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**COUNTY LOCAL OPTION GROSS RECEIPTS TAXES ACT**  
**SECTION 7-20E-1 through 7-20E-28 NMSA 1978**

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**7-20E-1. SHORT TITLE.-- Chapter 7, Article 20E NMSA 1978 may be cited as the "County Local Option Gross Receipts and Compensating Taxes Act". (Laws 2019, Chapter 270, Section 51)**

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**7-20E-2. DEFINITIONS.--As used in the County Local Option Gross Receipts Taxes Act:**

**A. "county" means, unless specifically defined otherwise in the County Local Option Gross Receipts Taxes Act, a county, including an H class county;**

**B. "county area" means that portion of a county located outside the boundaries of any municipality, except that for H class counties, "county area" means the entire county;**

**C. "department" means the taxation and revenue department, the secretary of taxation and revenue or any employee of the department exercising authority lawfully delegated to that employee by the secretary;**

**D. "governing body" means the county commission of the county or the county council of an H class county;**

**E. "person" means an individual or any other legal entity; and**

**F. "state gross receipts tax" means the gross receipts tax imposed under the Gross Receipts and Compensating Tax Act.**

**(Laws 1994, Chapter 97, Section 1)**

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**7-20E-3. OPTIONAL REFERENDUM SELECTION; EFFECTIVE DATE OF ORDINANCE.--**

**A. The governing body of a county imposing a tax or an increment of tax authorized by the County Local Option Gross Receipts Taxes Act or any other county local option gross receipts tax act that is subject to optional referendum selection shall select, when enacting the ordinance imposing the tax, one of the following referendum options:**

**(1) the ordinance imposing the tax or increment of tax shall go into effect on July 1 or January 1 in accordance with the provisions of the County Local Option Gross Receipts Taxes Act, but an election may be called in the county on the question of approving or disapproving that ordinance as follows:**

**(a) an election shall be called when: 1) in a county having a referendum provision in its charter, a petition requesting such an election is filed pursuant to the requirements of that provision in the charter and signed by the number of registered voters in the county equal to the number of registered voters required in its charter to seek a referendum; and 2) in all other counties, a petition requesting such an election is filed with the county clerk within sixty days of enactment of the ordinance by the governing body and the petition has been signed by a number of registered voters in the county equal to at least five percent of the number of the voters in the county who were registered to vote in the most recent general election;**

**(b) the signatures on the petition requesting an election shall be verified by the county clerk. If the petition is verified by the county clerk as containing the required number of signatures of registered voters, the governing body shall adopt a resolution calling an election on the question of approving or disapproving the ordinance. The election shall be held within sixty days after the date the petition is verified by the county clerk, or it may be held in conjunction with a general election if that election occurs within sixty days after the date of the verification. The election shall be called, held, conducted and canvassed in substantially the same manner as provided by law for general elections; and**

**(c) if a majority of the registered voters voting on the question approves the ordinance, the ordinance shall go into effect on July 1 or January 1 in accordance with the provisions of the County Local Option Gross Receipts Taxes Act. If at such an election a majority of the registered voters voting on the question disapproves the ordinance, the ordinance imposing the tax shall be deemed repealed and the question of imposing the tax or increment of tax shall not be considered again by the governing body for a period of one year from the date of the election; or**

**(2) the ordinance imposing the tax or increment of tax shall not go into effect until after an election is held and a simple majority of the registered voters of the county voting on the question votes in favor of imposing the tax or increment of tax. The governing body shall adopt a**

resolution calling for an election within seventy-five days of the date the ordinance is adopted on the question of imposing the tax or increment of tax. Such question may be submitted to the voters and voted upon as a separate question at any general election or at any special election called for that purpose by the governing body. The election upon the question shall be called, held, conducted and canvassed in substantially the same manner as may be provided by law for general elections. If the question of imposing the tax or increment of tax fails, the governing body shall not again propose the tax or increment of tax for a period of one year after the election.

B. An ordinance imposing, amending or repealing a tax or an increment of tax authorized by the County Local Option Gross Receipts Taxes Act shall be effective on July 1 or January 1, whichever date occurs first after the expiration of at least three months from the date the adopted ordinance is mailed or delivered to the department. The ordinance shall include that effective date.

**(Laws 2004, Chapter 110, Section 1)**

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**7-20E-4. ORDINANCE SHALL CONFORM TO CERTAIN PROVISIONS OF THE GROSS RECEIPTS AND COMPENSATING TAX ACT AND REQUIREMENTS OF THE DEPARTMENT.--**

**A. An ordinance imposing a tax under the provisions of the County Local Option Gross Receipts Taxes Act shall adopt by reference the same definitions and the same provisions relating to exemptions and deductions as are contained in the Gross Receipts and Compensating Tax Act then in effect and as it may be amended from time to time.**

**B. The governing body of any county imposing a tax under the County Local Option Gross Receipts Taxes Act shall impose the tax by adopting the model ordinance with respect to the tax furnished to the county by the department. An ordinance that does not conform substantially to the model ordinance of the department is not valid.**

**(Laws 1993, Chapter 354, Section 4)**

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**7-20E-5. SPECIFIC EXEMPTIONS.--No tax authorized under the provisions of the County Local Option Gross Receipts Taxes Act shall be imposed on the gross receipts arising from transporting persons or property for hire by railroad, motor vehicle, air transportation or any other means from one point within the county to another point outside the county.**

**(Laws 1994, Chapter 101, Section 6)**

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**7-20E-6. COPY OF ORDINANCE TO BE SUBMITTED TO DEPARTMENT.--A certified copy of any ordinance imposing or repealing a tax or an increment of a tax authorized under the County Local Option Gross Receipts Taxes Act or changing the tax rate imposed shall be mailed or delivered to the department within five days after the later of the date the ordinance is adopted or the date the results of any election held with respect to the ordinance are certified to be in favor of the ordinance.**

**(Laws 1993, Chapter 354, Section 6)**

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**7-20E-7. COLLECTION BY DEPARTMENT.--The department shall collect each tax imposed pursuant to the provisions of the County Local Option Gross Receipts and Compensating Taxes Act in the same manner and at the same time it collects the state gross receipts and compensating taxes.  
(Laws 2019, Chapter 270, Section 52)**

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**7-20E-8. INTERPRETATION OF ACT--ADMINISTRATION AND ENFORCEMENT OF ACT.--**

**A. The department shall interpret the provisions of the County Local Option Gross Receipts Taxes Act.**

**B. The department shall administer and enforce the collection of each tax authorized under the provisions of the County Local Option Gross Receipts Taxes Act, and the Tax Administration Act applies to the administration and enforcement of each tax.**

**(Laws 1993, Chapter 354, Section 8)**

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**7-20E-9. COUNTY GROSS RECEIPTS TAX--AUTHORITY TO IMPOSE RATE--COUNTY HEALTH CARE ASSISTANCE FUND REQUIREMENTS.--**

**A. A majority of the members of the governing body of a county may impose by ordinance an excise tax on the gross receipts of a person engaging in business in the county or the county area. A tax imposed pursuant to this section shall be imposed by the enactment of one or more ordinances enacting any number of increments of one-hundredth percent; provided that the total increments do not exceed the maximum rate provided in Subsections C and D of this section; and provided further that, if at the time of enacting the ordinance the total county gross receipts tax rate is not an even multiple of one-hundredth percent, the county may impose an increment in an amount sufficient to bring the total rate to an even multiple of one-hundredth percent. The governing body may, at the time of enacting the ordinance, dedicate the revenue for any county purpose.**

**B. The tax authorized by this section is to be referred to as the "county gross receipts tax".**

**C. The maximum rate of the county gross receipts tax that may be imposed on the gross receipts of any person engaging in business in a county shall not exceed one and twenty-five hundredths percent. Of that one and twenty-five hundredths percent:**

**(1) a governing body may choose to require an election to impose increments up to a total of one percent; and**

**(2) the remaining increments, up to a total of twenty-five hundredths percent, shall not go into effect until after an election is held and a majority of the voters in the county voting in the election votes in favor of the tax. Increments approved by voters prior to July 1, 2019 shall be included in the increments approved by the voters, as provided in this paragraph.**

**D. In addition to the maximum rate that may be imposed on the gross receipts of any person engaging in business in a county, the maximum rate of the county gross receipts tax that may be imposed on the gross receipts of any person engaging in business in a county area shall not exceed one-half percent. Of that one-half percent:**

**(1) a governing body may choose to require an election to impose increments that total twelve hundredths percent; but**

