrees to name the state investment officer as its agent for~~
18 ~~the purpose of filing an application for the film production~~
19 ~~tax credit to which the company is entitled if the company~~
20 ~~does not apply for the film production tax credit. The New~~
21 ~~Mexico film division of the economic development department~~
22 ~~shall determine the estimated amount of a film production tax~~
23 ~~credit. The state investment council shall establish~~
24 ~~guidelines for the state investment officer's initiation of a~~
25 ~~loan and the terms of the loan.~~

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1 E.] D. As used in this section:

2 (1) "film project" means a single [~~media~~
3 medium or multimedia program, including advertising messages,
4 fixed on film, videotape, computer disc, laser disc or other
5 similar delivery medium from which the program can be viewed
6 or reproduced and that is intended to be exhibited in
7 theaters; licensed for exhibition by individual television
8 stations, groups of stations, networks, cable television
9 stations or other means or licensed for the home viewing
10 market; and

11 (2) "New Mexico film private equity fund"
12 means any limited partnership, limited liability company or
13 corporation organized and operating in the United States
14 that:

15 (a) has as its primary business
16 activity the investment of funds in return for equity in film
17 projects produced wholly or partly in New Mexico;

18 (b) holds out the prospects for
19 capital appreciation from such investments; and

20 (c) accepts investments only from
21 accredited investors as that term is defined in Section 2 of
22 the federal Securities Act of 1933, as amended, and rules
23 promulgated pursuant to that section."

24 **SECTION 79.** Section 27-5-6 NMSA 1978 (being Laws 1965,
25 Chapter 234, Section 6, as amended) is amended to read:

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1 "27-5-6. POWERS AND DUTIES OF COUNTIES RELATING TO
2 INDIGENT CARE.--A county:

3 A. may budget for expenditure on ambulance
4 services, burial expenses, hospital or medical expenses for
5 indigent residents of that county and for costs of
6 development of a countywide or multicounty health plan. The
7 combined costs of administration and planning shall not
8 exceed the following percentages of revenues based on the
9 previous fiscal year revenues for a fund that has existed for
10 at least one fiscal year or based on projected revenues for
11 the year being budgeted for a fund that has existed for less
12 than one fiscal year. The percentage of the revenues in the
13 fund that may be used for such combined administrative and
14 planning costs is equal to the sum of the following:

15 (1) ten percent of the amount of the
16 revenues in the fund not over five hundred thousand dollars
17 (\$500,000);

18 (2) eight percent of the amount of the
19 revenues in the fund over five hundred thousand dollars
20 (\$500,000) but not over one million dollars (\$1,000,000); and

21 (3) four and one-half percent of the amount
22 of the revenues in the fund over one million dollars
23 (\$1,000,000);

24 B. may accept contributions of public funds for
25 county health care services, which shall be deposited in the

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1 fund;

2 C. may hire personnel to carry out the provisions
3 of the Indigent Hospital and County Health Care Act;

4 ~~[D. shall transfer to the state by the last day~~
5 ~~of March, June, September and December of each year an amount~~
6 ~~equal to one-fourth of the county's payment pursuant to~~
7 ~~Section 16 of this 2014 act. This money shall be deposited~~
8 ~~in the safety net care pool fund;~~

9 E.] D. shall, in carrying out the provisions of
10 the Indigent Hospital and County Health Care Act, comply with
11 the standards of the federal Health Insurance Portability and
12 Accountability Act of 1996; and

13 ~~[F. may provide for the transfer of money from~~
14 ~~the fund to the county-supported medicaid fund to meet the~~
15 ~~requirements of the Statewide Health Care Act; and~~

16 G.] E. may contract with ambulance providers,
17 hospitals or health care providers for the provision of
18 services for indigent patients domiciled within the county."

19 SECTION 80. Section 27-5-6.1 NMSA 1978 (being Laws
20 1993, Chapter 321, Section 18, as amended) is amended to
21 read:

22 "27-5-6.1. SAFETY NET CARE POOL FUND CREATED.--

23 A. The "safety net care pool fund" is created in
24 the state treasury. The safety net care pool fund, which
25 shall be administered by the department, shall consist of

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1 public funds [~~provided through intergovernmental transfers~~
2 ~~from counties or other public entities and transferred from~~
3 ~~counties pursuant to Section 16 of this 2014 act~~]. Money in
4 the fund shall be invested by the state treasurer as other
5 state funds are invested. Any unexpended or unencumbered
6 balance remaining in the fund at the end of any fiscal year
7 shall not revert.

8 B. Money in the safety net care pool fund is
9 appropriated to the department to make payments to qualifying
10 hospitals. No safety net care pool fund payments or money in
11 the safety net care pool fund shall be used to supplant any
12 general fund support for the state medicaid program."

13 SECTION 81. Section 27-10-1 NMSA 1978 (being Laws 1991,
14 Chapter 212, Section 1) is amended to read:

15 "27-10-1. SHORT TITLE.--~~[Sections 1 through 4 of this~~
16 ~~act]~~ Chapter 27, Article 10 NMSA 1978 may be cited as the
17 "Statewide Health Care Act"."

18 SECTION 82. Section 27-10-3 NMSA 1978 (being Laws 1991,
19 Chapter 212, Section 3, as amended) is amended to read:

20 "27-10-3. [~~COUNTY-SUPPORTED~~] MEDICAID FUND CREATED--
21 USE--APPROPRIATION BY THE LEGISLATURE.--

22 A. There is created in the state treasury the
23 "[~~county-supported~~] medicaid fund". The fund shall be
24 invested by the state treasurer as other state funds are
25 invested. Income earned from investment of the fund shall be

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1 credited to the [~~county-supported~~] medicaid fund. The fund
2 shall not revert in any fiscal year.

3 B. Money in the [~~county-supported~~] medicaid fund
4 is subject to appropriation by the legislature to support the
5 state medicaid program and to institute or support primary
6 care health care services pursuant to Subsections D and E of
7 Section 24-1A-3.1 NMSA 1978. Of the amount appropriated each
8 year, nine percent shall be appropriated to the department of
9 health to institute or support primary care health care
10 services pursuant to Subsections D and E of Section 24-1A-3.1
11 NMSA 1978.

12 C. Up to three percent of the [~~county-supported~~]
13 medicaid fund each year may be expended for administrative
14 costs related to medicaid or developing new primary care
15 health care centers or facilities.

