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HOUSE BILL 299

**47TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2006**

INTRODUCED BY

Brian K. Moore

AN ACT

RELATING TO SMALL CITIES ASSISTANCE; PROVIDING FOR AN INCREASED  
DISTRIBUTION TO THE SMALL CITIES ASSISTANCE FUND; INCREASING  
THE MINIMUM AMOUNT AVAILABLE FOR DISTRIBUTION TO MUNICIPALITIES  
PURSUANT TO THE SMALL CITIES ASSISTANCE ACT; MAKING AN  
APPROPRIATION.

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

Section 1. Section 3-37A-2 NMSA 1978 (being Laws 1979,  
Chapter 284, Section 2, as amended) is amended to read:

"3-37A-2. DEFINITIONS.--As used in the Small Cities  
Assistance Act:

A. "municipality" means an incorporated city, town  
or village, whether incorporated under general act, special act  
or special charter, and incorporated counties and H-class  
counties;

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1           B. "municipal share" means one and [~~thirty-five~~  
2 ~~one-hundredths~~] two hundred twenty-five thousandths percent of  
3 the taxable gross receipts as defined in the Gross Receipts and  
4 Compensating Tax Act reported annually for each municipality to  
5 the taxation and revenue department during a twelve-month  
6 period ending June 30;

7           C. "total municipal share" means the sum of all  
8 municipal shares;

9           D. "statewide per capita average" means the  
10 quotient of the total municipal share divided by the total  
11 population in all municipalities;

12           E. "municipal per capita average" means the  
13 quotient of the municipal share divided by the municipality's  
14 population;

15           F. "population" means the most recent official  
16 census or estimate determined by the bureau of the census or,  
17 if neither is available, "population" means an estimate as  
18 determined by the local government division of the department  
19 of finance and administration;

20           G. "local tax effort" means the amount produced by  
21 a one-fourth of one percent municipal gross receipts tax in the  
22 previous fiscal year;

23           H. "qualifying municipality" means a municipality  
24 with a population of less than ten thousand that has enacted on  
25 or before the last day of the preceding fiscal year an

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1 ordinance or ordinances imposing a municipal gross receipts tax  
2 pursuant to Section 7-19D-9 NMSA 1978 at a rate of one-fourth  
3 of one percent or more;

4 I. "enacted" means adopted by a majority of the  
5 members of the governing body of the municipality pursuant to  
6 Section 7-19D-9 NMSA 1978 and:

7 (1) for which no election has been called in  
8 the manner and within the time provided by Section 7-19D-9 NMSA  
9 1978; or

10 (2) that has been approved by a majority of  
11 the registered voters voting on the question pursuant to  
12 Section 7-19D-9 NMSA 1978; and

13 J. "minimum amount" means an amount equal to  
14 [~~thirty-five thousand dollars (\$35,000)~~] seventy-five thousand  
15 dollars (\$75,000)."

16 Section 2. Section 7-1-6.2 NMSA 1978 (being Laws 1983,  
17 Chapter 211, Section 7, as amended) is amended to read:

18 "7-1-6.2. DISTRIBUTION--SMALL CITIES ASSISTANCE FUND.--A  
19 distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be  
20 made to the small cities assistance fund in an amount equal to  
21 [~~ten~~] fifteen percent of the net receipts attributable to the  
22 compensating tax."

23 Section 3. EFFECTIVE DATE.--The effective date of the  
24 provisions of this act is July 1, 2006.