

HOUSE GOVERNMENT AND URBAN AFFAIRS COMMITTEE SUBSTITUTE FOR
HOUSE BILL 108

45TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2002

AN ACT

RELATING TO COUNTIES; CHANGING THE DISTRIBUTION FORMULA AND
THE QUALIFICATIONS IN THE SMALL COUNTIES ASSISTANCE ACT;
MAKING AN APPROPRIATION.

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

Section 1. Section 4-61-1 NMSA 1978 (being Laws 1982,
Chapter 44, Section 1) is amended to read:

"4-61-1. SHORT TITLE. -- [~~Sections 1 through 3 of this
act~~] Chapter 4, Article 61 NMSA 1978 may be cited as the
"Small Counties Assistance Act". "

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

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

A. "ceiling valuation" for the 2001, 2002 and 2003

1 property tax years is six hundred million dollars
2 (\$600,000,000) and for 2004 and each succeeding property tax
3 year is the product of an amount equal to the preceding year's
4 ceiling valuation multiplied by a fraction, the numerator of
5 which is the total valuation for the state for the year and
6 the denominator of which is the total valuation for the state
7 for the 2003 property tax year;

8 B. "demographer" means the bureau of business and
9 economic research at the university of New Mexico;

10 ~~[A.]~~ C. "population" means the official population
11 shown by the most recent federal decennial census or, if there
12 is a change in boundaries after the date of the census,
13 "population" for each affected unit shall be the most current
14 estimated population for that unit provided in writing by the
15 ~~[bureau of business and economic research at the university of~~
16 ~~New Mexico]~~ demographer; provided that after five years from
17 the first day of the calendar year of the most recent federal
18 decennial census, that census shall not be used, and
19 "population" for the period from that date until the date when
20 the next following official final decennial census population
21 data are available shall be the most current estimated
22 population provided in writing by the ~~[bureau of business and~~
23 ~~economic research at the university of New Mexico; and]~~
24 demographer;

25 ~~[B.]~~ D. "qualifying county" means a class B, class

1 C or first class county that has:

2 (1) for the property tax year in which any
 3 distribution under the Small Counties Assistance Act is made
 4 to the county, imposed a property tax rate for general county
 5 purposes pursuant to Paragraph (1) of Subsection B of Section
 6 7-37-7 NMSA 1978 as limited by Section 7-37-7.1 NMSA 1978 of
 7 at least eight dollars eighty-five cents (\$8.85) per one
 8 thousand dollars (\$1,000) of net taxable value;

9 (2) by July 1 of the property tax year in
 10 which any distribution under the Small Counties Assistance Act
 11 is made to the county, received a written certification from
 12 the director of the property tax division of the taxation and
 13 revenue department that the county assessor of that county has
 14 implemented an acceptable program of maintaining current and
 15 correct property values for property taxation purposes as
 16 required by Section 7-36-16 NMSA 1978 or has submitted to the
 17 director an acceptable plan for the implementation of such a
 18 program; [~~and~~]

19 (3) on July 1 of the year in which any
 20 distribution under the Small Counties Assistance Act is made
 21 to the county, a population of not more than [~~forty-five~~
 22 ~~thousand five hundred~~] forty thousand; and

23 (4) a total valuation for the property tax
 24 year preceding the year in which a distribution pursuant to
 25 the Small Counties Assistance Act for that county is to be

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1 made that is no greater than the ceiling valuation for that
2 property tax year; and

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

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

12 "4-61-3. SMALL COUNTIES ASSISTANCE FUND-- DISTRIBUTION. --

13 A. The "small counties assistance fund" is created
14 within the state treasury.

15 ~~[B. On July 1, 1982 and on July 1 of each year~~
16 ~~thereafter, the local government division of the department of~~
17 ~~finance and administration shall certify to the state~~
18 ~~treasurer the population of the state and the population of~~
19 ~~each county in the state.~~

20 ~~C. On September 1, 1982 and on September 1 of each~~
21 ~~year thereafter, the local government division of the~~
22 ~~department of finance and administration shall certify to the~~
23 ~~state treasurer the revenue amounts received by each~~
24 ~~qualifying county in the fiscal year ended on the preceding~~
25 ~~June 30 from property taxes for general county purposes~~

1 ~~imposed under the Property Tax Code and taxes imposed under~~
 2 ~~the Oil and Gas Ad Valorem Production Tax Act, the Oil and Gas~~
 3 ~~Production Equipment Ad Valorem Tax Act and the Copper~~
 4 ~~Production Ad Valorem Tax Act for general county purposes.~~

