

AN ACT

RELATING TO COUNTIES; EXPANDING THE SCOPE OF COUNTIES THAT QUALIFY FOR DISTRIBUTIONS PURSUANT TO THE SMALL COUNTIES ASSISTANCE ACT; INCREASING DISTRIBUTIONS TO COUNTIES PURSUANT TO THAT ACT WHEN THE SMALL COUNTIES ASSISTANCE FUND BALANCE EXCEEDS CERTAIN PLANNED DISTRIBUTIONS; CREATING A NEW DISTRIBUTION CATEGORY.

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

Section 1. 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. "adjustment factor" means a fraction, the numerator of which is the net taxable value of the state for the property tax year prior to the year in which the amount of small counties assistance is being determined and the denominator of which is the net taxable value for property tax year 2002; the adjustment factor shall be calculated without reference to assessed value determined pursuant to the Oil and Gas Ad Valorem Production Tax Act, assessed value determined pursuant to the Oil and Gas Production Equipment Ad Valorem Tax Act or taxable value determined pursuant to the Copper Production Ad Valorem Tax Act;

B. "ceiling valuation" means:

(1) for the 2002 property tax year, one billion four hundred million dollars (\$1,400,000,000); and

(2) for each subsequent property tax year, an amount equal to the product obtained by multiplying one billion four hundred million dollars (\$1,400,000,000) by the adjustment factor for the year;

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

D. "inflation factor" means a fraction whose numerator is the annual implicit price deflator index for state and local government purchases of goods and services, as published in the United States department of commerce monthly publication entitled "Survey of Current Business" or any successor publication prepared by an agency of the United States and adopted by the department of finance and administration, for the calendar year one year prior to the year in which the distribution is to be made and whose denominator is the annual index for the year two years prior to the year in which the distribution is to be made; provided that, if the inflation factor is calculated to have a value less than one, it shall be deemed to have a value of one;

E. "population" means the official population shown by the most recent federal decennial census or, if there is a change in boundaries after the date of the census,

"population" for each affected unit shall be the most current

estimated population for that unit provided in writing by the demographer; provided that after five years from the first day of the calendar year of the most recent federal decennial census, that census shall not be used, and "population" for the period from that date until the date when the next following official final decennial census population data are available shall be the most current estimated population provided in writing by the demographer;

F. "qualifying county" means a county that has:

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

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

program;

(3) on July 1 of the year in which any distribution under the Small Counties Assistance Act is made to the county, a population of not more than forty-eight thousand;

(4) imposed county gross receipts tax increments authorized pursuant to Section 7-20E-9 NMSA 1978 totaling at least three-eighths percent and has those increments in effect on July 1 of the year in which a distribution is made, provided that this paragraph does not apply to a county if the county's valuation for property taxation purposes does not exceed the product of two hundred thirty million dollars (\$230,000,000) multiplied by the adjustment factor for the year; and

(5) a total valuation for the property tax year preceding the year in which a distribution pursuant to the Small Counties Assistance Act for that county is to be made that is no greater than the ceiling valuation for that property tax year; and

G. "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 value determined pursuant to the Oil and Gas Ad Valorem Production Tax Act, the assessed value determined pursuant to 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 2. 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 or before September 1, 2003 and on or before September 1 of each subsequent year, the demographer shall certify in writing to the department of finance and administration the population of the state and of each county as of June 30 of the year.

C. On or before September 15, 2003 and on or before September 15 of each subsequent year, the secretary of finance and administration shall certify to the state treasurer with respect to each qualifying county:

(1) its population as certified by the demographer;

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

(3) the distribution amount calculated for it.

D. The distribution amount for each qualifying county shall be determined for 2003 and each subsequent year

in accordance with the following table; provided that the bracket amounts in the first two columns of the table shall be adjusted annually after 2003 by the adjustment factor. The bracket amounts in the last column shall be adjusted annually after 2005 by the inflation factor. The department of finance and administration may round the results of the adjustments made pursuant to this subsection to the nearest one thousand dollars (\$1,000).

If the county's total valuation for the preceding property tax year is:

at least:	but less than:	and the county population is:	then the distribution amount is:
\$ 0	\$100,000,000	under 1,000	\$450,000
\$ 0	\$100,000,000	at least 1,000	
		but under 4,000	\$325,000
\$ 0	\$100,000,000	at least 4,000	\$250,000
\$100,000,000	\$230,000,000	under 12,000	\$175,000
\$100,000,000	\$230,000,000	at least 12,000	\$125,000
\$230,000,000	\$1,400,000,000	under 48,000	\$ 75,000.

E. If the balance in the small counties assistance fund as of the preceding August 31 exceeds the sum of the

distributions to be made to qualifying counties pursuant to the provisions of Subsection D of this section, the department of finance and administration shall increase the distribution amount for each county receiving a distribution amount pursuant to the provisions of Subsection D of this section by:

(1) thirty-five thousand dollars (\$35,000) if the county has imposed and has in effect on July 1 of the year in which the distribution is to be made a county correctional facility gross receipts tax at a rate of at least one-eighth percent;

(2) fifteen thousand dollars (\$15,000) if the county has imposed and has in effect on July 1 of the year in which the distribution is to be made a county gross receipts tax increment of one-sixteenth percent; or

(3) fifty thousand dollars (\$50,000) if the county has met the requirements of Paragraphs (1) and (2) of this subsection.

F. If the balance in the small counties assistance fund as of the preceding August 31 is less than the sum of the distributions determined pursuant to Subsection D of this section plus the distribution increases authorized pursuant to Subsection E of this section, the distribution increases pursuant to Subsection E of this section shall be proportionately reduced.

G. 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 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 shall certify the reduced amounts as the qualifying counties' distributions.

H. Any interest accruing from the temporary investment of the small counties assistance fund shall be credited to the general fund.

I. On or before September 30, 2003 and on or before September 30 of each subsequent year, the state treasurer shall distribute to each county for whom a distribution has been certified for that year the amount certified for that county for that year. If the balance in the fund as of the preceding August 31 exceeds the sum of certified amounts distributed, the difference shall revert to the general fund.

J. If any date specified in Subsection B, C or I of this section falls on a Saturday, Sunday or legal holiday, any action required to be performed as provided in those subsections is timely if performed on the next day that is not a Saturday, Sunday or legal holiday." \_\_\_\_\_

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