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HOUSE BILL 86

43RD LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 1998

INTRODUCED BY

DONALD L. WHITAKER

FOR THE REVENUE STABILIZATION AND TAX POLICY COMMITTEE

AN ACT

RELATING TO SMALL CITIES ASSISTANCE; INCREASING THE 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

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

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

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

25 E. Immediately after distribution to

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1 municipalities from the small cities assistance fund but no
2 later than June 30 of each year, the unexpended or
3 unencumbered balance in the small cities assistance fund
4 remaining after the distribution to the qualifying
5 municipalities shall revert to the general fund.

6 F. Funds distributed under this section shall be
7 placed in the general fund of the qualifying municipalities
8 receiving distributions. "

9 Section 2. EFFECTIVE DATE. --The effective date of the
10 provisions of this act is July 1, 1998.

1 FORTY-THIRD LEGISLATURE

2 SECOND SESSION, 1998

3
4
5
6 February 13, 1998

7
8 Mr. Speaker:

9
10 Your TAXATION AND REVENUE COMMITTEE, to whom has
11 been referred

12
13 HOUSE BILL 86

14
15 has had it under consideration and reports same with
16 recommendation that it DO PASS, amended as follows:

17 1. On page 2, lines 8 and 9, strike "fifty thousand
18 dollars (\$50,000)" and insert in lieu thereof "the maximum
19 amount allowed".

20
21 2. On page 2, line 13, strike "thirty thousand dollars
22 (\$30,000)" and insert in lieu thereof "the minimum amount".

23
24 3. On page 2, line 15, strike "thirty thousand dollars
25 (\$30,000)" and insert in lieu thereof "the minimum amount".

1 FORTY-THIRD LEGISLATURE
2 SECOND SESSION, 1998

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4 4. On page 2, line 21, strike "thirty thousand dollars
5 (\$30,000)" and insert in lieu thereof "the minimum amount".
6

7 5. On page 2, line 24, strike "\$30,000" and insert in
8 lieu thereof "the minimum amount".
9

10 6. On page 3, line 1, strike "\$30,000" and insert in lieu
11 thereof "the minimum amount".
12

13 7. On page 3, lines 3 and 4, strike "thirty thousand
14 dollars (\$30,000)" and insert in lieu thereof "the minimum
15 amount".
16

17 8. On page 3, line 6, strike "thirty thousand dollars
18 (\$30,000)" and insert in lieu thereof "the minimum amount".
19

20 9. On page 3, line 9, strike "thirty thousand dollars
21 (\$30,000)" and insert in lieu thereof "the minimum amount".
22
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1 FORTY-THIRD LEGISLATURE
2 SECOND SESSION, 1998

3 HTRC/HB 86

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4 10. On page 3, line 13, strike "thirty thousand dollars
5 (\$30,000)".

6
7 11. On page 4, line 8, strike the closing quotation
8 marks.

9
10 12. On page 4, between lines 8 and 9, insert the
11 following new subsection:

12 "G. As used in this section:

13
14 (1) "maximum amount" means for fiscal year
15 1999, thirty-seven thousand dollars (\$37,000); for fiscal year
16 2000, forty-four thousand dollars (\$44,000); and for fiscal year
17 2001 and each fiscal year thereafter, fifty thousand dollars
18 (\$50,000); and

19 (2) "minimum amount" means for fiscal year
20 1999, twenty thousand dollars (\$20,000); for fiscal year 2000,
21 twenty-five thousand dollars (\$25,000); and for fiscal year 2001
22 and each fiscal year thereafter, thirty thousand dollars
23 (\$30,000). "" . ,

24 and thence referred to the APPROPRIATIONS AND FINANCE
25 COMMITTEE.

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FORTY-THIRD LEGISLATURE
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Respectfully submitted,

Jerry W. Sandel, Chairman

Adopted _____

Not Adopted _____

(Chief Clerk)

(Chief Clerk)

Date _____

The roll call vote was 11 For 0 Against

Yes: 11

Excused: Crook, Sandel

Absent: None

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1 FORTY-THIRD LEGISLATURE
2 SECOND SESSION, 1998

3
4 February 17, 1998
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6
7 Mr. Speaker:

8
9 Your APPROPRIATIONS AND FINANCE COMMITTEE, to
10 whom has been referred

11 HOUSE BILL 86, as amended

12
13 has had it under consideration and reports same with
14 recommendation that it DO PASS, amended as follows:

- 15
- 16 1. Strike House Taxation and Revenue Committee Amendment
 - 17 2. On page 4, line 8, strike the quotation marks.
 - 18 3. On page 4, between lines 8 and 9, insert the following new
- 19
20
21 subsection:

22
23 "G. As used in this section:

24
25 (1) "maximum amount" means for fiscal year 1999,
thirty-three thousand five hundred dollars (\$33,500); for fiscal

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1 FORTY-THIRD LEGISLATURE
2 SECOND SESSION, 1998

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4 year 2000, thirty-seven thousand dollars (\$37,000); and for fiscal
5 year 2001 and each fiscal year thereafter, forty-one thousand
6 dollars (\$41,000); and

7
8 (2) "minimum amount" means for fiscal year 1999,
9 twenty thousand dollars (\$20,000); for fiscal year 2000,
10 twenty-five thousand dollars (\$25,000); and for fiscal year 2001
11 and each fiscal year thereafter, twenty-eight thousand five
12 hundred dollars (\$28,500). "".

13
14 Respectfully submitted,

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18 _____
19 Max Coll, Chairman

20
21 Adopted _____ Not Adopted _____
22 (Chief Clerk) (Chief Clerk)

23
24 Date _____

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FORTY-THIRD LEGISLATURE
SECOND SESSION, 1998

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4 The roll call vote was 18 For 0 Against

5 Yes: 18

6 Excused: None

7 Absent: None

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SECOND SESSION, 1998

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February 19, 1998

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Mr. President:

10

Your FINANCE COMMITTEE, to whom has been referred

11

12

HOUSE BILL 86, as amended

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14

has had it under consideration and reports same with
recommendation that it DO PASS.

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16

Respectfully submitted,

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Ben D. Altamirano, Chairman

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FORTY-THIRD LEGISLATURE
SECOND SESSION, 1998

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Adopted _____ Not Adopted _____

3

(Chief Clerk)

(Chief Clerk)

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Date _____

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9

The roll call vote was 6 For 0 Against

10

Yes: 6

11

No: None

12

Excused: Carraro, Eisenstadt, Ingle, Lyons, McKibben

13

Absent: None

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