16 D. In the event federal funds for medicaid are
17 not received by New Mexico for any eighteen-month period, the
18 unencumbered balance remaining in the [~~county-supported~~]
19 medicaid fund and the safety net care pool fund at the end of
20 the fiscal year following the end of any eighteen-month
21 period shall be paid within a reasonable time to each county
22 for deposit in the county health care assistance fund [~~in~~
23 ~~proportion to the payments made by each county through tax~~
24 ~~revenues or transfers in the previous fiscal year as~~
25 ~~certified by the local government division of the department~~

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1 ~~of finance and administration~~]. The department will provide
2 for budgeting and accounting of payments to the fund."

3 SECTION 83. Section 53-8-28 NMSA 1978 (being Laws 1975,
4 Chapter 217, Section 28, as amended) is amended to read:

5 "53-8-28. SHARES OF STOCK AND DIVIDENDS PROHIBITED
6 ~~[EXEMPTION FROM FRANCHISE TAX].--[A.]~~ A corporation shall not
7 have or issue shares of stock. No dividend shall be paid and
8 no part of the income, profit or assets of a corporation
9 shall be distributed to its members, directors or officers.
10 A corporation may pay compensation in a reasonable amount to
11 its members, directors or officers for services rendered and
12 may confer benefits upon its members in conformity with its
13 purposes and upon dissolution or final liquidation may make
14 distributions as permitted by the Nonprofit Corporation Act.

15 ~~[B. A corporation incorporated under the~~
16 ~~Nonprofit Corporation Act shall not be subject to or required~~
17 ~~to pay a franchise tax, unless the corporation receives~~
18 ~~unrelated business income, as that term is defined in the~~
19 ~~Internal Revenue Code of 1986, as amended.]"~~

20 SECTION 84. Section 53-11-2 NMSA 1978 (being Laws 1967,
21 Chapter 81, Section 2, as amended) is amended to read:

22 "53-11-2. DEFINITIONS.--As used in the Business
23 Corporation Act, unless the text otherwise requires:

24 A. "corporation" or "domestic corporation" means
25 a corporation for profit subject to the provisions of the

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1 Business Corporation Act, except a foreign corporation;

2 B. "foreign corporation" means a corporation for
3 profit organized under laws other than the laws of this state
4 for a purpose for which a corporation may be organized under
5 the Business Corporation Act;

6 C. "articles of incorporation" means the original
7 or restated articles of incorporation or articles of
8 consolidation and all amendments thereto, including articles
9 of merger;

10 D. "shares" means the units into which the
11 proprietary interests in a corporation are divided;

12 E. "subscriber" means one who subscribes for
13 shares in a corporation, whether before or after
14 incorporation;

15 F. "shareholder" means one who is a holder of
16 record of shares in a corporation;

17 G. "authorized shares" means the shares of all
18 classes ~~[which]~~ that the corporation is authorized to issue;

19 H. "annual report" means the corporate report
20 required by the Corporate Reports Act;

21 I. "distribution" means a direct or indirect
22 transfer of money or other property (except its own shares)
23 or incurrence of indebtedness, by a corporation to or for the
24 benefit of any of its shareholders in respect of any of its
25 shares, whether by dividend or by purchase redemption or

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1 other acquisition of its shares, or otherwise;

2 [J. ~~"franchise tax" means the franchise tax~~
3 ~~imposed by the Corporate Income and Franchise Tax Act;~~

4 ~~K.]~~ J. "fees" means the fees imposed by Section
5 53-2-1 NMSA 1978;

6 [~~L.]~~ K. "commission" [~~means the~~] or "public
7 regulation commission" [~~or its delegate~~] means the secretary
8 of state or the secretary's designee;

9 [~~M.]~~ L. "address" means:

10 (1) the mailing address and the street
11 address, if within a municipality; or

12 (2) the mailing address and a rural route
13 number and box number, if any, or the geographical location,
14 using well-known landmarks, if outside a municipality; and

15 [~~N.]~~ M. "delivery" means:

16 (1) if personally served, the date on which
17 the documentation is received by the [~~corporations bureau of~~
18 ~~the~~] commission; and

19 (2) if mailed, the date of the postmark plus
20 three days, upon proof thereof by the party delivering the
21 documentation."

22 SECTION 85. Section 58-31-3 NMSA 1978 (being Laws 2005,
23 Chapter 128, Section 3, as amended) is amended to read:

24 "58-31-3. DEFINITIONS.--As used in the Spaceport
25 Development Act:

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- 1 A. "authority" means the spaceport authority;
- 2 B. "project" means any land, building or other
- 3 improvements acquired as part of a spaceport or associated
- 4 with a spaceport or to aid commerce in connection with a
- 5 spaceport and all real and personal property deemed necessary
- 6 in connection with the spaceport;
- 7 C. "revenue" means municipal [~~regional spaceport~~]
- 8 gross receipts tax and county [~~regional spaceport~~] gross
- 9 receipts tax revenue received from a regional spaceport
- 10 district, revenue generated by a project and any other
- 11 legally available funds of the authority;
- 12 D. "space vehicle" means a vehicle capable of
- 13 being flown in space or launching a payload into space; and
- 14 E. "spaceport" means a facility in New Mexico at
- 15 which space vehicles may be launched or landed, including all
- 16 facilities and support infrastructure related to launch,
- 17 landing or payload processing."

18 **SECTION 86.** Section 58-31-5 NMSA 1978 (being Laws 2005,

19 Chapter 128, Section 5, as amended) is amended to read:

20 "58-31-5. AUTHORITY POWERS AND DUTIES.--

21 A. The authority shall:

22 (1) hire an executive director, who shall

23 employ the necessary professional, technical and clerical

24 staff to enable the authority to function efficiently and

25 shall direct the affairs and business of the authority,

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1 subject to the direction of the authority;

2 (2) be located within fifty miles of a
3 southwest regional spaceport;

4 (3) advise the governor, the governor's
5 staff and the New Mexico finance authority oversight
6 committee on methods, proposals, programs and initiatives
7 involving a southwest regional spaceport that may further
8 stimulate space-related business and employment opportunities
9 in New Mexico;

10 (4) initiate, develop, acquire, own,
11 construct, maintain and lease space-related projects;

12 (5) make and execute all contracts and other
13 instruments necessary or convenient to the exercise of its
14 powers and duties;

15 (6) create programs to expand high-
16 technology economic opportunities within New Mexico;

17 (7) create avenues of communication among
18 federal government agencies, the space industry, users of
19 space launch services and academia concerning space business;

20 (8) promote legislation that will further
21 the goals of the authority and development of space business;

22 (9) oversee and fund production of
23 promotional literature related to the authority's goals;

24 (10) identify science and technology trends
25 that are significant to space enterprise and the state and

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1 act as a clearinghouse for space enterprise issues and
2 information;

3 (11) coordinate and expedite the involvement
4 of the state executive branch's space-related development
5 efforts; and

6 (12) perform environmental, transportation,
7 communication, land use and other technical studies necessary
8 or advisable for projects and programs or to secure licensing
9 by appropriate United States agencies.

