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AN ACT

RELATING TO TAXATION; ALLOWING MUNICIPALITIES AND COUNTIES TO
USE A PORTION OF LODGERS' TAX REVENUE TO PROVIDE A REQUIRED
MINIMUM REVENUE GUARANTEE FOR AIR SERVICE TO THE MUNICIPALITY
OR COUNTY TO INCREASE THE ABILITY OF TOURISTS TO MORE EASILY
ACCESS THE MUNICIPALITY'S OR COUNTY'S TOURIST-RELATED
FACILITIES, ATTRACTIONS AND EVENTS.

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

SECTION 1. Section 3-38-21 NMSA 1978 (being Laws 1969,
Chapter 199, Section 9, as amended) is amended to read:

"3-38-21. ELIGIBLE USES OF TAX PROCEEDS.--

A. Subject to the limitations contained in Section
3-38-15 NMSA 1978, a municipality or county imposing an
occupancy tax may use the proceeds from the occupancy tax to
defray costs of:

(1) collecting and otherwise administering
the occupancy tax, including the performance of audits
required by the Lodgers' Tax Act pursuant to guidelines
issued by the department of finance and administration;

(2) establishing, operating, purchasing,
constructing, otherwise acquiring, reconstructing, extending,
improving, equipping, furnishing or acquiring real property
or any interest in real property for the site or grounds for
tourist-related facilities and attractions or tourist-related

1 transportation systems of the municipality, the county in
2 which the municipality is located or the county;

3 (3) the principal of and interest on any
4 prior redemption premiums due in connection with and any
5 other charges pertaining to revenue bonds authorized by
6 Section 3-38-23 or 3-38-24 NMSA 1978;

7 (4) advertising, publicizing and promoting
8 tourist-related attractions, facilities and events of the
9 municipality or county and tourist-related facilities,
10 attractions and events within the area;

11 (5) providing police and fire protection and
12 sanitation service for tourist-related facilities,
13 attractions and events located in the respective municipality
14 or county;

15 (6) providing a required minimum revenue
16 guarantee for air service to the municipality or county to
17 increase the ability of tourists to easily access the
18 municipality's or county's tourist-related facilities,
19 attractions and events; or

20 (7) any combination of the foregoing
21 purposes or transactions stated in this section, but for no
22 other municipal or county purpose.

23 B. As used in this section, "minimum revenue
24 guarantee" is the amount of money guaranteed by a
25 municipality or county to be earned by an airline providing

1 air services to and from that municipality or county, which
2 is the difference between the minimum flight charge revenue
3 specified in the contract between the municipality or county
4 and the airline and the amount of actual flight charge
5 revenue received by the airline that is less than that
6 contractual amount."

7 SECTION 2. Section 3-38-23 NMSA 1978 (being Laws 1969,
8 Chapter 199, Section 10, as amended) is amended to read:

9 "3-38-23. REVENUE BONDS.--

10 A. Revenue bonds may be issued at any time or from
11 time to time by a municipality or county to defray wholly or
12 in part the costs of any one, all or any combination of
13 purposes authorized in Paragraphs (2) through (5) of
14 Subsection A of Section 3-38-21 NMSA 1978.

15 B. The revenue bonds may be payable from and such
16 payment may be secured by a pledge of and lien on the
17 revenues derived from:

18 (1) the proceeds of the occupancy tax of the
19 municipality or county after the deduction of those amounts
20 required to be expended pursuant to Subsection D of Section
21 3-38-15 NMSA 1978 and the administration costs pertaining to
22 the occupancy tax in an amount not to exceed ten percent of
23 the occupancy tax receipts collected by the municipality or
24 county in any fiscal year, excluding from the computation of
25 such costs the administration costs ultimately recovered from

1 delinquent vendors by civil action as penalties, costs of
2 collection and attorney fees but not as interest on unpaid
3 principal;

4 (2) the tourist-related facilities and
5 attractions or tourist-related transportation systems to
6 which the bonds pertain, after provision is made for the
7 payment of the operation and maintenance expenses of the
8 tourist-related facilities and attractions or tourist-related
9 transportation systems; or

10 (3) a combination of such net revenues from
11 both sources designated in Paragraphs (1) and (2) of this
12 subsection.

13 C. The bonds shall bear interest at a rate as
14 authorized in the Public Securities Act, and the first
15 interest payment may be for any period authorized in the
16 Public Securities Act.

17 D. Except as otherwise provided in the Lodgers'
18 Tax Act, revenue bonds authorized in the Lodgers' Tax Act
19 shall be issued in accordance with the provisions of Sections
20 3-31-2 through 3-31-6 NMSA 1978." _____