**(2) the remaining increments, up to a total of thirty-eight hundredths percent, shall not go into effect until after an election is held and a majority of the voters in the county area voting in the election votes in favor of the tax. Increments approved by voters prior to July 1, 2019 shall be included in the increments approved by the voters, as provided in this paragraph.**

**E. A class A county with a county hospital operated and maintained**

**pursuant to a lease or operating agreement with a state educational institution named in Article 12, Section 11 of the constitution of New Mexico shall provide not less than one million dollars (\$1,000,000) in funds, and that amount shall be dedicated to the support of indigent patients who are residents of that county. Funds for indigent care shall be made available each month of each year the tax is in effect in an amount not less than eighty three thousand three hundred thirty-three dollars thirty three cents (\$83,333.33). The interest from the investment of county funds for indigent care may be used for other assistance to indigent persons, not to exceed twenty thousand dollars (\$20,000) for all other assistance in any year.**

**F. A county, except a class A county with a county hospital operated and maintained pursuant to a lease or operating agreement with a state educational institution named in Article 12, Section 11 of the constitution of New Mexico, shall be required to dedicate revenue produced by the imposition of a one-eighth percent gross receipts tax increment for the support of indigent patients who are residents of that county. A county that imposed up to two one-eighth percent increments on January 1, 1996 for support of indigent patients in the county or, after January 1, 1996, imposes a one-eighth percent increment and dedicates one-half of that increment for county indigent patient purposes shall deposit the revenue dedicated for county indigent purposes that is transferred to the county in the county health care assistance fund, and such revenues shall be expended pursuant to the Indigent Hospital and County Health Care Act." (Laws 2020, Chapter 80, Section 12)**

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**\*\*\* REPEALED EFFECTIVE JULY 1, 2019,  
BY LAWS OF 2019, CHAPTER 274, SECTION 16. \*\*\***

**7-20E-10. COUNTY GROSS RECEIPTS TAX; REFERENDUM REQUIREMENTS.--**

*A. An ordinance enacting the first or third one-eighth increment or the one-sixteenth increment of county gross receipts tax pursuant to Section 7-20E-9 NMSA 1978 shall be subject to optional referendum selection by the governing body, pursuant to Subsection A of Section 7-20E-3 NMSA 1978.*

*B. Imposition by any county of the second one-eighth increment of county gross receipts tax shall not be subject to a referendum of any kind unless prescribed by the county charter or the governing body of the county.  
(Laws 2004, Chapter 110, Section 3)*

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**\*\*\* REPEALED EFFECTIVE JULY 1, 2019,  
BY LAWS OF 2019, CHAPTER 274, SECTION 16. \*\*\***

**7-20E-11. COUNTY GROSS RECEIPTS TAX; USE OF PROCEEDS FROM  
FIRST ONE-EIGHTH INCREMENT.--**

*A. Each county shall establish a reserve fund to be known as the "county reserve fund". From the net receipts from the county gross receipts tax attributable to the first one-eighth increment imposed pursuant to Subsection A of Section 7-20E-9 NMSA 1978, one-fourth of the net receipts each month shall be deposited in the county reserve fund. The balance of the monthly net receipts shall be placed in either the general fund or road fund, or both, of the county. Except as provided in Subsections B through D of this section, the portions of the net receipts deposited in the county reserve fund shall remain on deposit in that fund until the sixteenth day of the month following the end of the state fiscal year in which the deposits were made, at which time the amount deposited from net receipts for the previous fiscal year shall be placed in either the general fund or road fund, or both, of the county.*

*B. If the actual amount of the distribution to a county in any state fiscal year of federal in lieu of taxes payments under the provisions of Sections 6901 through 6906 of Title 31 of the United States Code, as amended or renumbered, is less than the actual distribution to that county in the seventy-first state fiscal year or is no longer available to that county, the county may transfer from its reserve fund to its general fund or road fund, or both, an amount equal to the difference between the actual federal in lieu of taxes payments received in the seventy-first fiscal year and the payments received in the year in which the reduction occurred. The local government division of the department of finance and administration shall certify the amount to be transferred from the reserve fund.*

*C. If the actual amount of the distribution to a county in any state fiscal year of national forest reserves receipts under the provisions of Section 500 of Title 16 of the United States Code, as amended or renumbered, is less than the actual amount distributed to that county in the seventy-first state fiscal year, the county may transfer from its reserve fund to its general fund or road fund, or both, an amount equal to the difference between the actual national forest reserves receipts distributed to the county in the seventy-first fiscal year and the receipts distributed in the year in which the reduction occurred. The local government division of the department of finance and administration shall certify the amount to be transferred from the reserve fund.*

*D. If the actual amount of any quarterly distribution to a county in any state fiscal year of federal revenue sharing entitlement payments made under the provisions of Sections 6701 through 6724 of Title 31 of the United States Code, as amended or renumbered, is less than the actual quarterly amount distributed to that county in the first federal quarter of the federal 1982-83 fiscal year, the county may transfer from its reserve fund to its general fund or*

*road fund, or both, an amount equal to the difference between the actual federal revenue sharing quarterly entitlement payment distributed to the county in the first federal quarter of the federal 1982-83 fiscal year and the entitlement payment distributed to the county in the quarter in which the reduction occurred. The local government division of the department of finance and administration shall certify the amount to be transferred from the reserve fund. (Laws 1993, Chapter 354, Section 11)*

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**\*\*\* REPEALED EFFECTIVE JULY 1, 2019,  
BY LAWS OF 2019, CHAPTER 274, SECTION 16. \*\*\***

**7-20E-12. COUNTY EMERGENCY GROSS RECEIPTS TAX-- AUTHORITY  
TO IMPOSE IN LIEU OF PROPERTY TAX.--**

*A. The majority of the members of the governing body of any county may enact an ordinance or ordinances imposing an excise tax not to exceed a rate of three-eighths of one percent of the gross receipts of any person engaging in business in the county for the privilege of engaging in business in the county. Any ordinance imposing an excise tax pursuant to this section shall impose the tax in any number of increments of one-eighth percent not to exceed an aggregate amount of three-eighths of one percent. Any ordinance adopted under this section shall be in effect only for the twelve-month period beginning with the effective date of the ordinance and shall expire on the date one year after its effective date.*

*B. The tax imposed by this section may be referred to as the "county emergency gross receipts tax".*

*C. The tax authorized by this section may be imposed only in a property tax year for which the property taxes not admitted to be due in the aggregate claims for refund filed under the provisions of Section 7-38-40 NMSA 1978 for property taxes imposed in the county under the provisions of Paragraph (1) of Subsection B of Section 7-37-7 NMSA 1978 for that property tax year are more than ten percent of property taxes imposed in the county under the cited provisions for that property tax year.*

*D. As used in this section, "county" means a class B county of the state with:*

*(1) a population of not less than thirty thousand and not more than thirty thousand seven hundred according to the most recent federal decennial census and a net taxable value for rate-setting purposes for the 1988 property tax year or any subsequent year of more than ninety-two million dollars (\$92,000,000) but less than one hundred twenty-five million dollars (\$125,000,000);*

*(2) a population of not less than fifty-six thousand and not more than fifty-six thousand seven hundred according to the most recent federal decennial census and a net taxable value for rate-setting purposes for the 1988 property tax year or any subsequent year of more than five hundred million dollars (\$500,000,000) but less than five hundred fifty million dollars (\$550,000,000); and*

*(3) a population of not less than eighty-one thousand and not more than eighty-one thousand seven hundred according to the most recent federal decennial census and a net taxable value for rate-setting purposes for the 1988 property tax year or any subsequent year of more than one billion five hundred million dollars (\$1,500,000,000) but less than two billion dollars (\$2,000,000,000).*

*E. The governing body prior to the month in which the proceeds of this*

*tax will first be distributed may request the department to make an advance distribution. Upon concurrence of the department of finance and administration, the department shall make the advance distribution. An advance distribution is an amount equal to the product of the net receipts with respect to the gross receipts tax reported from business locations in the county for the month multiplied by a fraction the numerator of which is the rate imposed by the county under this section and the denominator of which is the rate imposed for the month by Section 7-9-4 NMSA 1978. The aggregate amount of advance distributions made to the county shall be recovered by the department by reducing the monthly amount transferable to the county as a result of the imposition of a tax under this section by one-twelfth of the aggregate amount of advance distributions made.*  
*(Laws 1993, Chapter 354, Section 12)*

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**7-20E-12.1. COUNTY HOSPITAL EMERGENCY GROSS RECEIPTS TAX--AUTHORITY TO IMPOSE--USE OF PROCEEDS.--**