10 B. The authority may:

11 (1) advise and cooperate with
12 municipalities, counties, state agencies and organizations,
13 appropriate federal agencies and organizations and other
14 interested persons and groups;

15 (2) solicit and accept federal, state, local
16 and private grants of funds or property and financial or
17 other aid for the purpose of carrying out the provisions of
18 the Spaceport Development Act;

19 (3) adopt rules governing the manner in
20 which its business is transacted and the manner in which the
21 powers of the authority are exercised and its duties
22 performed;

23 (4) operate spaceport facilities, including
24 acquisition of real property necessary for spaceport
25 facilities and the filing of necessary documents with

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1 appropriate agencies;

2 (5) construct, purchase, accept donations of
3 or lease projects located within the state;

4 (6) sell, lease or otherwise dispose of a
5 project upon terms and conditions acceptable to the authority
6 and in the best interests of the state;

7 (7) issue revenue bonds and borrow money for
8 the purpose of defraying the cost of acquiring a project by
9 purchase or construction and of securing the payment of the
10 bonds or repayment of a loan;

11 (8) enter into contracts with regional
12 spaceport districts and issue bonds on behalf of regional
13 spaceport districts for the purpose of financing the
14 purchase, construction, renovation, equipping or furnishing
15 of a regional spaceport or a spaceport-related project;

16 (9) refinance a project;

17 (10) contract with any competent private or
18 public organization or individual to assist in the
19 fulfillment of its duties;

20 (11) fix, alter, charge and collect tolls,
21 fees or rentals and impose any other charges for the use of
22 or for services rendered by any authority facility, program
23 or service; and

24 (12) contract with regional spaceport
25 districts to receive municipal [~~spaceport~~] gross receipts tax

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1 and county [~~regional spaceport~~] gross receipts tax revenues.

2 C. The authority shall not:

3 (1) incur debt as a general obligation of
4 the state or pledge the full faith and credit of the state to
5 repay debt; or

6 (2) expend funds or incur debt for the
7 improvement, maintenance, repair or addition to property
8 unless it is owned by the authority, the state or a political
9 subdivision of the state."

10 SECTION 87. Section 58-31-6 NMSA 1978 (being Laws 2005,
11 Chapter 128, Section 6, as amended) is amended to read:

12 "58-31-6. SPACEPORT AUTHORITY--BONDING AUTHORITY--POWER
13 TO ISSUE REVENUE BONDS.--

14 A. The authority may issue revenue bonds on its
15 own behalf or on behalf of a regional spaceport district, for
16 regional spaceport purposes and spaceport-related projects.
17 Revenue bonds so issued may be considered appropriate
18 investments for the severance tax permanent fund or
19 collateral for the deposit of public funds if the bonds are
20 rated not less than "A" by a national rating service and both
21 the principal and interest of the bonds are fully and
22 unconditionally guaranteed by a lease agreement executed by
23 an agency of the United States government or by a corporation
24 organized and operating within the United States, that
25 corporation or the long-term debt of that corporation being

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1 rated not less than "A" by a national rating service. All
2 bonds issued by the authority are legal and authorized
3 investments for banks, trust companies, savings and loan
4 associations and insurance companies.

5 B. The authority may pay from the bond proceeds
6 all expenses, premiums and commissions that the authority
7 deems necessary or advantageous in connection with the
8 authorization, sale and issuance of the bonds.

9 C. Authority revenue bonds:

10 (1) may have interest or appreciated
11 principal value or any part thereof payable at intervals
12 determined by the authority;

13 (2) may be subject to prior redemption or
14 mandatory redemption at the authority's option at the time
15 and upon such terms and conditions with or without the
16 payment of a premium as may be provided by resolution of the
17 authority;

18 (3) may mature at any time not exceeding
19 twenty years after the date of issuance if secured by revenue
20 from ~~[the]~~ a county or municipal ~~[regional-spaceport]~~ gross
21 receipts tax or thirty years if secured by revenue from other
22 sources;

23 (4) may be serial in form and maturity;
24 consist of one or more bonds payable at one time or in
25 installments; or may be in such other form as determined by

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1 the authority;

2 (5) may be in registered or bearer form or
3 in book-entry form through facilities of a securities
4 depository either as to principal or interest or both;

5 (6) shall be sold for cash at, above or
6 below par and at a price that results in a net effective
7 interest rate that conforms to the Public Securities Act; and

8 (7) may be sold at public or negotiated
9 sale.

10 D. Subject to the approval of the state board of
11 finance, the authority may enter into other financial
12 arrangements if it determines that the arrangements will
13 assist the authority."

14 **SECTION 88.** Section 66-3-7 NMSA 1978 (being Laws 1978,
15 Chapter 35, Section 27, as amended) is amended to read:

16 "66-3-7. GROUNDS FOR REFUSING, SUSPENDING OR REVOKING
17 REGISTRATION OR CERTIFICATE OF TITLE.--The division may
18 refuse, suspend or revoke registration or issuance of a
19 certificate of title or a transfer of registration upon the
20 [~~ground~~] grounds that:

21 A. the application contains a false or fraudulent
22 statement or that the applicant failed to furnish the
23 required information or reasonable additional information
24 requested by the division or that the applicant is not
25 entitled to the issuance of a certificate of title or

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1 registration of the vehicle under the Motor Vehicle Code;

2 B. the vehicle is mechanically unfit or unsafe to
3 be operated or moved upon the highways;

4 C. a commercial motor vehicle is operated by a
5 commercial motor carrier that is prohibited from operating
6 the vehicle by order of a state or federal agency;

