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| LFC Requester: | Hilla |
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AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.gov

(Analysis must be uploaded as a PDF)

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Date Prepared: 2/4/25 *Check all that apply:*
Bill Number: SB 243 Original Correction
 Amendment Substitute

Sponsor: Scott **Agency Name and Code:** Municipal League (ML)
Short Title: Create All Cities & Counties Fund **Number:** _____
Person Writing: Jacob Rowberry
Phone: 505-992-3538 **Email:** jrowberry@nmml.org

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

| Appropriation | | Recurring or Nonrecurring | Fund Affected |
|---------------|------|---------------------------|---------------|
| FY25 | FY26 | | |
| | | | |
| | | | |

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

| Estimated Revenue | | | Recurring or Nonrecurring | Fund Affected |
|-------------------|------|------|---------------------------|---------------|
| FY25 | FY26 | FY27 | | |
| | | | | |
| | | | | |

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

| | FY25 | FY26 | FY27 | 3 Year Total Cost | Recurring or Nonrecurring | Fund Affected |
|--------------|------|------|------|-------------------|---------------------------|---------------|
| Total | | | | | | |

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

FISCAL IMPLICATIONS

The provisions of SB243 would be positive for municipalities, which would receive a share of the proposed “All Cities and Counties Fund.” The proposed fund would receive 8 percent of GRT revenues.

Municipalities located in the oil and gas producing counties would receive a larger share of revenue; however, all municipalities and counties would benefit.

Note: major assumptions underlying fiscal impact should be documented.

Note: if additional operating budget impact is estimated, assumptions and calculations should be reported in this section.

SIGNIFICANT ISSUES

This bill creates a new revenue sharing plan that provides all local governments with a share of State gross receipts taxes. The plan would ensure that all local governments would directly benefit from the enhanced GRT revenue the State is receiving from the oil and gas boom.

Revenue sharing formulas are often crafted to meet several public policy goals. The proposed formula in SB243 is an example of how the State and local governments could develop mechanisms to equitably meet mutual needs for funding public services.