

**Repeals.** — Laws 1993, ch. 65, § 23, repealed 7-1-6.3 NMSA 1978, as enacted by Laws 1983, ch. 214, § 5, relating to distributions to the community alcoholism treatment and detoxification fund, effective July 1, 1993. For provisions of former section, see the 1992 NMSA 1978 on *NMOneSource.com*.

#### **7-1-6.4. Distribution; municipality from gross receipts tax.**

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

- (1) within that municipality;
- (2) on land owned by the state, commonly known as the "state fairgrounds", within the exterior boundaries of that municipality;
- (3) outside the boundaries of any municipality on land owned by that municipality; and
- (4) on an Indian reservation or pueblo grant in an area that is contiguous to that municipality and in which the municipality performs services pursuant to a contract between the municipality and the Indian tribe or Indian pueblo if:
  - (a) the contract describes an area in which the municipality is required to perform services and requires the municipality to perform services that are substantially the same as the services the municipality performs for itself; and
  - (b) the governing body of the municipality has submitted a copy of the contract to the secretary.

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

C. A distribution pursuant to this section may be adjusted for a distribution made to a tax increment development district with respect to a portion of a gross receipts tax

increment dedicated by a municipality pursuant to the Tax Increment for Development Act [Chapter 5, Article 15 NMSA 1978].

D. As used in this section, "nonprofit hospital" means a hospital that has been granted exemption from federal income tax by the United States commissioner of internal revenue as an organization described in Section 501(c)(3) of the Internal Revenue Code.

**History:** 1978 Comp., § 7-1-6.4, enacted by Laws 1983, ch. 211, § 9; 1991, ch. 9, § 9; 1992, ch. 42, § 1; 2006, ch. 75, § 30; 2019, ch. 270, § 3.

## **ANNOTATIONS**

**Compiler's note.** — Laws 1991, ch. 9, § 9 referred to in Subsection B is compiled as 7-1-6.4 NMSA 1978.

**The 2019 amendment,** effective July 1, 2019, excluded net receipts attributable to a nonprofit hospital licensed by the department of health from the calculation of distributions from gross receipts tax to municipalities, and defined "nonprofit hospital" as used in this section; in Subsection A, after "net receipts", added "except net receipts attributable to a nonprofit hospital licensed by the department of health"; and added Subsection D.

**The 2006 amendment,** effective March 6, 2006, added Subsection C to provide an adjustment for a distribution to a tax increment development district.

**The 1992 amendment,** effective August 1, 1992, added the Subsection A designation at the beginning of the formerly undesignated introductory paragraph and added "Except as provided in Subsection B of this section" at the beginning of the paragraph, redesignated former Subsections A to D as Paragraphs (1) to (4) of Subsection A, revised the subparagraph designations in Subsection A(4), and added Subsection B.

**The 1991 amendment,** effective August 1, 1992, substituted "one and two-hundred-twenty-five-thousandths" for "one and thirty-five hundredths" in the first paragraph; substituted "secretary" for "director" at the end of Paragraph (2) of Subsection D; and made a minor stylistic change in Subsection D.

### **7-1-6.5. Distribution; small counties assistance fund.**

A distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be made to the small counties assistance fund in an amount equal to ten percent of the net receipts attributable to the compensating tax.

**History:** 1978 Comp., § 7-1-6.5, enacted by Laws 1983, ch. 211, § 10; 1983, ch. 214, § 6; 1984, ch. 24, § 2.