7 D. the division has [~~a~~] reasonable [~~ground~~]
8 grounds to believe that the vehicle is a stolen or embezzled
9 vehicle or that the granting of registration or the issuance
10 of a certificate of title would constitute a fraud against
11 the rightful owner or other person having valid lien upon the
12 vehicle;

13 E. the registration of the vehicle stands
14 suspended or revoked for any reason as provided in the motor
15 vehicle laws of this state;

16 F. the required fee has not been paid;

17 [~~G. the motor vehicle excise tax has not been~~
18 ~~paid;~~

19 [~~H.~~] G. the weight distance tax has not been paid;

20 [~~I.~~] H. international fuel tax agreement taxes
21 have not been paid;

22 [~~J.~~] I. if the vehicle is a mobile home, the
23 property tax has not been paid;

24 [~~K.~~] J. the owner's address, as shown in the
25 records of the division, is within a class A county or within

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1 a municipality that has a vehicle emission inspection and
2 maintenance program and the applicant has applied at an
3 office outside the designated county or municipality; or
4 ~~[H.]~~ K. the owner is required to but has failed
5 to provide proof of compliance with a vehicle emission
6 inspection and maintenance program, if required in the county
7 or municipality in which the owner resides."

8 **SECTION 89.** Section 66-3-118 NMSA 1978 (being Laws
9 1978, Chapter 35, Section 65, as amended) is amended to read:

10 "66-3-118. MANUFACTURER'S CERTIFICATE OF ORIGIN--
11 TRANSFER OF VEHICLE NOT PREVIOUSLY REGISTERED.--

12 A. Whenever a manufacturer or the agent or
13 distributor of a manufacturer transfers a vehicle, not
14 previously registered, to a dealer in this state, the
15 manufacturer, agent or distributor at the time of transfer of
16 the vehicle shall deliver to the dealer a manufacturer's
17 certificate of origin. The certificate shall be signed by
18 the manufacturer and shall specify that the vehicle described
19 has been transferred to the dealer named and that the
20 transfer is the first transfer of the vehicle in ordinary
21 trade and commerce.

22 B. The certificate shall contain a description of
23 the vehicle, number of cylinders, type of body, engine
24 number, serial number or other standard identification number
25 provided by the manufacturer of the vehicle and space for

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1 proper reassignment to a New Mexico dealer or to a dealer
2 duly licensed or recognized as such in another state,
3 territory or possession of the United States.

4 C. Any dealer when transferring a vehicle, not
5 previously registered, to another dealer shall, at the time
6 of transfer, give the transferee the proper manufacturer's
7 certificate of origin fully assigned to the transferee.

8 D. When a vehicle not previously registered is
9 transferred to a dealer who does not hold a franchise granted
10 by the manufacturer of the vehicle to sell that type or model
11 of vehicle, the transferee must obtain a registration of the
12 vehicle and certificate of title [~~but shall not be required~~
13 ~~to pay the excise tax imposed by Section 7-14-3 NMSA 1978~~]."

14 SECTION 90. Section 66-3-401 NMSA 1978 (being Laws
15 1978, Chapter 35, Section 80, as amended) is amended to read:

16 "66-3-401. OPERATION OF VEHICLES UNDER DEALER PLATES.--

17 A. Any vehicle that is required to be registered
18 pursuant to the Motor Vehicle Code and that is included in
19 the inventory of a dealer may be operated or moved upon the
20 highways for any purpose, provided that the vehicle display
21 in the manner prescribed in Section 66-3-18 NMSA 1978 a
22 unique plate issued to the dealer as provided in Section
23 66-3-402 NMSA 1978. This subsection shall not be construed
24 as limiting the use of temporary registration permits issued
25 to dealers pursuant to Section 66-3-6 NMSA 1978. Each dealer

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1 plate shall be issued for a specific vehicle in a dealer's
2 inventory. If a dealer wishes to use the plate on a
3 different vehicle, the dealer must reregister that plate to
4 the different vehicle.

5 B. The provisions of this section do not apply to
6 work or service vehicles used by a dealer. For the purposes
7 of this subsection, "work or service vehicle" includes any
8 vehicle used substantially as a:

- 9 (1) parts or delivery vehicle;
- 10 (2) vehicle used to tow another vehicle;
- 11 (3) courtesy shuttle; or
- 12 (4) vehicle loaned to customers for their
13 convenience.

14 C. Each vehicle included in a dealer's inventory
15 required to be registered pursuant to the provisions of
16 Subsection A of this section must conform to the registration
17 provisions of the Motor Vehicle Code, but is not required to
18 be titled pursuant to the provisions of that code. When a
19 vehicle is no longer included in a dealer's inventory, and is
20 not sold or leased to an unrelated entity, the dealer must
21 title the vehicle [~~and pay the motor vehicle excise tax that~~
22 ~~would have been due when the vehicle was first registered by~~
23 ~~the dealer~~].

24 D. In lieu of the use of dealer plates pursuant
25 to this section, a dealer may register and title a vehicle

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1 included in a dealer's inventory in the name of the dealer
2 upon payment of the registration fee applicable to that
3 vehicle; [~~but without payment of the motor vehicle excise~~
4 ~~tax~~] provided the vehicle is subsequently sold or leased in
5 the ordinary course of business in a transaction subject to
6 the [~~motor vehicle excise tax or the leased vehicle~~] gross
7 receipts tax."

8 SECTION 91. Section 66-3-1006 NMSA 1978 (being Laws
9 1978, Chapter 35, Section 202, as amended) is amended to
10 read:

11 "66-3-1006. GROUNDS FOR REFUSING REGISTRATION OR
12 CERTIFICATE OF TITLE.--The division may refuse registration
13 or issuance of a certificate of title or any transfer of a
14 registration certificate if:

15 A. the division has reasonable grounds to believe
16 that the application contains any false or fraudulent
17 statement or that the applicant has failed to furnish the
18 required information or reasonable additional information
19 requested by the division or that the applicant is not
20 entitled to the issuance of a certificate of title or
21 registration certificate of the off-highway motor vehicle
22 under the Motor Vehicle Code or laws of this state;

23 B. the division has reasonable grounds to believe
24 that the off-highway motor vehicle is stolen or embezzled or
25 that the granting of a registration certificate or the

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1 issuance of a certificate of title would constitute a fraud
2 against the rightful owner or other person having a valid
3 lien upon the off-highway motor vehicle;

