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SENATE BILL 150

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

INTRODUCED BY

Patrick H. Lyons

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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property tax year; and

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

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

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

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

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

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

underscored material = new  
[bracketed material] = delete

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

underscored material = new  
[bracketed material] = delete

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:

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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 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>

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

underscored material = new  
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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. "