**A. A majority of the members of a governing body may enact an ordinance imposing an excise tax on a person engaging in business in the county for the privilege of engaging in business. The rate of the tax shall be one-fourth of one percent of the gross receipts of the person engaging in business. The tax shall be imposed for a period of not more than two years from the effective date of the ordinance imposing the tax. The tax may be imposed for an additional period not to exceed three years from the date of the ordinance imposing the tax for that period. On or after July 1, 1997:**

**(1) in a county described in Paragraph (1) of Subsection D of this section, the tax may be imposed for the period necessary for payment of bonds or a loan for acquisition of land or buildings for and the design, construction, equipping, remodeling or improvement of a county hospital facility, but the period shall not exceed twenty years from the effective date of the ordinance imposing the tax for that period; provided, however, that a majority of the members of a governing body that has enacted an ordinance imposing the tax pursuant to the provisions of this paragraph may, prior to the date of the delayed repeal of the ordinance, enact an ordinance to extend the period of imposition of the previously imposed tax for an additional twenty years and modify the purposes for which the revenue from the tax is dedicated, consistent with one or more of the purposes permitted pursuant to this paragraph; and**

**(2) in a county described in Paragraph (2) of Subsection D of this section, the tax may be imposed for the period necessary for payment of bonds or a loan for acquisition, equipping, remodeling or improvement of a county health facility, but the period shall not exceed twenty years from the effective date of the ordinance imposing the tax for that period.**

**B. The tax imposed by this section may be referred to as the "county hospital emergency gross receipts tax".**

**C. At the time of enacting the ordinance imposing the tax authorized in this section:**

**(1) if the effective date of the tax is prior to July 1, 1997, the governing body shall dedicate the revenue for current operations and maintenance of a hospital owned by the county or a hospital with which the county has entered into a health care facilities contract; provided that a majority of the members of a governing body may enact an ordinance to change the purposes for which the revenue from a previously imposed tax is dedicated and to dedicate that revenue during the remainder of the tax imposition period to payment of bonds or a loan for acquisition of land or buildings for, and the design, construction, equipping, remodeling or improvement of, a county hospital facility; and**

(2) if the effective date of the tax is on or after July 1, 1997:

(a) the governing body of a county described in Paragraph (1) of Subsection D of this section shall dedicate the revenue for the period of time the tax is imposed to payment of a bond or loan for acquisition, equipping, remodeling and improvement of a county hospital facility; provided, however, that a majority of the members of a governing body that has imposed the tax and dedicated the revenue from that imposition pursuant to the provisions of this paragraph may, prior to the date of the delayed repeal of the ordinance imposing the tax, enact an ordinance to extend the period of imposition of the tax as provided in Paragraph (1) of Subsection A of this section and modify the purposes for which the revenue from the previously imposed tax is dedicated, and dedicate that revenue to payment of bonds or a loan for acquisition of land or buildings for, and the design, construction, equipping, remodeling or improvement of, a county hospital facility; and

(b) the governing body of a county described in Paragraph (2) of Subsection D of this section shall dedicate the revenue for the period of time the tax is imposed to payment of a bond or loan for acquisition, equipping, remodeling and improvement of a county health facility.

D. As used in this section, "county" means:

(1) a class B county with a population of less than ten thousand according to the 1990 federal decennial census and with a net taxable value for rate-setting purposes for the 1993 property tax year in excess of one hundred million dollars (\$100,000,000); or

(2) a class B county with a population of less than ten thousand according to the 1990 federal decennial census and with a net taxable value for rate-setting purposes for the 1997 property tax year of more than one hundred million dollars (\$100,000,000) but less than one hundred twenty million dollars (\$120,000,000).

(Laws 2010, Chapter 75, Section 1)

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#### **7-20E-12.2. COUNTY HOSPITAL GROSS RECEIPTS TAX--AUTHORITY TO IMPOSE--RATE--ELECTION--USE OF REVENUE.--**

A. Upon submission of a resolution to the governing body pursuant to Subsection D of this section, the governing body of a county shall enact an ordinance imposing or reimposing an excise tax at a rate of one-half percent on any person engaging in business in the county for the privilege of engaging in business in the county. The tax imposed pursuant to this section may be referred to as the "county hospital gross receipts tax".

B. The governing body, at the time of enacting an ordinance imposing a tax pursuant to this section, shall dedicate:

(1) twenty-five percent of the revenue to support a nursing program administered by a state university or branch of a state university within the boundaries of the county; and

(2) the remainder of the revenue for the payment of gross receipts tax bonds for hospital capital projects in the county. The tax shall be imposed for the period necessary for payment of the principal and interest on the revenue bonds issued to accomplish the purpose for which the revenue is dedicated, but the period shall not exceed ten years from the effective date of the ordinance imposing the tax.

C. The governing body may reimpose a county hospital gross receipts tax to be effective upon termination of a previously imposed county hospital gross receipts tax by following the procedures set forth in this section.

D. An ordinance imposing the county hospital gross receipts tax shall not go into effect until after an election is held and a majority of the voters in the county voting in the election votes in favor of imposing the tax. The governing body shall adopt a resolution calling for an election on the question of imposing the tax. The election shall be held pursuant to the Local Election Act. If a majority of the voters voting on the question approves the ordinance imposing the tax, then the ordinance shall become effective in accordance with the provisions of the County Local Option Gross Receipts and Compensating Taxes Act. If the question of imposing the tax fails, the governing body shall not again propose the imposition of the tax for a period of one year from the date of the election.

E. The proceeds from revenue bonds issued for purposes provided by this section shall be administered by the governing body for the purposes authorized in this section and as set out in the resolution submitted by the boards to the governing body.

F. As used in this section:

(1) "capital projects" means the designing, constructing and equipping of hospital buildings; the remodeling, renovating or making additions to and equipping existing hospital buildings; or the improving or equipping of the grounds of hospital buildings; and

(2) "county" means a class B county with a population of less than thirty-seven thousand according to the most recent federal decennial census and a net taxable value for property tax purposes of more than one billion five hundred ninety million dollars (\$1,590,000,000) but less than two billion dollars (\$2,000,000,000).

(Laws 2023, Chapter 103, Section 1)

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**7-20E-13. SPECIAL COUNTY HOSPITAL GROSS RECEIPTS TAX--  
AUTHORITY TO IMPOSE--ORDINANCE REQUIREMENTS.--**

**A. The majority of the members of the governing body may enact an ordinance imposing an excise tax on any person engaging in business in the county for the privilege of engaging in business. The rate of the tax shall be one-eighth of one percent of the gross receipts of the person engaging in business. The tax shall be imposed for a period of not more than five years from the effective date of the ordinance imposing the tax. Having once enacted an ordinance under this section, the governing body may enact subsequent ordinances for succeeding periods of not more than five years; provided that each such ordinance meets the requirements of the County Local Option Gross Receipts Taxes Act with respect to the tax imposed by this section.**

**B. The tax imposed by this section may be referred to as the "special county hospital gross receipts tax".**

**C. For the purposes of this section, "county" means:**

**(1) a county:**

**(a) having a population of more than ten thousand but less than ten thousand six hundred, according to the last federal decennial census or any subsequent decennial census, and having a net taxable value for rate-setting purposes for the 1986 property tax year or any subsequent year of more than eighty-two million dollars (\$82,000,000) but less than eighty-two million three hundred thousand dollars (\$82,300,000);**

**(b) that has imposed a rate of one dollar fifty cents (\$1.50) to each one thousand dollars (\$1,000) of net taxable value of property as defined in the Property Tax Code for property taxation purposes in the county and to each one thousand dollars (\$1,000) of the assessed value of products severed and sold in the school district as determined under the Oil and Gas Ad Valorem Production Tax Act and the Oil and Gas Production Equipment Ad Valorem Tax Act or has made an appropriation of funds or has imposed another tax that produces an amount not less than the revenue that would be produced by applying a rate of one dollar fifty cents (\$1.50) to each one thousand dollars (\$1,000) of net taxable value of property as defined in the Property Tax Code for property taxation purposes in the school district and to each one thousand dollars (\$1,000) of the assessed value of products severed and sold in the school district as determined under the Oil and Gas Ad Valorem Production Tax Act and the Oil and Gas Production Equipment Ad Valorem Tax Act. The proceeds of any tax imposed or**

appropriation made shall be dedicated for current operations and maintenance of a hospital owned and operated by the county or operated and maintained by another party pursuant to a lease with the county; and

(c) having qualified at any time under this definition shall continue to be qualified as a county and authorized to implement the provisions of this section; and

(2) a class B county having a population of more than seventeen thousand five hundred but less than nineteen thousand according to the 1990 federal decennial census and having a net taxable value for property tax rate-setting purposes of under three hundred million dollars (\$300,000,000).