4 C. the division has reasonable grounds to believe
5 that a nonresident applicant is not entitled to registration
6 issuance under the laws of the nonresident applicant's state
7 of residence; or

8 D. the required fees have not been paid [~~or~~

9 ~~E. the motor vehicle excise tax has not been paid
10 pursuant to Chapter 7, Article 14 NMSA 1978]."~~

11 SECTION 92. Section 66-12-5.2 NMSA 1978 (being Laws
12 1987, Chapter 247, Section 7) is amended to read:

13 "66-12-5.2. OWNER'S CERTIFICATE OF TITLE--FEES--
14 DUPLICATES.--

15 A. Except as provided in Subsection C of this
16 section, every owner of a boat subject to titling under the
17 provisions of the Boat Act shall apply to the division for
18 issuance of a certificate of title for the boat within thirty
19 days after acquisition. The application shall be on forms
20 the division prescribes and accompanied by the required fee.
21 The application shall be signed and sworn to before a notary
22 public or other person who administers oaths, or include a
23 certification signed in writing containing substantially the
24 representation that statements made are true and correct to
25 the best of the applicant's knowledge, information and

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1 belief, under penalty of perjury. The application shall
2 contain the date of sale and gross price of the boat or the
3 fair market value if no sale immediately preceded the
4 transfer and any additional information the division
5 requires. If the application is made for a boat last
6 previously registered or titled in another state or foreign
7 country, it shall contain this information and any other
8 information the division requires.

9 B. The division shall not issue or renew a
10 certificate of number to any boat required to be registered
11 and numbered in the state unless the division has issued a
12 certificate of title to the owner, if the boat is required to
13 be titled.

14 C. Any person who, on July 1, 1987, is the owner
15 of a boat with a valid certificate of number issued by the
16 state is not required to file an application for a
17 certificate of title for the boat until [~~he~~] the person
18 transfers any part of [~~his~~] the person's interest in the boat
19 or [~~he~~] renews the certificate of number for the boat.

20 D. If a dealer buys or acquires a used boat for
21 resale, [~~he~~] the dealer shall report the acquisition to the
22 division on forms the division provides, or [~~he~~] the dealer
23 may apply for and obtain a certificate of title as provided
24 in this section. If a dealer buys or acquires a used
25 unnumbered boat, [~~he~~] the dealer shall apply for a

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1 certificate of title in [~~his~~] the dealer's name within thirty
2 days. If a dealer buys or acquires a new boat for resale,
3 [~~he~~] the dealer may apply for a certificate of title in [~~his~~]
4 the dealer's name.

5 E. Every dealer transferring a boat requiring
6 titling under this section shall assign the title to the new
7 owner or, in the case of a new boat, assign the certificate
8 of origin. Within thirty days, the dealer or purchaser, as
9 applicable, shall file with the division the necessary
10 application and fee required under this section.

11 F. The division shall maintain a record of any
12 certificate of title it issues.

13 G. No person shall sell, assign or transfer a
14 boat titled by the state without delivering to the purchaser
15 or transferee a certificate of title with an assignment on it
16 showing title in the purchaser or transferee and with a
17 statement of all liens upon the title. No person may
18 purchase or otherwise acquire a boat required to be titled by
19 the state without obtaining a certificate of title for it in
20 [~~his~~] the person's name.

21 H. The division shall charge a [~~ten-dollar~~] ten-
22 dollar (\$10.00) fee to issue a certificate of title, a
23 transfer of title, a duplicate or corrected certificate of
24 title.

25 I. If a certificate of title is lost, stolen,

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1 mutilated, destroyed or becomes illegible, the first
2 lienholder or, if there is none, the owner named in the
3 certificate, as shown by the division's records, shall within
4 thirty days obtain a duplicate by applying to the division.
5 The applicant shall furnish information concerning the
6 original certificate and the circumstances of its loss,
7 mutilation or destruction as the division requires.
8 Mutilated or illegible certificates shall be returned to the
9 division with the application for a duplicate. [~~Issuance of~~
10 ~~a duplicate certificate of title is not subject to the excise~~
11 ~~tax imposed under Section 66-12-6.1 NMSA 1978.~~]

12 J. The duplicate certificate of title shall be
13 plainly marked "duplicate" across its face and mailed or
14 delivered to the applicant.

15 K. If a lost or stolen original certificate of
16 title for which a duplicate has been issued is recovered, the
17 original shall be surrendered promptly to the division for
18 cancellation."

19 SECTION 93. TEMPORARY PROVISION--OUTSTANDING REVENUE
20 BONDS AND LOAN GUARANTEES.--

21 A. The repeal of certain taxes made in this act
22 shall not impair outstanding revenue bonds or loan guarantees
23 that are secured by a pledge of those taxes.

24 B. If a municipality or county has issued a
25 revenue bond or made a loan guarantee that is secured by a

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1 pledge of any of tax being repealed by Section 97 of this
2 act, the municipality or county shall:

3 (1) enact an ordinance imposing an increment
4 of the municipal gross receipts tax or county gross receipts
5 tax, as applicable, that is transferred to the municipality
6 pursuant to Section 7-1-6.12 NMSA 1978 or the county pursuant
7 to 7-1-6.13 NMSA 1978 and will result in the amount of
8 revenue necessary to make the required bond debt service
9 payments or loan guarantee payments, as determined by the
10 department of finance and administration and the taxation and
11 revenue department; and

12 (2) pledge the increment imposed pursuant to
13 Paragraph (1) of this subsection to the payment of the
14 revenue bond or loan guarantee until the revenue bond or loan
15 guarantee has been discharged in full or provision has been
16 fully made therefor.

17 C. Notwithstanding the provisions of Sections
18 7-19D-9 and 7-20E-9 NMSA 1978, an ordinance enacted pursuant
19 to Paragraph (1) of Subsection B of this section shall not be
20 subject to referendum.

21 **SECTION 94. TEMPORARY PROVISION--AMNESTY FOR INTEREST**
22 **AND PENALTIES IMPOSED ON CERTAIN TAXES OWED.--Notwithstanding**
23 **the provisions of Sections 7-1-67 and 7-1-69 NMSA 1978 and**
24 **prior to July 1, 2017, no interest or penalty shall be**
25 **assessed for nonpayment of a tax if that tax was due prior to**

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1 January 1, 2016; provided that the taxpayer pays the tax on
2 or before July 1, 2017 and the taxation and revenue
3 department has not issued a notice of commencement of an
4 audit to the taxpayer pursuant to Section 7-1-11.2 NMSA 1978
5 before the tax is paid.

