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FISCAL IMPACT REPORT

SPONSOR Fidel DATE TYPED 02-04-04 HB _____

SHORT TITLE Amend Small Cities Assistance Act SB 53

ANALYST Neel

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY04	FY05			
	(680.0)	(700.0)	Recurring	General Fund
	680.0	700.0	Recurring	Local Government

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of Bill

Senate Bill 53 amends the Small Cities Assistance Act by eliminating the \$56 thousand maximum distribution amount and the general fund reversion; currently statute requires revenue not distributed to local governments be reverted to the general fund.

Significant Issues

TRD notes that SB 53 does not have an effective date and will therefore become law until mid May. TRD is scheduled to make the FY04 distribution to local governments in February and will therefore be unaffected by the legislation.

FISCAL IMPLICATIONS

TRD provided the following assumptions and the accompanying tables:

Eliminating the \$56,000 distribution limit will result in an estimated \$680 thousand increase in the total amount distributed to qualifying municipalities over current law levels. The proposal would affect General Fund revenue because the resulting formula distributes all money credited to the Small Cities Assistance Fund. The annual General Fund reversion of undistributed funds becomes obsolete and is eliminated from FY 2005 forward. The fund balance on which the FY 2005 amounts are to be calculated is expected to be approximately \$4.6 million. The distribution in the absence of this legislation is expected to be approximately \$3.9 million. The table beginning on page 3 of this review provides a city-by-city comparison of expected FY 2005 small cities assistance under current law and this proposal.

OTHER SUBSTANTIVE ISSUES

- House Bill 229 (Chapter 217) amends the Small Counties Assistance Act by changing the ceilingvaluation calculation and the distribution from the small counties assistance fund. It also increases the population limit for class B, class C or first class counties that qualify for the fund from 45,000 to 48,000. The FY04 loss to the general fund is estimated at \$800,000.
- House Bill 536 (Chapter 283) modifies the Uniform Unclaimed Property Act so that child support payments, spousal support payments or medical support payments will be disposed of by the Human Services Department in accordance with regulations to be adopted by that agency. Under present law, the affected amounts are collected by the department and distributed to the general fund. The FY04 loss to the general fund is estimated at \$200,000.

City	FY 2005 Estimated	FY 2005 Estimated	Difference
	Small Cities Assistance	Small Cities Assistance	
	Current Law	Proposal	
Angel Fire	35,000	35,000	-
Aztec	56,000	71,611	15,611
Bayard	56,000	71,611	15,611
Belen	35,000	35,000	-
Bernalillo	56,000	71,611	15,611
Bloomfield	56,000	71,611	15,611
Bosque Farms	56,000	71,611	15,611
Capitan	56,000	71,611	15,611
Carrizozo	56,000	71,611	15,611
Causey	35,000	35,000	-
Chama	45,027	45,027	-
Cimarron	56,000	71,611	15,611
Clayton	56,000	71,611	15,611
Cloudcroft	35,000	35,000	-
Columbus	56,000	71,611	15,611
Corona	35,000	35,000	-
Corrales (1)	56,000	71,611	15,611
Cuba	35,000	35,000	-
Des Moines	35,000	35,000	-
Dexter	56,000	71,611	15,611
Dora	35,000	35,000	-
Eagle Nest	35,000	35,000	-
Edgewood	35,000	35,000	-
Elephant Butte	56,000	71,611	15,611
Elida	35,000	35,000	-
Encino	35,000	35,000	-
Espanola (4)	56,000	71,611	15,611
Estancia	35,000	35,000	-
Eunice	56,000	71,611	15,611
Floyd	35,000	35,000	-
Folsom	35,000	35,000	-
Fort Sumner	56,000	71,611	15,611
Grady	35,000	35,000	-
Grants	56,000	71,611	15,611
Grenville	35,000	35,000	-
Hagerman	56,000	71,611	15,611
Hatch	56,000	71,611	15,611
Hope	35,000	35,000	-
House	35,000	35,000	-
Hurley	56,000	71,611	15,611
Jal	56,000	71,611	15,611
Jemez Springs	35,000	35,000	-
Lake Arthur	56,000	71,611	15,611
Logan	56,000	71,611	15,611
Lordsburg	56,000	71,611	15,611
Los Ranchos	56,000	71,611	15,611
Loving	56,000	71,611	15,611

City	Small Cities Assistance Current Law	Small Cities Assistance Proposal	Difference
Lovington	56,000	71,611	15,611
Magdalena	56,000	71,611	15,611
Maxwell	56,000	61,295	5,295
Melrose	56,000	71,611	15,611
Mesilla	56,000	71,611	15,611
Milan	35,000	35,000	-
Moriarty	35,000	35,000	-
Mosquero (3)	35,000	35,000	-
Mountainair	56,000	71,611	15,611
Pecos	56,000	71,611	15,611
Questa	56,000	71,611	15,611
Raton	56,000	71,611	15,611
Red River	35,000	35,000	-
Reserve	36,544	36,544	-
Roy	55,974	55,974	-
Ruidoso	35,000	35,000	-
Ruidoso Downs	35,000	35,000	-
San Jon	35,000	35,000	-
San Ysidro	35,000	35,000	-
Santa Clara (Central)	56,000	71,611	15,611
Santa Rosa	35,000	35,000	-
Socorro	56,000	71,611	15,611
Springer	56,000	71,611	15,611
T or C	56,000	71,611	15,611
Taos	35,000	35,000	-
Taos Ski Valley	35,000	35,000	-
Tatum	41,359	41,359	-
Texico	56,000	71,611	15,611
Tijeras	35,000	35,000	-
Tucumcari	56,000	71,611	15,611
Tularosa	56,000	71,611	15,611
Vaughn	56,000	71,611	15,611
Virden	42,073	42,073	-
Wagon Mound	56,000	60,022	4,022
Willard	56,000	58,429	2,429
Williamsburg	56,000	71,611	15,611
Total Small Cities Distribution	3,916,977	4,600,000	683,023

SN/sb