LFC Requester:	Emily Hilla

# **AGENCY BILL ANALYSIS - 2025 REGULAR SESSION**

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Date Prepared: February 5, 2025		Check all that apply:						
SB243 SB243 <b>Bill Number:</b>		Original x Correction						
Din 1 (unio)		Amenda	ment S	ubstitute				
Senator Larry R. Scott Senator James G. Townsend Senator Candy Spence Ezzell  Short Title: COUNTIES FUND		Agency Name and Code Number:	305 – New Mexico Department of Justice AAG AJ Swenson 505-537-7676					
		Person Writing						
		Phone:						
		Email:	legisfir@nmag.gov					
				<u> </u>				
ECTION II: FISO		ΓΙΟΝ (dollars in thous						
SECTION II: FISC		ΓΙΟΝ (dollars in thous	sands)	Fund				
SECTION II: FISO	APPROPRIA	Recu	sands)					
FY25	APPROPRIATE Appropriation FY2	Recu	sands)	Fund				
FY25	APPROPRIATE Appropriation FYZ  expenditure decreases)	Recu	sands) rring ecurring	Fund				
FY25  (Parenthesis ( ) indicate of	APPROPRIATE Appropriation FYZ  expenditure decreases)	Recu or Nonro E (dollars in thousand	sands) rring ecurring	Fund				

(Parenthesis ( ) indicate revenue decreases)

# **ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurri ng	Fund Affected
Total						

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to: Duplicates/Relates to Appropriation in the General Appropriation Act

# **SECTION III: NARRATIVE**

This analysis is neither a formal Opinion nor an Advisory Letter issued by the New Mexico Department of Justice. This is a staff analysis in response to a committee or legislator's request. The analysis does not represent any official policy or legal position of the NM Department of Justice.

### **BILL SUMMARY**

<u>Synopsis</u>: Senate Bill 243 addresses taxation, more specifically, creating an "All Cities and Counties Fund" that would transfer a portion of the gross receipt tax revenue to municipalities and counties.

Section 1: Enacts the new "All Cities and Counties Fund" that shall be created in the state treasury. Thereafter, it describes the formula that should be used to determine the amount that should be transferred to each municipality from the original fund. By October 1, 2026 and every October 1 of each year thereafter, the taxation and revenue department shall certify to the state treasurer the amounts that should be transferred to each municipality. By November 1, 2026 and every November 1 of each year thereafter, the state treasurer shall transfer the amounts determined by the taxation and revenue department to each municipality. Section 1 (F) (1) - (8) defines terms used in this section.

Section 2: Adds a new section to the Tax Administration Act to read that each distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be made to all the cities and counties fund in an amount equal to eight percent of the net receipts attributable to the gross receipts tax distributable to the general fund.

Section 3: Establishes the effective date of this proposed legislation as July 1, 2025.

### FISCAL IMPLICATIONS

Note: major assumptions underlying fiscal impact should be documented.

Note: if additional operating budget impact is estimated, assumptions and calculations should be reported in this section.

### **SIGNIFICANT ISSUES**

None.

# PERFORMANCE IMPLICATIONS

None.

# ADMINISTRATIVE IMPLICATIONS None. CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP None. TECHNICAL ISSUES None. OTHER SUBSTANTIVE ISSUES None. ALTERNATIVES None. WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL Status quo. AMENDMENTS None.