6 SECTION 95. TEMPORARY PROVISION--REFERENCES IN LAW.--

7 A. All references in law to the Gross Receipts
8 and Compensating Tax Act shall be deemed to be references to
9 the Gross Receipts Tax Act.

10 B. All references in law to the Municipal Local
11 Option Gross Receipts Taxes Act shall be deemed to be
12 references to the Municipal Local Option Gross Receipts Tax
13 Act.

14 C. All references in law to the County Local
15 Option Gross Receipts Taxes Act shall be deemed to be
16 references to the County Local Option Gross Receipts Tax Act.

17 D. All references in law to the county-supported
18 medicaid fund shall be deemed to be references to the
19 medicaid fund.

20 SECTION 96. TEMPORARY PROVISION--REPEALED INCOME TAX
21 PROVISIONS.--The provisions of the sections of law being
22 repealed by Section 98 of this act shall not apply to taxable
23 years beginning on or after January 1, 2016.

24 SECTION 97. REPEAL.--

25 A. Section 5-15-21 NMSA 1978 (being Laws 2006,
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1 Chapter 75, Section 21, as amended) is repealed.

2 B. Sections 5-15A-1 through 5-15A-3 NMSA 1978
3 (being Laws 2007, Chapter 310, Sections 1 through 3 and Laws
4 2007, Chapter 313, Sections 1 through 3) are repealed.

5 C. Section 5-16-13 NMSA 1978 (being Laws 2006,
6 Chapter 15, Section 13) is repealed.

7 D. Section 6-21-5.1 NMSA 1978 (being Laws 1998,
8 Chapter 65, Section 1) is repealed.

9 E. Sections 7-1-6.4, 7-1-6.46, 7-1-6.47,
10 7-1-6.55, 7-1-6.60 and 7-1-15.2 NMSA 1978 (being Laws 1983,
11 Chapter 211, Section 9, Laws 2004, Chapter 116, Sections 1
12 and 2, Laws 2007, Chapter 331, Section 4, Laws 2010, Chapter
13 31, Section 2 and Laws 1998, Chapter 105, Section 1, as
14 amended) are repealed.

15 F. Sections 7-2A-1 through 7-2A-27 NMSA 1978
16 (being Laws 1981, Chapter 37, Section 34, Laws 1986, Chapter
17 20, Section 33, Laws 1981, Chapter 37, Sections 36 through
18 38, Laws 1986, Chapter 20, Section 37, Laws 1981, Chapter 37,
19 Sections 39 through 41, Laws 1983, Chapter 213, Sections 12
20 and 13, Laws 1984, Chapter 34, Section 2, Laws 1998, Chapter
21 97, Section 3, Laws 2003, Chapter 331, Section 8, Laws 1981,
22 Chapter 37, Section 42, Laws 1986, Chapter 5, Section 1, Laws
23 1990, Chapter 23, Section 2, Laws 1981, Chapter 37, Sections
24 43 through 46, Laws 1983, Chapter 218, Section 1, Laws 1994,
25 Chapter 115, Section 2, Laws 1997, Chapter 58, Section 1,

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1 Laws 2003, Chapter 400, Section 2, Laws 2001, Chapter 73,
2 Section 2, Laws 2002, Chapter 59, Section 1, Laws 2007,
3 Chapter 204, Sections 4 and 8, Laws 2009, Chapter 271,
4 Section 2, Laws 2009, Chapter 279, Section 2, Laws 2010,
5 Chapter 84, Section 2 and Laws 2012, Chapter 55, Section 2,
6 as amended) are repealed.

7 G. Sections 7-2D-1 through 7-2D-14 NMSA 1978
8 (being Laws 1993, Chapter 313, Sections 1, 2 and 4 through 8,
9 Laws 1995, Chapter 89, Section 8 and Laws 1993, Chapter 313,
10 Sections 9 through 14, as amended) are repealed.

11 H. Section 7-2E-1.1 NMSA 1978 (being Laws 2007,
12 Chapter 172, Section 2) is repealed.

13 I. Sections 7-2F-1 through 7-2F-4 NMSA 1978
14 (being Laws 2002, Chapter 36, Section 1; Laws 2011, Chapter
15 165, Section 2 and also Laws 2011, Chapter 177, Section 3;
16 Laws 2003, Chapter 127, Section 2; and Laws 2011, Chapter
17 165, Sections 4 and 5, as amended) are repealed.

18 J. Sections 7-7-1 through 7-7-20 NMSA 1978 (being
19 Laws 1973, Chapter 345, Sections 1 through 12 and Laws 1983
20 Chapter 209, Sections 2 through 6, as amended) are repealed.