D. The governing body of a county described in Paragraph (1) of Subsection C of this section shall, at the time of enacting an ordinance imposing the rate of the tax authorized in Subsection A of this section, dedicate the revenue for current operations and maintenance of a hospital owned and operated by the county or operated and maintained by another party pursuant to a lease with the county, and the use of these proceeds shall be for the care and maintenance of sick and indigent persons and shall be an expenditure for a public purpose. In any election held, the ballot shall clearly state the purpose to which the revenue will be dedicated, and the revenue shall be used by the county for that purpose.

E. The governing body of a county described in Paragraph (2) of Subsection C of this section shall, at the time of enacting an ordinance imposing the rate of the tax authorized in Subsection A of this section, dedicate the revenue for county ambulance transport costs or for operation of a rural health clinic. In any election held, the ballot shall clearly state the purposes to which the revenue will be dedicated, and the revenue shall be used by the county for those purposes.

F. Any ordinance enacted under the provisions of Subsection A of this section shall include an effective date of either July 1 or January 1 in accordance with the provisions of the County Local Option Gross Receipts Taxes Act.

G. The ordinance shall not go into effect until after an election is held and a simple majority of the qualified electors of the county voting in the election votes in favor of imposing the special county hospital gross receipts tax. The governing body shall adopt a resolution calling for an election within seventy-five days of the date the ordinance is adopted on the question of imposing the tax. The question may be submitted to the qualified electors and voted upon as a separate question in a general election or in any special election called for that purpose by the governing body. A special election upon the question shall be called, held, conducted and canvassed in substantially the same manner as provided by law for general elections. If the question of imposing a special county hospital gross receipts tax fails, the governing body shall not again propose a special county hospital gross

**receipts tax for a period of one year after the election. A certified copy of any ordinance imposing a special county hospital gross receipts tax shall be mailed to the department within five days after the ordinance is adopted in any election called for that purpose.**

**H. A single election may be held on the question of imposing a special county hospital gross receipts tax as authorized in this section on the question of imposing a special county hospital gasoline tax as authorized in the Special County Hospital Gasoline Tax Act and on the question of imposing a mill levy pursuant to the Hospital Funding Act.  
(Laws 2000, Chapter 68, Section 1)**

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**7-20E-14. SPECIAL COUNTY HOSPITAL GROSS RECEIPTS TAX-- USE OF PROCEEDS.--The funds provided through the special county hospital gross receipts tax shall be administered by the governing body of the county. In a county described in Paragraph (1) of Subsection C of Section 7-20E-13 NMSA 1978, the funds shall be disbursed by the county treasurer to a hospital within the county, subject to the approval by the governing body of a budget or plan for use of the funds submitted by that hospital's governing board.**

**(Laws 2000, Chapter 68, Section 2)**

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**\*\*\* REPEALED EFFECTIVE JULY 1, 2019,  
BY LAWS OF 2019, CHAPTER 274, SECTION 16. \*\*\***  
**7-20E-15. COUNTY FIRE PROTECTION EXCISE TAX--AUTHORITY TO  
IMPOSE--ORDINANCE REQUIREMENTS.--**

*A. The majority of the members of the governing body may enact an ordinance imposing an excise tax on any person engaging in business in the county area for the privilege of engaging in business. The rate of the tax shall be one-fourth percent or one-eighth percent of the gross receipts of the person engaging in business.*

*B. This tax is to be referred to as the "county fire protection excise tax".*

*C. The governing body of a county shall, at the time of enacting an ordinance imposing the rate of the tax authorized in Subsection A of this section, dedicate the revenue for the purpose of financing the operational expenses, ambulance services or capital outlay costs of independent fire districts or ambulance services provided by the county. In any election held, the ballot shall clearly state the purpose to which the revenue will be dedicated and shall be used by the county for that purpose.*

*D. Any ordinance enacted under the provisions of Subsection A of this section shall include an effective date of either July 1 or January 1 in accordance with the provisions of the County Local Option Gross Receipts Taxes Act.*

*E. The ordinance shall not go into effect until after an election is held and a simple majority of the qualified electors of the county area voting in the election votes in favor of imposing the county fire protection excise tax. The governing body shall adopt a resolution calling for an election within seventy-five days of the date the ordinance is adopted on the question of imposing the tax. Such question may be submitted to the qualified electors and voted upon as a separate question at any special election called for that purpose by the governing body. The election upon the question shall be called, held, conducted and canvassed in substantially the same manner as provided by law for general elections. If the question of imposing a county fire protection excise tax fails, the governing body shall not again propose a county fire protection excise tax for a period of one year after the election.*

*(Laws 2004, Chapter 110, Section 4)*

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**\*\*\* REPEALED EFFECTIVE JULY 1, 2019,  
BY LAWS OF 2019, CHAPTER 274, SECTION 16. \*\*\***  
**7-20E-16. COUNTY FIRE PROTECTION EXCISE TAX--USE OF  
PROCEEDS--BUDGET LIMITATION.--**

*A. The money provided through passage of the county fire protection excise tax shall be disbursed and allotted through the governing body to the county fire districts within the county; provided that no part of any distribution shall be used to pay any salary, compensation or remuneration to any employee of the state, the county or the independent fire district.*

*B. The governing body of any county adopting a county fire protection excise tax shall not reduce the level of funding of any independent fire district more than ten percent from the approved budget of such fire district for the prior year. The department of finance and administration shall not approve the budget of any county which violates the provisions of this subsection.  
(Laws 1993, Chapter 354, Section 16)*

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**\*\*\* REPEALED EFFECTIVE JULY 1, 2019,  
BY LAWS OF 2019, CHAPTER 274, SECTION 16. \*\*\***  
**7-20E-17. COUNTY ENVIRONMENTAL SERVICES GROSS RECEIPTS  
TAX--AUTHORITY TO IMPOSE RATE--USE OF FUNDS.--**

*A. The majority of the members of the governing body of any county may enact an ordinance imposing an excise tax at a rate of one-eighth of one percent of the gross receipts of any person engaging in business in the county area for the privilege of engaging in business.*

*B. This tax is to be referred to as the "county environmental services gross receipts tax".*

*C. Imposition by any county of the county environmental services gross receipts tax shall not be subject to a referendum of any kind unless prescribed by the county charter.*

*D. Any county, at the time of enacting an ordinance imposing a county environmental services gross receipts tax, shall dedicate the entire amount of revenue produced by the tax for the acquisition, construction, operation and maintenance of solid waste facilities, water facilities, wastewater facilities, sewer systems and related facilities.*

*E. Any ordinance enacted under the provisions of Subsection A of this section shall include an effective date of either July 1 or January 1 in accordance with the provisions of the County Local Option Gross Receipts Taxes Act.*

*(Laws 1993, Chapter 354, Section 17)*

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**7-20E-18. COUNTY HEALTH CARE GROSS RECEIPTS TAX--  
AUTHORITY TO IMPOSE RATE.--**

**A. The majority of the members of the governing body of any county may enact an ordinance imposing an excise tax at a rate of one-sixteenth percent of the gross receipts of any person engaging in business in the county for the privilege of engaging in business in the county. Any ordinance imposing an excise tax pursuant to this section shall not be subject to a referendum. The governing body of a county shall, at the time of enacting an ordinance imposing the tax, dedicate the revenue to the county-supported Medicaid fund. This tax is to be referred to as the "county health care gross receipts tax".**

**B. In addition to the imposition of the county health care gross receipts tax authorized by Subsection A of this section, the majority of the members of the governing body of a county having a population of more than five hundred thousand persons according to the most recent federal decennial census may enact an ordinance imposing an additional one-sixteenth percent increment of county health care gross receipts tax; provided that the imposition of the additional increment shall be for a period that ends no later than June 30, 2009. To continue an increment after June 30, 2009 or beyond any five-year period for which the increment has been imposed, the members of the governing body shall review the need for the increment and if the majority of the members vote in favor of continuing the increment imposed pursuant to this subsection, the increment shall be imposed for an additional period of five years. The governing body of the county shall, at the time of enacting an ordinance imposing the additional increment of county health care gross receipts tax, dedicate the revenue to the support of indigent patients.**

**C. Any ordinance enacted pursuant to the provisions of Subsection A or B of this section shall include an effective date of either July 1 or January 1 in accordance with the provisions of the County Local Option Gross Receipts Taxes Act.**

**(Laws 2009, Chapter 61, Section 1)**

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**\*\*\* REPEALED EFFECTIVE JULY 1, 2019,  
BY LAWS OF 2019, CHAPTER 274, SECTION 16. \*\*\*  
7-20E-19. COUNTY INFRASTRUCTURE GROSS RECEIPTS TAX--  
AUTHORITY TO IMPOSE RATE-- USE OF FUNDS-- ELECTION.--**

