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HOUSE BILL 108

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

INTRODUCED BY

Donald L. Whitaker

FOR THE REVENUE STABILIZATION AND TAX POLICY COMMITTEE

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 property tax

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1 year is six hundred million dollars (\$600,000,000) and for
2 each succeeding year is the product of an amount equal to the
3 preceding year's ceiling valuation multiplied by a fraction,
4 the numerator of which is the total valuation for the state
5 for the year and the denominator of which is the total
6 valuation for the state for the 2001 property tax year;

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

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

24 ~~[B.]~~ D. "qualifying county" means a class B, class
25 C or first class county that has:

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

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

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

22 (4) a total valuation for the property tax
23 year preceding the year in which a distribution pursuant to
24 the Small Counties Assistance Act for that county is to be
25 made that is no greater than the ceiling valuation for that

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1 property tax year; and

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

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

11 "4-61-3. SMALL COUNTIES ASSISTANCE FUND-- DISTRIBUTION. --

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

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

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

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1 ~~the Oil and Gas Ad Valorem Production Tax Act, the Oil and Gas~~
2 ~~Production Equipment Ad Valorem Tax Act and the Copper~~
3 ~~Production Ad Valorem Tax Act for general county purposes.~~

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

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

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

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

25 ~~(a) zero or less than zero or that~~

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1 ~~county has a population of not more than twelve thousand five~~
2 ~~hundred, it shall be two hundred thousand dollars (\$200,000);~~
3 ~~or~~

4 ~~(b) greater than zero but less than two~~
5 ~~hundred thousand dollars (\$200,000), it shall be increased to~~
6 ~~two hundred thousand dollars (\$200,000);~~

7 ~~(4) if the calculated distribution for a~~
8 ~~class C county is greater than zero but less than two hundred~~
9 ~~thousand dollars (\$200,000) or that county has a population of~~
10 ~~not more than twelve thousand five hundred, it shall be~~
11 ~~increased to two hundred thousand dollars (\$200,000); and~~

12 ~~(5) if the calculated distribution for a~~
13 ~~class B county is greater than zero but less than one hundred~~
14 ~~thousand dollars (\$100,000) or that county has a population of~~
15 ~~not more than twelve thousand five hundred, it shall be~~
16 ~~increased to one hundred thousand dollars (\$100,000).]~~

17 B. On or before September 1, 2002 and on or before
18 September 1 of each year thereafter, the demographer shall
19 certify in writing to the department of finance and
20 administration the population of the state and of each county
21 as of June 30 of the year.

22 C. On or before September 15, 2002 and on or
23 before September 15 of each year thereafter, the secretary of
24 finance and administration shall certify to the state
25 treasurer with respect to each qualifying county:

- 1 (1) its population as certified by the
 2 demographer;
 3 (2) its total valuation for the preceding
 4 property tax year; and
 5 (3) the distribution amount calculated for
 6 it.

7 D. The distribution amount for each qualifying
 8 county shall be determined for 2002 and each succeeding year
 9 in accordance with the following table; provided that the
 10 bracket amounts in the first two columns of the table shall be
 11 adjusted annually after 2002 by the same fraction used to
 12 adjust the ceiling valuation.

<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>\$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>

22 E. If the balance in the small counties assistance
 23 fund as of the preceding August 31 is less than the sum of the
 24 distributions to be made to qualifying counties, [~~the director~~
 25 ~~of the local government division of~~] the department of finance

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1 and administration shall reduce each qualifying county's
2 calculated distribution by a percentage computed by dividing
3 the amount by which the fund is insufficient by the sum of all
4 the calculated distributions and [he] shall certify the
5 reduced amounts as the qualifying counties' distributions.

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

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

13 G. On or before September 30, 2002 and on or
14 before September 30 of each year thereafter, the state
15 treasurer shall distribute to each county for whom a
16 distribution has been certified for that year the amount
17 certified for that county for that year. If the balance in
18 the fund as of the preceding August 31 exceeds the amount to
19 be distributed, the difference shall revert to the general
20 fund.

21 H. If any date specified in Subsection B, C or G
22 of this section falls on a Saturday or Sunday, any action
23 required to be performed as provided in those subsections is
24 timely if performed on the next day that is not a Saturday or
25 Sunday. "