21 K. Sections 7-9-7 through 7-9-10, 7-9-12,
22 7-9-13.1, 7-9-13.3 through 7-9-23.1, 7-9-26.1, 7-9-27, 7-9-29
23 through 7-9-31, 7-9-36 through 7-9-41.1, 7-9-41.4, 7-9-46
24 through 7-9-52.1, 7-9-54 through 7-9-54.5, 7-9-56.1 through
25 7-9-60, 7-9-61.2 through 7-9-69, 7-9-71 through 7-9-86 and
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1 7-9-90 through 7-9-114 NMSA 1978 (being Laws 1966, Chapter
2 47, Section 7; Laws 1993, Chapter 45, Section 1; Laws 1966,
3 Chapter 47, Sections 8 through 10; Laws 1969, Chapter 144,
4 Section 5; Laws 1989, Chapter 262, Section 4; Laws 2001,
5 Chapter 231, Section 12; Laws 2002, Chapter 20, Section 1;
6 Laws 2005, Chapter 351, Section 2; Laws 1969, Chapter 144,
7 Sections 7 through 11; Laws 1987, Chapter 264, Section 13;
8 Laws 1969, Chapter 144, Section 12; Laws 1988, Chapter 82,
9 Section 1; Laws 1969, Chapter 144, Section 15; Laws 1987,
10 Chapter 247, Section 1; Laws 1969, Chapter 144, Section 16;
11 Laws 1987, Chapter 247, Section 2; Laws 2003, Chapter 62,
12 Section 1; Laws 1969, Chapter 144, Section 20; Laws 1970,
13 Chapter 12, Section 3; Laws 1969, Chapter 144, Section 23;
14 Laws 1969, Chapter 144, Sections 24 and 29 through 31; Laws
15 1992, Chapter 50, Section 12 and also Laws 1992, Chapter 67,
16 Section 12; Laws 2002, Chapter 18, Section 2; Laws 1969,
17 Chapter 144, Section 32; Laws 1970, Chapter 60, Section 2;
18 Laws 1972, Chapter 61, Section 2; Laws 2007, Chapter 117,
19 Section 1; Laws 2009, Chapter 62, Section 1; Laws 1969,
20 Chapter 144, Sections 36 through 42; Laws 2012, Chapter 5,
21 Section 6; Laws 1969, Chapter 144, Section 44; Laws 1992,
22 Chapter 40, Section 1; Laws 1995, Chapter 183, Section 2;
23 Laws 2002, Chapter 37, Section 8; Laws 2003, Chapter 62,
24 Section 4; Laws 2004, Chapter 16, Section 3; Laws 1998,
25 Chapter 92, Sections 1 and 2; Laws 2003, Chapter 232, Section
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1 1; Laws 1969, Chapter 144, Section 47; Laws 1998, Chapter 92,
2 Section 3; Laws 2002, Chapter 10, Section 1; Laws 1969,
3 Chapter 144, Sections 48 and 49; Laws 1970, Chapter 12,
4 Section 4; Laws 2000, Chapter 48, Section 1; Laws 1969,
5 Chapter 144, Section 52; Laws 2000 (2nd S.S.), Chapter 4,
6 Section 2; Laws 1969, Chapter 144, Sections 53, 54, 56 and
7 57; Laws 1984, Chapter 129, Section 2; Laws 1969, Chapter
8 144, Sections 58, 60, 61 and 63; Laws 1970, Chapter 78,
9 Section 2; Laws 1991, Chapter 8, Section 3; Laws 1998,
10 Chapter 95, Section 2; Laws 2014, Chapter 26, Section 1; Laws
11 1971, Chapter 217, Section 2; Laws 1972, Chapter 39, Section
12 2; Laws 1977, Chapter 288, Section 2; Laws 1979, Chapter 338,
13 Section 7; Laws 1984, Chapter 2, Section 6; Laws 1966,
14 Chapter 47, Section 15; Laws 1998, Chapter 96, Section 1;
15 Laws 1969, Chapter 144, Section 65; Laws 1999, Chapter 231,
16 Section 4; Laws 1966, Chapter 47, Section 16; Laws 1989,
17 Chapter 262, Section 8; Laws 2007, Chapter 204, Section 9;
18 Laws 1993, Chapter 364, Sections 1 and 2; Laws 1994, Chapter
19 43, Section 1; Laws 1995, Chapter 80, Section 1; Laws 1999,
20 Chapter 231, Section 3; Laws 2001, Chapter 135, Section 1;
21 Laws 2004, Chapter 116, Sections 5 and 6; Laws 2005, Chapter
22 104, Sections 23, 25 and 26; Laws 2007, Chapter 361, Sections
23 7 and 8; Laws 2005, Chapter 169, Section 1; Laws 2005,
24 Chapter 179, Section 1; Laws 2006, Chapter 35, Sections 1 and
25 2; Laws 2007, Chapter 3, Sections 16 through 18; Laws 2012,

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1 Chapter 12, Sections 2 and 3; Laws 2007, Chapter 33, Section
2 1; Laws 2007, Chapter 45, Section 6; Laws 2007, Chapter 172,
3 Sections 8 through 11; Laws 2011, Chapter 60, Section 1 and
4 also Laws 2011, Chapter 61, Section 1; Laws 2011, Chapter 60,
5 Section 2 and also Laws 2011, Chapter 61, Section 2; Laws
6 2011, Chapter 60, Section 3 and also Laws 2007, Chapter 361,
7 Section 3; Laws 2007, Chapter 361, Section 6; Laws 2007,
8 Chapter 204, Section 10; and Laws 2010, Chapter 77, Section
9 1, as amended) are repealed.

10 L. Sections 7-9A-1 through 7-9A-11 NMSA 1978
11 (being Laws 1979, Chapter 347, Sections 1 and 2; Laws 2001,
12 Chapter 57, Section 2 and also Laws 2001, Chapter 337,
13 Section 2; Laws 1979, Chapter 347, Sections 3 through 7; Laws
14 1983, Chapter 206, Section 6; Laws 1979, Chapter 347,
15 Sections 8 and 9; and Laws 1997, Chapter 62, Section 2, as
16 amended) are repealed.

17 M. Sections 7-9E-1 through 7-9E-11 NMSA 1978
18 (being Laws 2000 (2nd S.S.), Chapter 20, Sections 1 through 9
19 and Laws 2007, Chapter 172, Sections 19 and 20, as amended)
20 are repealed.

21 N. Sections 7-9F-1 through 7-9F-12 NMSA 1978
22 (being Laws 2000 (2nd S.S.), Chapter 22, Sections 1 through
23 12) are repealed.

24 O. Sections 7-9G-1 and 7-9G-2 NMSA 1978 (being
25 Laws 2004, Chapter 15, Section 1 and Laws 2007, Chapter 229,

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1 Section 1, as amended) are repealed.

2 P. Sections 7-9H-1 through 7-9H-6 NMSA 1978
3 (being Laws 2005, Chapter 104, Sections 11 through 16, as
4 amended) are repealed.

5 Q. Sections 7-9I-1 through 7-9I-6 NMSA 1978
6 (being Laws 2005, Chapter 104, Sections 17 through 22, as
7 amended) are repealed.

8 R. Sections 7-9J-1 through 7-9J-8 NMSA 1978
9 (being Laws 2007, Chapter 204, Sections 11 through 18, as
10 amended) are repealed.

11 S. Sections 7-14-1 through 7-14-11 NMSA 1978
12 (being Laws 1988, Chapter 73, Sections 11 through 17, Laws
13 1991, Chapter 197, Section 4, Laws 1988, Chapter 73, Sections
14 18 and 19, Laws 1993, Chapter 347, Sections 4 and 5 and Laws
15 1988, Chapter 73, Sections 20 and 21, as amended) are
16 repealed.

17 T. Sections 7-14A-1 through 7-14A-11 NMSA 1978
18 (being Laws 1991, Chapter 197, Sections 5 through 7, Laws
19 1993, Chapter 359, Section 1 and Laws 1991, Chapter 197,
20 Sections 8 through 15, as amended) are repealed.

