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HOUSE BILL 30

42ND LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 1996

INTRODUCED BY

DONALD L. WHITAKER

FOR THE REVENUE STABILIZATION AND TAX POLICY COMMITTEE

AN ACT

RELATING TO SMALL CITIES ASSISTANCE; INCREASING THE MINIMUM AND
MAXIMUM ANNUAL DISTRIBUTIONS TO QUALIFYING SMALL CITIES FROM THE
SMALL CITIES ASSISTANCE FUND.

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

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

"3-37A-3. SMALL CITIES ASSISTANCE FUND-- DISTRIBUTION. --

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

B. On January 31 of each year, the local government
division of the department of finance and administration shall
certify to the taxation and revenue department the population of
each municipality in the state.

C. On or before June 10 of each year, the taxation

Underscored material = new
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1 and revenue department shall compute the distribution share of
2 each qualifying municipality. The distribution share shall be
3 an amount equal to the product of the qualifying municipality's
4 population multiplied by the difference between the statewide
5 per capita average and the municipal per capita average less the
6 local tax effort of the qualifying municipality; provided that
7 the distribution share shall not exceed [~~thirty thousand dollars~~
8 ~~(\$30,000)~~] fifty thousand dollars (\$50,000); and provided that
9 any municipality with a population of less than ten thousand
10 [~~which~~] that does not qualify for a distribution or any
11 qualifying municipality [~~which~~] that qualifies for a
12 distribution of less than [~~fifteen thousand dollars (\$15,000)~~]
13 thirty thousand dollars (\$30,000) shall receive a distribution
14 of [~~fifteen thousand dollars (\$15,000)~~] thirty thousand dollars
15 (\$30,000); and provided further that if the balance in the small
16 cities assistance fund on the preceding May 30 is less than the
17 sum of the distribution shares, [~~then~~] the taxation and revenue
18 department shall first reduce the distribution share of each
19 municipality whose distribution share is in excess of [~~fifteen~~
20 ~~thousand dollars (\$15,000)~~] thirty thousand dollars (\$30,000) in
21 an amount calculated according to the following formula:
22 municipal distribution share
23 in excess of [~~\$15,000~~] \$30,000
24 _____ X deficiency in fund
25 sum of municipal distribution

Underscored material = new
[bracketed material] = delete

1 shares in excess of [~~\$15,000~~] \$30,000
2 so long as no municipality's distribution share is reduced below
3 [~~fifteen thousand dollars (\$15,000)~~] thirty thousand dollars
4 (\$30,000), and until each municipality's distribution share is
5 reduced to [~~fifteen thousand dollars (\$15,000)~~] thirty thousand
6 dollars (\$30,000), if necessary; and provided further that if
7 the sum of the distribution shares when each share is reduced to
8 [~~fifteen thousand dollars (\$15,000)~~] thirty thousand dollars
9 (\$30,000) is still in excess of the balance in the small cities
10 assistance fund on the preceding May 30, [~~then~~] the taxation and
11 revenue department shall reduce each municipality's [~~fifteen~~
12 ~~thousand dollar (\$15,000)~~] thirty thousand dollar (\$30,000)
13 distribution share by a percentage equal to a percentage
14 computed by dividing the amount by which the fund is
15 insufficient by the sum of all the distribution shares. The
16 taxation and revenue department shall certify the amount of the
17 distribution shares to the state treasurer.

18 D. The state treasurer shall distribute from the
19 small cities assistance fund on or before June 15 of each year
20 to each qualifying municipality the amount certified by the
21 taxation and revenue department for each qualifying municipality
22 for the period ending May 30 of the preceding year.

23 E. Immediately after distribution to municipalities
24 from the small cities assistance fund but no later than June 30
25 of each year, the unexpended or unencumbered balance in the

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1 small cities assistance fund remaining after the distribution to
2 the qualifying municipalities shall revert to the general fund.

3 F. Funds distributed under this section shall be
4 placed in the general fund of the qualifying municipalities
5 receiving distributions. "

6 Section 2. EFFECTIVE DATE. --The effective date of the
7 provisions of this act is July 1, 1996.

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State of New Mexico House of Representatives

FORTY-SECOND LEGISLATURE

SECOND SESSION, 1996

February 5, 1996

Mr. Speaker:

Your APPROPRIATIONS AND FINANCE COMMITTEE, to
whom has been referred

HOUSE BILL 30

has had it under consideration and reports same with
recommendation that it DO PASS, amended as follows:

1. On page 2, line 8, strike "fifty thousand dollars
(\$50,000)" and insert in lieu thereof "forty thousand dollars
(\$40,000)".

2. On page 2, line 13, strike "thirty thousand dollars
(\$30,000) and insert in lieu thereof "twenty thousand dollars
(\$20,000)".

3. On page 2, lines 14 and 15, strike "thirty thousand
dollars (\$30,000) and insert in lieu thereof "twenty thousand
dollars (\$20,000)".

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SECOND SESSION, 1996

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4. On page 2, line 20, strike "thirty thousand dollars (\$30,000)" and insert in lieu thereof "twenty thousand dollars (\$20,000)".

5. On page 2, line 23, strike "\$30,000" and insert in lieu thereof "\$20,000".

6. On page 3, line 1, strike "\$30,000" and insert in lieu thereof "\$20,000".

7. On page 3, lines 3 and 4, strike "thirty thousand dollars (\$30,000)" and insert in lieu thereof "twenty thousand dollars (\$20,000)".

8. On page 3, lines 5 and 6, strike "thirty thousand dollars (\$30,000)" and insert in lieu thereof "twenty thousand dollars (\$20,000)".

9. On page 3, lines 8 and 9, strike "thirty thousand dollars (\$30,000)" and insert in lieu thereof "twenty thousand dollars (\$20,000)".

10. On page 3, line 12, strike "thirty thousand dollars (\$30,000)" and insert in lieu thereof "twenty thousand dollars (\$20,000)".

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Respectfully submitted,

Max Coll, Chairman

Adopted _____ Not Adopted _____

(Chief Clerk)

(Chief Clerk)

Date _____

The roll call vote was 17 For 0 Against

Yes: 17

Excused: Buffett

Absent: none

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