***A. The majority of the members of the governing body of a county may enact an ordinance imposing an excise tax at a rate not to exceed one-eighth of one percent of the gross receipts of any person engaging in business in the county area for the privilege of engaging in business. The tax may be imposed in increments of one-sixteenth of one percent not to exceed an aggregate rate of one-eighth of one percent.***

***B. The tax imposed pursuant to Subsection A of this section may be referred to as the "county infrastructure gross receipts tax".***

***C. The governing body, at the time of enacting an ordinance imposing a rate of tax authorized in Subsection A of this section, may dedicate the revenue for:***

***(1) county general purposes;***  
***(2) payment of gross receipts tax revenue bonds issued pursuant to Chapter 4, Article 62 NMSA 1978;***

***(3) repair, replacement, construction or acquisition of any county infrastructure improvements;***

***(4) acquisition, construction, operation or maintenance of solid waste facilities, water facilities, wastewater facilities, sewer systems and related facilities;***

***(5) acquiring, constructing, extending, bettering, repairing or otherwise improving or operating or maintaining public transit systems or regional transit systems or authorities;***

***(6) planning, design, construction, equipping, maintenance or operation of a county jail or juvenile detention facility; planning, assessment, design or operation of a regional system of juvenile services, including secure detention and nonsecure alternatives, that serves multiple contiguous counties; planning, design, construction, maintenance or operation of multipurpose regional adult jails or juvenile detention facilities; housing of county prisoners or juvenile offenders in any county jail or detention facility; or substance abuse, mental health or other programs for county prisoners or other inmates in county jails or for juvenile offenders in county or regional detention facilities; and***

***(7) furthering or implementing economic development plans and projects as defined in the Local Economic Development Act or projects as defined in the Statewide Economic Development Finance Act, and use of not more than the greater of fifty thousand dollars (\$50,000) or ten percent of the revenue collected for promotion and administration of or professional services contracts related to implementation of an economic development plan adopted by the governing body pursuant to the Local Economic Development Act and in***

*accordance with law.*

*D. An ordinance imposing the county infrastructure gross receipts tax shall not go into effect until after an election is held and a majority of the voters in the county area voting in the election votes in favor of imposing the tax. The governing body shall adopt a resolution calling for an election within seventy-five days of the date the ordinance is adopted on the question of imposing the tax. The question shall be submitted to the voters of the county area as a separate question at a general election or at a special election called for that purpose by the governing body. A special election shall be called, conducted and canvassed in substantially the same manner as provided by law for general elections. If a majority of the voters voting on the question approves the ordinance imposing the county infrastructure gross receipts tax, then the ordinance shall become effective in accordance with the provisions of the County Local Option Gross Receipts Taxes Act. If the question of imposing the county infrastructure gross receipts tax fails, the governing body shall not again propose the imposition of the tax for a period of one year from the date of the election.*

*(Laws 2003, Chapter 349, Section 19)*

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**7-20E-20. COUNTY EDUCATION GROSS RECEIPTS TAX--  
AUTHORITY TO IMPOSE--RATE--ELECTION--USE OF REVENUE.--**

**A. Upon submission of a resolution to the governing body pursuant to Subsection D of this section, the governing body of a county shall enact an ordinance imposing or reimposing an excise tax at a rate of one-half of one percent on any person engaging in business in the county for the privilege of engaging in business in the county. The tax imposed pursuant to this section may be referred to as the "county education gross receipts tax".**

**B. The governing body, at the time of enacting an ordinance imposing a county education gross receipts tax pursuant to this section shall dedicate the revenue only for the payment of county education gross receipts tax bonds for public school capital projects and off-campus instruction program capital projects, if any, in the county. The tax shall be imposed for the period necessary for payment of the principal and interest on the county education gross receipts tax revenue bonds issued to accomplish the purpose for which the revenue is dedicated, but the period shall not exceed ten years from the effective date of the ordinance imposing the tax.**

**C. The governing body may reimpose a county education gross receipts tax to be effective upon termination of a previously imposed county education gross receipts tax by following the procedures set forth in this section.**

**D. Upon a finding of need, the boards of every school district in a county that is either located wholly within the exterior boundaries of the county or that has a student membership no more than ten percent of whom reside outside the exterior boundaries of the county may enter into a joint agreement to submit a resolution to the governing body of the county requiring the governing body to impose a county education gross receipts tax and to issue county education gross receipts tax revenue bonds for funding public school capital projects and, if applicable, off-campus instruction program capital projects. The boards must agree to provide at least one-fourth of the bond proceeds for capital projects for an off-campus instruction program, if one of the school districts in the county has established such a program. The remaining revenues shall be distributed proportionately to each school district for public school capital outlay projects, including capital projects at charter schools and state-chartered charter schools within the district, based on the ratio that the population of each school district, according to the 2010 federal decennial census, bears to the population of all of the school districts in the county that are parties to the agreement.**

**E. An ordinance imposing the county education gross receipts tax shall not go into effect until after an election is held and a majority of the voters in the county voting in the election votes in favor of imposing the tax. The governing body shall adopt a resolution calling for an election within**

sixty days of the date the ordinance is adopted on the question of imposing the tax. The question shall be submitted to the voters of the county as a separate question at a general election or at a special election called for that purpose by the governing body. A special election shall be called, conducted and canvassed in substantially the same manner as provided by law for general elections. If a majority of the voters voting on the question approves the ordinance imposing the county education gross receipts tax, then the ordinance shall become effective in accordance with the provisions of the County Local Option Gross Receipts Taxes Act. If the question of imposing the county education gross receipts tax fails, a resolution from the boards of school districts in the county may not again be proposed to the governing body requesting imposition of the tax for a period of one year from the date of the election.

F. The proceeds from county education gross receipts tax revenue bonds shall be administered by the governing body and disbursed by the county treasurer to the respective school districts in the amounts and for the purposes authorized in this section and as set out in the resolution submitted by the boards to the governing body.

G. As used in this section:

- (1) "board" means the governing body of a school district;
  - (2) "capital projects" means the designing, constructing and equipping of new buildings; the remodeling, renovating or making additions to and equipping existing buildings; or the improving or equipping of the grounds surrounding buildings;
  - (3) "county" means:
    - (a) a class B county with a population of less than twenty-five thousand according to the 1990 federal decennial census and a net taxable value for property tax purposes for the 1999 property tax year of more than five hundred million dollars (\$500,000,000);
    - (b) a county that has imposed a local hospital gross receipts tax pursuant to the Local Hospital Gross Receipts Tax Act, which tax will expire on December 31, 2001; and
    - (c) a county that has previously imposed a county education gross receipts tax; and
  - (4) "off-campus instruction program" means a program established by a school district pursuant to the Off-Campus Instruction Act. (Laws 2012, Chapter 39, Section 1)
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**\*\*\* REPEALED EFFECTIVE JULY 1, 2019,  
BY LAWS OF 2019, CHAPTER 274, SECTION 16. \*\*\*  
7-20E-21. COUNTY CAPITAL OUTLAY GROSS RECEIPTS TAX--  
PURPOSES--REFERENDUM.--**

***A. The majority of the members of the governing body of a county may enact an ordinance imposing an excise tax at a rate not to exceed one-fourth of one percent of the gross receipts of any person engaging in business in the county for the privilege of engaging in business. The tax may be imposed in increments of one-sixteenth of one percent not to exceed an aggregate rate of one-fourth of one percent.***

***B. The tax imposed pursuant to Subsection A of this section may be referred to as the "county capital outlay gross receipts tax".***

***C. The governing body, at the time of enacting an ordinance imposing a rate of tax authorized in Subsection A of this section, may dedicate the revenue for any county infrastructure purpose, including:***

***(1) the design, construction, acquisition, improvement, renovation, rehabilitation, equipping or furnishing of public buildings or facilities, including parking facilities, the acquisition of land for the public buildings or facilities and the acquisition or improvement of the grounds surrounding public buildings or facilities;***

***(2) acquisition, construction or improvement of water, wastewater or solid waste systems or facilities and related facilities, including water or sewer lines and storm sewers and other drainage improvements;***

***(3) design, construction, acquisition, improvement or equipping of a county jail, juvenile detention facility or other county correctional facility or multipurpose regional adult jail or juvenile detention facility;***

***(4) construction, reconstruction or improvement of roads, streets or bridges, including acquisition of rights of way;***