5 ~~D. On or before September 15, 1982 and on or~~
 6 ~~before September 15 of each year thereafter, the state~~
 7 ~~treasurer shall distribute to each qualifying county from the~~
 8 ~~small counties assistance fund an amount certified to him by~~
 9 ~~the director of the local government division of the~~
 10 ~~department of finance and administration. The distribution to~~
 11 ~~a qualifying county shall be an amount equal to the amount by~~
 12 ~~which the product of multiplying a county's population by~~
 13 ~~twenty-five dollars (\$25.00) exceeds thirty percent of the~~
 14 ~~total of the revenue amounts certified for that county under~~
 15 ~~Subsection C of this section, subject to the following:~~

16 ~~(1) if the calculated distribution for a~~
 17 ~~class C or first class county exceeds two hundred thousand~~
 18 ~~dollars (\$200,000), it shall be reduced to two hundred~~
 19 ~~thousand dollars (\$200,000);~~

20 ~~(2) if the calculated distribution for a~~
 21 ~~class B county exceeds one hundred fifty thousand dollars~~
 22 ~~(\$150,000), it shall be reduced to one hundred fifty thousand~~
 23 ~~dollars (\$150,000);~~

24 ~~(3) if the calculated distribution for a~~
 25 ~~first class county is:~~

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1 treasurer with respect to each qualifying county:

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

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

6 (3) the distribution amount calculated for
 7 it.

8 D. The distribution amount for each qualifying
 9 county shall be determined for 2002 and 2003 in accordance
 10 with the following table.

<u>If the county's total valuation for</u>		<u>The distribution</u>
<u>the preceding property tax year is</u>		<u>amount is</u>
<u>At least</u>	<u>But less than</u>	
<u>\$0</u>	<u>\$100,000,000</u>	<u>\$250,000</u>
<u>\$100,000,000</u>	<u>\$200,000,000</u>	<u>\$200,000</u>
<u>\$200,000,000</u>	<u>\$300,000,000</u>	<u>\$150,000</u>
<u>\$300,000,000</u>	<u>\$400,000,000</u>	<u>\$100,000</u>
<u>\$400,000,000</u>	<u>\$600,000,000</u>	<u>\$ 50,000</u>

19 E. The distribution amount for each qualifying
 20 county shall be determined for 2004 and each succeeding year
 21 in accordance with the following table; provided that the
 22 bracket amounts in the first two columns of the table shall be
 23 adjusted annually after 2003 by the same fraction used to
 24 adjust the ceiling valuation.

25 If the county's total valuation for

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<u>the preceding property tax year is</u>	<u>The distribution</u>	
<u>At least</u>	<u>But less than</u>	<u>amount is</u>
<u>\$0</u>	<u>\$100,000,000</u>	<u>\$300,000</u>
<u>\$100,000,000</u>	<u>\$200,000,000</u>	<u>\$250,000</u>
<u>\$200,000,000</u>	<u>\$300,000,000</u>	<u>\$200,000</u>
<u>\$300,000,000</u>	<u>\$400,000,000</u>	<u>\$150,000</u>
<u>\$400,000,000</u>	<u>\$500,000,000</u>	<u>\$100,000</u>
<u>\$500,000,000</u>	<u>\$600,000,000</u>	<u>\$ 50,000.</u>

[E.] F. If the balance in the small counties assistance fund as of the preceding August 31 is less than the sum of the distributions to be made to qualifying counties, [~~the director of the local government division of~~] the department of finance and administration shall reduce each qualifying county's calculated distribution by a percentage computed by dividing the amount by which the fund is insufficient by the sum of all the calculated distributions and [he] shall certify the reduced amounts as the qualifying counties' distributions.

[F.] G. Any interest accruing from the temporary investment of the small counties assistance fund [~~prior to September 15~~] shall be credited to the general fund.

[G. ~~Immediately after distribution to qualifying counties from the small counties assistance fund, but no later than September 20 of each year, the unexpended or unencumbered balance in the fund shall revert to the general fund.~~]

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1 H. On or before September 30, 2002 and on or
2 before September 30 of each year thereafter, the state
3 treasurer shall distribute to each county for whom a
4 distribution has been certified for that year the amount
5 certified for that county for that year. If the balance in
6 the fund as of the preceding August 31 exceeds the amount to
7 be distributed, the difference shall revert to the general
8 fund.

9 I. If any date specified in Subsection B, C or H
10 of this section falls on a Saturday or Sunday, any action
11 required to be performed as provided in those subsections is
12 timely if performed on the next day that is not a Saturday or
13 Sunday. "

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