21 U. Sections 7-19-10 through 7-19-18 NMSA 1978
22 (being Laws 1979, Chapter 397, Sections 1 through 8, Laws
23 1997, Chapter 219, Section 4 and Laws 1979, Chapter 397,
24 Section 9, as amended) are repealed.

25 V. Sections 7-19D-10 through 7-19D-18 NMSA 1978

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1 (being Laws 1990, Chapter 99, Section 51, Laws 1991, Chapter
2 9, Section 3, Laws 2001, Chapter 172, Section 1, Laws 2005,
3 Chapter 212, Section 2, Laws 2006, Chapter 15, Section 14,
4 Laws 2007, Chapter 148, Section 1, Laws 2012, Chapter 58,
5 Section 1 and Laws 2013, Chapter 160, Section 11, as amended)
6 are repealed.

7 W. Sections 7-20C-1 through 7-20C-17 NMSA 1978
8 (being Laws 1991, Chapter 176, Sections 1 through 9, Laws
9 1993, Chapter 306, Section 4, Laws 1991, Chapter 176,
10 Sections 10 through 15 and Laws 1996, Chapter 18, Sections 3
11 and 4, as amended) are repealed.

12 X. Sections 7-20E-10 through 7-20E-28 NMSA 1978
13 (being Laws 1983, Chapter 213, Sections 32 and 35, Laws 1989,
14 Chapter 239, Section 1, Laws 1994, Chapter 14, Section 1,
15 Laws 1987, Chapter 45, Sections 3 and 8, Laws 1979, Chapter
16 398, Sections 3 and 8, Laws 1990, Chapter 99, Section 58,
17 Laws 1991, Chapter 212, Section 7, Laws 1998, Chapter 90,
18 Section 7, Laws 2001, Chapter 328, Section 1, Laws 2001,
19 Chapter 172, Section 2, Laws 2002, Chapter 14, Section 1,
20 Laws 2004, Chapter 17, Section 2, Laws 2005, Chapter 212,
21 Section 1, Laws 2006, Chapter 15, Section 15, Laws 2007,
22 Chapter 346, Section 1, Laws 2010, Chapter 31, Section 1 and
23 Laws 2013, Chapter 160, Section 12, as amended) are repealed.

24 Y. Sections 7-20F-1 through 7-20F-12 NMSA 1978
25 (being Laws 1993, Chapter 303, Sections 1 through 12, as

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1 amended) are repealed.

2 Z. Sections 7-24B-1 through 7-24B-9 NMSA 1978
3 (being Laws 1987, Chapter 45, Sections 10 through 13, Laws
4 1990, Chapter 88, Section 16 and Laws 1987, Chapter 45,
5 Sections 15 through 18, as amended) are repealed.

6 AA. Sections 27-5-2 and 27-5-6.2 NMSA 1978 (being
7 Laws 1965, Chapter 234, Section 2 and Laws 2014, Chapter 79,
8 Section 16, as amended) are repealed.

9 BB. Sections 27-10-2 and 27-10-4 NMSA 1978 (being
10 Laws 1991, Chapter 212, Sections 2 and 4, as amended) are
11 repealed.

12 CC. Section 60-2E-47.1 NMSA 1978 (being Laws
13 2010, Chapter 31, Section 3) is repealed.

14 DD. Section 66-12-6.1 NMSA 1978 (being Laws 1987,
15 Chapter 247, Section 9) is repealed.

16 **SECTION 98. ADDITIONAL REPEAL.--**

17 A. That version of Section 7-2-7 NMSA 1978 (being
18 Laws 2005 (1st S.S.), Chapter 3, Section 2) is repealed.

19 B. Sections 7-2-4 through 7-2-5.11, 7-2-7.2,
20 7-2-7.3, 7-2-14 through 7-2-18.28 and 7-2-32 through 7-2-36
21 NMSA 1978 (being Laws 1965, Chapter 202, Section 4; Laws
22 1985, Chapter 114, Section 1; Laws 1995, Chapter 42, Section
23 1; Laws 1995, Chapter 93, Section 8; Laws 2002, Chapter 58,
24 Section 1; Laws 2005, Chapter 104, Sections 5 and 6; Laws
25 2006, Chapter 50, Section 1; Laws 2007, Chapter 45, Section
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1 11; Laws 2005 (1st S.S.), Chapter 3, Sections 3 and 4; Laws
2 1972, Chapter 20, Section 2; Laws 1994, Chapter 111, Sections
3 1 through 3; Laws 1977, Chapter 196, Section 1; Laws 1981,
4 Chapter 170, Section 1; Laws 1984, Chapter 34, Section 1;
5 Laws 1994, Chapter 115, Section 1; Laws 1998, Chapter 97,
6 Section 2; Laws 2000, Chapter 64, Section 1 and also Laws
7 2000, Chapter 78, Section 1; Laws 2001, Chapter 73, Section
8 1; Laws 2003, Chapter 331, Section 7; Laws 2003, Chapter 400,
9 Section 1; Laws 2005, Chapter 267, Section 1; Laws 2006,
10 Chapter 93, Section 1; Laws 2007, Chapter 45, Sections 9 and
11 10; Laws 2007, Chapter 172, Section 1; Laws 2007, Chapter
12 204, Sections 2, 3 and 7; Laws 2007, Chapter 361, Section 2;
13 Laws 2008 (2nd S.S.), Chapter 3, Section 1; Laws 2009,
14 Chapter 271, Section 1; Laws 2009, Chapter 279, Section 1;
15 Laws 2010, Chapter 84, Section 1; Laws 2011, Chapter 89,
16 Section 1; Laws 2012, Chapter 55, Section 1; Laws 1997,
17 Chapter 259, Section 8; Laws 1999, Chapter 205, Section 1;
18 and Laws 2005, Chapter 113, Section 1, as amended) are
19 repealed.

20 **SECTION 99. APPLICABILITY.**--The provisions of Sections
21 44 and 45 of this act apply to taxable years beginning on or
22 after January 1, 2016.

23 **SECTION 100. EFFECTIVE DATE.**--

24 A. The effective date of the provisions of
25 Sections 1 through 97 of this act is January 1, 2016.

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B. The effective date of the provisions of
Section 98 of this act is January 1, 2017.