***(5) design, construction, acquisition, improvement or equipping of airport facilities, including acquisition of land, easements or rights of way for airport facilities;***

***(6) acquisition of land for open space, public parks or public recreational facilities and the design, acquisition, construction, improvement or equipping of parks and recreational facilities; and***

***(7) payment of gross receipts tax revenue bonds issued pursuant to Chapter 4, Article 62 NMSA 1978 for infrastructure purposes.***

***D. An ordinance imposing the county capital outlay gross receipts tax shall not go into effect until after an election is held on the question of imposing the tax for the purpose for which the revenue is dedicated and a majority of the voters in the county voting in the election votes in favor of***



*imposing the tax. The governing body shall adopt a resolution calling for an election within seventy-five days of the date the ordinance is adopted on the question of imposing the tax. The question shall be submitted to the voters of the county as a separate question at a general election or at a special election called for that purpose by the governing body. A special election shall be called, conducted and canvassed in substantially the same manner as provided by law for general elections. If a majority of the voters voting on the question approves the question of imposing the county capital outlay gross receipts tax, then the ordinance shall become effective in accordance with the provisions of the County Local Option Gross Receipts Taxes Act. If the question of imposing the county capital outlay gross receipts tax fails, the governing body shall not again propose the imposition of the tax for a period of one year from the date of the election.*

*(Laws 2010, Chapter 44, Section 2)*

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**7-20E-22. COUNTY EMERGENCY COMMUNICATIONS AND EMERGENCY MEDICAL AND BEHAVIORAL HEALTH SERVICES TAX-- AUTHORITY TO IMPOSE COUNTYWIDE OR ONLY IN THE COUNTY AREA-- ORDINANCE REQUIREMENTS--USE OF REVENUE-- ELECTION.--**

**A. The majority of the members of the governing body of an eligible county that does not have in effect a tax imposed pursuant to Subsection B of this section may enact an ordinance imposing an excise tax at a rate not to exceed one-fourth percent of the gross receipts of a person engaging in business in the county for the privilege of engaging in business. The tax imposed by this subsection may be referred to as the "countywide emergency communications and emergency medical and behavioral health services tax".**

**B. The majority of the members of the governing body of an eligible county that does not have in effect a tax imposed pursuant to Subsection A of this section may enact an ordinance imposing an excise tax at a rate not to exceed one-fourth percent of the gross receipts of a person engaging in business in the county area for the privilege of engaging in business. The tax imposed by this subsection may be referred to as the "county area emergency communications and emergency medical and behavioral health services tax".**

**C. The taxes authorized in Subsections A and B of this section may be imposed in one or more increments of one-sixteenth percent not to exceed an aggregate rate of one-fourth percent.**

**D. The governing body, at the time of enacting an ordinance imposing a rate of tax authorized in Subsection A or B of this section, shall dedicate the revenue to one or more of the following purposes:**

**(1) operation of an emergency communications center that has been determined by the local government division of the department of finance and administration to be a consolidated public safety answering point. That operation may include the construction, improvement, remodel or purchase of one or more buildings to use as an emergency communications center or the purchase of emergency communications equipment for the center;**

**(2) operation of emergency medical services provided by the county, including the purchase of ambulatory transport vehicles; or**

**(3) provision of behavioral health services, including alcohol abuse and substance abuse treatment.**

**E. An ordinance imposing any increment of the countywide emergency communications and emergency medical and behavioral health services tax or the county area emergency communications and emergency medical and behavioral health services tax shall not go into effect until after an election is held and a majority of the voters voting in the election votes in favor of imposing the tax. In the case of an ordinance imposing an increment of the countywide emergency communications and emergency medical and**

behavioral health services tax, the election shall be conducted countywide. In the case of an ordinance imposing the county area emergency communications and emergency medical and behavioral health services tax, the election shall be conducted only in the county area. The governing body shall adopt a resolution calling for an election within seventy-five days of the date the ordinance is adopted on the question of imposing the tax. The question may be submitted to the voters as a separate question at a general election or at a special election called for that purpose by the governing body. A special election shall be called, conducted and canvassed in substantially the same manner as provided by law for general elections. In any election held, the ballot shall clearly state the purpose to which the revenue will be dedicated pursuant to Subsection D of this section. If a majority of the voters voting on the question approves the imposition of the countywide emergency communications and emergency medical and behavioral health services tax or the county area emergency communications and emergency medical and behavioral health services tax, the ordinance shall become effective in accordance with the provisions of the County Local Option Gross Receipts Taxes Act. If the question of imposing the tax fails, the governing body shall not again propose the imposition of any increment of either tax for a period of one year from the date of the election.

F. For the purposes of this section, "eligible county" means:

(1) a county that operates or, pursuant to a joint powers agreement, is served by an emergency communications center that has been determined by the local government division of the department of finance and administration to be a consolidated public safety answering point; or

(2) in the case of a county imposing the tax for the purposes provided in Paragraph (3) of Subsection D of this section, a county that operates or contracts for the operation of a behavioral health services facility providing alcohol abuse, substance abuse and inpatient and outpatient behavioral health treatment.

(Laws 2019, Chapter 210, Section 2)

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**7-20E-23. COUNTY REGIONAL TRANSIT GROSS RECEIPTS TAX; AUTHORITY TO IMPOSE; RATE; ELECTION REQUIRED.--**

A. Upon a request by resolution of the board of directors of a regional transit district, a majority of the members of the governing body of each county that is within the district shall impose by identical ordinances an excise tax at the rate specified in the resolution, but not to exceed one-half percent of the gross receipts of any person engaging in business in the district for the privilege of engaging in business. A tax imposed pursuant to this section may be imposed by one or more ordinances, each imposing any number of tax rate increments, but an increment shall not be less than one-sixteenth percent of the gross receipts of any person engaging in business in the district and the aggregate of all rates shall not exceed one-half percent of the gross receipts of any person engaging in business in the district. The tax may be referred to as the "county regional transit gross receipts tax".

B. Each governing body, at the time of enacting an ordinance imposing the tax authorized in Subsection A of this section, shall dedicate the revenue for the purposes authorized by the Regional Transit District Act.

C. An ordinance imposing a county regional transit gross receipts tax shall not go into effect until after a joint election is held by all counties within the district and a majority of the voters of the district voting in the election votes in favor of imposing the tax. Each governing body shall adopt an ordinance calling for a joint election within seventy-five days of the date the resolution is adopted on the question of imposing the tax. The question shall be submitted to the voters of the district as a separate question at a general election or at a joint special election called for that purpose by each governing body. A joint special election shall be called, conducted and canvassed substantially in the same manner as provided by law for general elections. If a majority of the voters in the district voting on the question approves the ordinance imposing the county regional transit gross receipts tax, the ordinance shall become effective in accordance with the provisions of the County Local Option Gross Receipts Taxes Act. If the question of imposing the county regional transit gross receipts tax fails, the governing bodies shall not again propose the imposition of any increment of the tax for a period of one year from the date of the election.

D. The governing body of a county imposing a county regional transit gross receipts tax shall transfer all proceeds from the tax to the regional transit district for the purposes specified in the ordinance and in accordance with the provisions of the Regional Transit District Act.

E. As used in this section, "county within the district" means a county within which lies any portion of a regional transit district.

(Laws 2007, Chapter 199, Section 1)

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**\*\*\* REPEALED EFFECTIVE JULY 1, 2019,  
BY LAWS OF 2019, CHAPTER 274, SECTION 16. \*\*\***

**7-20E-24. QUALITY OF LIFE GROSS RECEIPTS TAX--AUTHORITY TO  
IMPOSE--ORDINANCE REQUIREMENTS--USE OF REVENUE--  
ELECTION.--**

*A. Prior to January 1, 2016, the majority of the members of the governing body of a county may enact an ordinance imposing an excise tax at a rate not to exceed one-fourth percent of the gross receipts of a person engaging in business in the county area for the privilege of engaging in business. The tax may be imposed in one or more increments of one-sixteenth percent not to exceed an aggregate rate of one-fourth percent. The tax shall be imposed for a period of not more than ten years from the effective date of the ordinance imposing the tax. Having enacted an ordinance imposing the tax prior to January 1, 2016 pursuant to the provisions of this section, the governing body may enact subsequent ordinances for succeeding periods of not more than ten years; provided that each ordinance meets the requirements of this section and of the County Local Option Gross Receipts Taxes Act. The tax imposed pursuant to the provisions of this section may be referred to as the "quality of life gross receipts tax".*

*B. The governing body, at the time of enacting an ordinance imposing the quality of life gross receipts tax, shall dedicate the revenue to cultural programs and activities provided by a local government and to cultural programs, events and activities provided by contract or operating agreement with nonprofit or publicly owned cultural organizations and institutions.*

*C. The governing body of a class A county with a population of more than two hundred fifty thousand according to the most recent federal decennial census, when dedicating revenue pursuant to Subsection B of this section, shall specify that:*

*(1) the revenue may not be used for capital expenditures, endowments or fundraising;*

*(2) at least one percent but not more than three percent of the revenue shall be used for public education on the use of the revenue;*

*(3) at least three percent but not more than five percent of the revenue shall be dedicated to administration of the revenue; and*

*(4) at least one percent but not more than three percent of the revenue shall be used for implementation of the goals of the cultural plan for the county and the largest municipality located within the exterior boundaries of the county.*

*D. An ordinance imposing any increment of the quality of life gross receipts tax shall not go into effect until after an election is held and a majority of the voters in the county voting in the election vote in favor of imposing the tax. The governing body shall adopt a resolution calling for an election within ninety days of the date the ordinance is adopted on the question of imposing the*

*tax. The question may be submitted to the voters as a separate question at a general election or at a special election called for that purpose by the governing body. A special election shall be called, conducted and canvassed in substantially the same manner as provided by law for general elections. In any election held, the ballot shall clearly state the purpose to which the revenue will be dedicated pursuant to this section. If a majority of the voters voting on the question approves the ordinance imposing the quality of life gross receipts tax, the ordinance shall become effective in accordance with the provisions of the County Local Option Gross Receipts Taxes Act. If the question of imposing the quality of life gross receipts tax fails, the governing body shall not again propose the imposition of the tax for a period of one year from the date of the election.*

*E. The quality of life gross receipts tax revenue shall be used to meet the following goals: promoting and preserving cultural diversity; enhancing the quality of cultural programs and activities; fostering greater access to cultural opportunities; promoting culture in order to further economic development within the county; and supporting programs, events and organizations with direct, identifiable and measurable public benefit to residents of the county. It is the objective of the quality of life gross receipts tax that the revenue from the tax be used to expand and sustain existing programs and to develop new programs, events and activities, rather than to replace other funding sources for existing programs, events and activities.*

*F. The governing body of a county that imposes the quality of life gross receipts tax shall, within sixty days of the election approving the imposition of the tax, appoint a county cultural advisory board consisting of between nine and fifteen members. Persons appointed to the board shall be residents of the county who are knowledgeable about the activities eligible for quality of life tax funding. At least one member of the board shall be appointed by the governing body of the most populous municipality within the county. The members of the board shall be appointed for fixed terms and shall not be removed during their terms except for malfeasance. The terms of the initial board members shall be staggered so that one-third of the members are appointed for one-year terms, one-third are appointed for two-year terms and one-third are appointed for three-year terms. Subsequent appointments to the board shall be for three-year terms. If a vacancy on the board occurs, the governing body shall appoint a replacement member for the remainder of the unexpired term. A board member shall not serve for more than two consecutive terms.*

*G. The county cultural advisory board shall have the responsibility of overseeing the distribution of the quality of life gross receipts tax revenue for the goals listed in Subsection E of this section. The board shall:*

*(1) biennially submit recommendations to the governing body for expenditures of revenue from the quality of life gross receipts tax that are allocated pursuant to this section through contracts for services with appropriate organizations and institutions;*

*(2) establish and publicize the necessary qualifications for organizations and institutions to receive quality of life gross receipts tax funding; and*

*(3) develop guidelines and procedures for applying for funding through a request for proposals process and the criteria by which contracts will be awarded. The evaluation process shall include a public review component.*

*H. The cultural advisory board shall establish reporting requirements for recipients of the quality of life gross receipts tax revenue. The board shall provide to the governing body an annual evaluation of the use of revenue from the quality of life gross receipts tax to ensure that it is meeting the goals listed in Subsection E of this section.*

*I. If the quality of life gross receipts tax is enacted in a class A county with a population of more than two hundred fifty thousand according to the most recent federal decennial census, the net revenue from the tax remaining after distributions pursuant to Subsection C of this section shall be distributed as follows subject to the recommendations of the county cultural advisory board pursuant to Subsection G of this section:*

*(1) for the purpose of enhancing cultural programs and activities, sixty-five percent to a municipality for cultural programs and activities within the exterior boundaries of the county and five percent to the county for cultural programs and activities within the unincorporated areas of the county; provided that:*

*(a) the funds are distributed according to a plan that takes into consideration progress indicators that include current budgets, fiscal responsibility and attendance;*

*(b) educational institutions serving kindergarten through twelfth grade are not eligible for distributions pursuant to this paragraph; and*

*(c) a portion of the funds may be expended by the municipality pursuant to an operating agreement with an organization that operates a facility owned by the municipality;*

*(2) for the purpose of providing cultural programs and services to the residents of the county, sixteen percent may be distributed through contracts for services with private nonprofit organizations with an annual operating budget of more than one hundred thousand dollars (\$100,000) and two percent may be distributed through contracts for services with private nonprofit organizations with an annual operating budget of one hundred thousand dollars (\$100,000) or less. To be eligible for a distribution pursuant to this paragraph, an organization shall have:*

*(a) been granted for the prior three consecutive years exemption from the federal income tax by the United States commissioner of the internal revenue as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986;*

*(b) as its primary purpose cultural programs; and*

*(c) its principal office located within the exterior*

*boundaries of the county; and*

*(3) for the purpose of providing cultural programs to residents of the county, twelve percent to:*

*(a) organizations that have a strong cultural program but do not have culture as their primary purpose; or*

*(b) foundations that are affiliated with state or federally owned institutions and that do not otherwise qualify for funding pursuant to this section but that offer cultural programs to the general public.*

*J. Every four years, the cultural advisory board shall review and revise as necessary:*

*(1) the guidelines and procedures for applying for funding;*

*(2) the criteria by which applications for funding will be evaluated; and*

*(3) the percentages specified in Paragraph (1) of Subsection I of this section for distribution of net revenue to municipally owned or county-owned institutions.*

*K. As used in this section:*

*(1) "county area" means that portion of a county located outside the boundaries of any municipality, except that for H class counties and class A counties with a population in excess of two hundred fifty thousand, according to the most recent federal decennial census, "county area" means the entire county; and*

*(2) "cultural organizations and institutions" means organizations and institutions that have as a primary purpose the advancement or preservation of zoology, museums, library sciences, art, music, theater, dance, literature or the humanities.*

*(Laws 2005, Chapter 212, Section 1)*

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**7-20E-25. COUNTY REGIONAL SPACEPORT GROSS RECEIPTS TAX--  
AUTHORITY TO IMPOSE--RATE--ELECTION REQUIRED.--**

A. A majority of the members of the governing body of a county that desires to become a member of a regional spaceport district pursuant to the Regional Spaceport District Act shall impose by ordinance an excise tax at a rate not to exceed one-half percent of the gross receipts of a person engaging in business in the district area of the county for the privilege of engaging in business. A tax imposed pursuant to this section may be imposed by one or more ordinances, each imposing any number of tax rate increments, but an increment shall not be less than one-sixteenth percent of the gross receipts of a person engaging in business in the district area of the county, and the aggregate of all rates shall not exceed one-half percent of the gross receipts of a person engaging in business in the district area of the county. The tax may be referred to as the "county regional spaceport gross receipts tax".

B. A governing body, at the time of enacting an ordinance imposing the tax authorized in Subsection A of this section, shall dedicate a minimum of seventy-five percent of the proceeds of the revenue to the regional spaceport district for the financing, planning, designing and engineering and construction of a spaceport or for projects or services of the district pursuant to the Regional Spaceport District Act and may dedicate no more than twenty-five percent of the revenue for spaceport-related projects as approved by resolution of the governing body of the county.

C. An ordinance imposing a county regional spaceport gross receipts tax shall not go into effect until after an election is held and a majority of the voters of the district area of the county voting in the election votes in favor of imposing the tax. The governing body shall adopt an ordinance calling for an election within seventy-five days of the date the resolution is adopted on the question of imposing the tax. The question shall be submitted to the voters of the district area of the county as a separate question at a general election or at a special election called for that purpose by the governing body. A special election shall be called, conducted and canvassed substantially in the same manner as provided by law for general elections. If a majority of the voters voting on the question approves the ordinance imposing the county regional spaceport gross receipts tax, the ordinance shall become effective in accordance with the provisions of the County Local Option Gross Receipts Taxes Act. If the question of imposing the county regional spaceport gross receipts tax fails, the governing body shall not again propose the imposition of an increment of the tax for a period of one year from the date of the election.

D. The governing body of a county imposing a county regional spaceport gross receipts tax shall transfer a minimum of seventy-five percent of all proceeds from the tax to the regional spaceport district of which it is a member for the purposes in accordance with the provisions of the Regional Spaceport District Act. The governing body of a county imposing a county

regional spaceport gross receipts tax may retain no more than twenty-five percent of the county regional spaceport gross receipts tax for spaceport-related projects as approved by the resolution of the governing body of the county.

E. As used in this section, "district area of the county" means that portion of a county that is outside the boundaries of a municipality and that is within the boundaries of a regional spaceport district of which the county is a member; provided that if no municipality within the county has imposed a municipal regional spaceport gross receipts tax, "district area of the county" may mean the area within the boundaries of the county that is within the boundaries of a regional spaceport district of which the county is a member.

(Laws 2006, Chapter 15, Section 15)

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**7-20E-26. WATER AND SANITATION GROSS RECEIPTS TAX--AUTHORITY TO IMPOSE--RATE--ELECTION--USE OF REVENUE.--**

**A. An excise tax imposed by a governing body pursuant to this section may be referred to as the "water and sanitation gross receipts tax". The water and sanitation gross receipts tax shall be imposed by a governing body as set forth in this section, contingent upon a majority of the voters voting in an election on the question of whether to impose a water and sanitation gross receipts tax voting in favor of the imposition.**

**B. Upon receipt of a resolution adopted and submitted by the board of directors of a water and sanitation district that requests the governing body to impose a water and sanitation gross receipts tax on behalf of the water and sanitation district, a governing body shall enact an ordinance imposing a water and sanitation gross receipts tax in that water and sanitation district. The ordinance shall impose the tax at a rate of one-fourth percent on a person engaging in business within the area of the county located within the water and sanitation district for the privilege of engaging in business within that water and sanitation district within the county.**

**C. The governing body, at the time of enacting an ordinance imposing a water and sanitation gross receipts tax authorized pursuant to Subsection A of this section, shall dedicate the revenue only for the operation of the water and sanitation district for which the tax is imposed. The tax shall be imposed for six years from the date on which the water and sanitation gross receipts tax goes into effect.**

**D. Within sixty days of the date the ordinance is adopted by the governing body, the governing body shall adopt a resolution calling for an election on the question of whether to impose a water and sanitation gross receipts tax. The question shall be submitted to the voters of the water and sanitation district requesting the county to impose the tax. A special election shall be called, conducted and canvassed in substantially the same manner as provided by law for general elections. If a majority of the voters voting on the question approves the ordinance imposing the water and sanitation gross receipts tax, then the ordinance shall become effective in accordance with the provisions of the County Local Option Gross Receipts Taxes Act on either January 1 or July 1 following the election approving the imposition of the tax. If the question of imposing the water and sanitation gross receipts tax fails, a resolution from the board of directors of the water and sanitation district initiating the request to the county to impose a water and sanitation gross receipts tax may not again be submitted to the governing body for a period of one year from the date of the election.**

**E. The proceeds from the water and sanitation gross receipts tax shall be administered by the governing body and disbursed by the county treasurer to the appropriate water and sanitation district in amounts and for the purposes authorized in this section and as set out in the resolution submitted by the board of directors to the governing body. An agreement shall be entered into between the water and sanitation district and the governing body that sets out the responsibilities of both parties regarding administration, distribution and use of the revenue from the water and sanitation gross receipts tax. (Laws 2007, Chapter 346, Section 1)**

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**\*\*\* REPEALED EFFECTIVE JULY 1, 2019,  
BY LAWS OF 2019, CHAPTER 274, SECTION 16. \*\*\***  
**7-20E-27. COUNTY BUSINESS RETENTION GROSS RECEIPTS TAX--  
IMPOSITION--RATE.--**

*A. A majority of the members of a governing body may enact an ordinance imposing an excise tax on a person engaging in business in the county for the privilege of engaging in business in the county to provide funds to retain local businesses in the county. The maximum rate of the tax shall be one-fourth percent of the gross receipts of the person engaging in business. The tax may be imposed in its entirety or in increments of one-sixteenth percent not to exceed an aggregate rate of one-fourth percent.*

*B. The tax imposed pursuant to this section may be referred to as the "county business retention gross receipts tax".*

*C. An ordinance imposing the county business retention gross receipts tax shall not go into effect until after an election is held and a majority of the voters in the county voting in the election vote in favor of imposing the tax. The governing body shall adopt a resolution calling for an election within seventy-five days of the date the ordinance is adopted on the question of imposing the tax. The question may be submitted to the voters of the county as a separate question at a general election or at a special election called for that purpose by the governing body. A special election shall be called, conducted and canvassed in substantially the same manner as provided by law for general elections. If a majority of the voters voting on the question approves the ordinance imposing the county business retention gross receipts tax, then the ordinance shall become effective in accordance with the provisions of the County Local Option Gross Receipts Taxes Act. If the question of imposing the county business retention gross receipts tax fails, the governing body shall not again propose the imposition of the tax for a period of one year from the date of the election.*

*D. The governing body shall include in the ordinance that:*

*(1) an amount not to exceed seven hundred fifty thousand dollars (\$750,000) of the money from the county business retention gross receipts tax shall be distributed to the state to reduce the impact to the general fund of gaming tax lost to the state from the county from reduced gaming tax revenue due to decreased economic activity in the county; and*

*(2) the remainder of the revenue from the county business retention gross receipts tax shall be distributed back to the county for use for promotion or administration of the county, instructional or general purposes for a public post-secondary educational institution in the county, capital outlay to expand or relocate a public post-secondary educational institution in the county or funding professional services contracts related to implementing an economic development plan adopted by the governing body that shall be updated on an annual basis during the period in which the tax is imposed.*

*E. The county shall notify the department within thirty days of adopting an ordinance and inform the department of the date on which the tax will be imposed for collection purposes.*

*F. The governing body of a county that has imposed a county business retention gross receipts tax pursuant to this section may adopt by a majority vote an ordinance repealing that tax as of either July 1 or January 1, as stated in the ordinance. If the county business retention gross receipts tax is repealed, the governing body shall notify the department within thirty days of the repeal and of the date on which the repeal becomes effective.*

*G. An ordinance enacted pursuant to the provisions of this section shall include an effective date of either July 1 or January 1 as required by the County Local Option Gross Receipts Taxes Act.*

*H. A county business retention gross receipts tax imposed pursuant to this section shall be in effect for no more than five years from the effective date of the tax as stated in the county ordinance.*

*I. As used in this section, "county" means a county containing gaming operator licensees that are racetracks.*  
***(Laws 2010, Chapter 31, Section 1)***

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**\*\*\* REPEALED EFFECTIVE JULY 1, 2019,  
BY LAWS OF 2019, CHAPTER 274, SECTION 16. \*\*\*  
7-20E-28.-- COUNTY HOLD HARMLESS GROSS RECEIPTS TAX.--**

*A. The majority of the members of the governing body of any county may impose by ordinance an excise tax not to exceed a rate of three-eighths percent of the gross receipts of any person engaging in business in the county for the privilege of engaging in business in the county. A tax imposed pursuant to this section shall be imposed by the enactment of one or more ordinances, each imposing any number of gross receipts tax rate increments, but the total gross receipts tax rate imposed by all ordinances pursuant to this section shall not exceed an aggregate rate of three-eighths percent of the gross receipts of a person engaging in business. Counties may impose increments of one-eighth of one percent.*

*B. The tax imposed pursuant to Subsection A of this section may be referred to as the "county hold harmless gross receipts tax". The imposition of a county hold harmless gross receipts tax is not subject to referendum.*

*C. The governing body of a county may, at the time of enacting an ordinance imposing the tax authorized in Subsection A of this section, dedicate the revenue for a specific purpose or area of county government services, including but not limited to police protection, fire protection, public transportation or street repair and maintenance. If the governing body proposes to dedicate such revenue, the ordinance and any revenue so dedicated shall be used by the county for that purpose unless a subsequent ordinance is adopted to change the purpose to which the revenue is dedicated or to place the revenue in the general fund of the county.*

*D. Any law that imposes or authorizes the imposition of a county hold harmless gross receipts tax or that affects the county hold harmless gross receipts tax, or any law supplemental thereto or otherwise appertaining thereto, shall not be repealed or amended or otherwise directly or indirectly modified in such a manner as to impair adversely any outstanding revenue bonds that may be secured by a pledge of such county hold harmless gross receipts tax unless such outstanding revenue bonds have been discharged in full or provision has been fully made therefor.*

***(Laws 2013, Chapter 260, Section 12)***

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