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SENATE BILL 102

44TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1999

INTRODUCED BY

Ben D. Altamirano

FOR THE LEGISLATIVE FINANCE COMMITTEE

AN ACT

RELATING TO SMALL CITIES ASSISTANCE; INCREASING THE AMOUNT OF THE MAXIMUM ANNUAL MUNICIPAL DISTRIBUTION TO A QUALIFYING MUNICIPALITY 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)~~] sixty thousand  
9 dollars (\$60,000); and provided that any municipality with a  
10 population of less than ten thousand [~~which~~] that does not  
11 qualify for a distribution or any qualifying municipality  
12 [~~which~~] that qualifies for a distribution of less than fifteen  
13 thousand dollars (\$15,000) shall receive a distribution of  
14 fifteen thousand dollars (\$15,000); and provided further that  
15 if the balance in the small cities assistance fund on the  
16 preceding May 30 is less than the sum of the distribution  
17 shares, [~~then~~] the taxation and revenue department shall first  
18 reduce the distribution share of each municipality whose  
19 distribution share is in excess of fifteen thousand dollars  
20 (\$15,000) in an amount calculated according to the following  
21 formula:

$$\frac{\text{municipal distribution share} \\ \text{in excess of } \$15,000}{\text{sum of municipal distribution} \\ \text{shares in excess of } \$15,000} \times \text{deficiency in fund}$$

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

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

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

. 125151. 1

1 municipalities shall revert to the general fund.

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

5 Section 2. EFFECTIVE DATE. --The effective date of the  
6 provisions of this act is July 1, 1999.

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1 FORTY-FOURTH LEGISLATURE

2 FIRST SESSION, 1999

3  
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5  
6 February 17, 1999

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8 Mr. President:

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10 Your WAYS & MEANS COMMITTEE, to whom has been referred

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12 SENATE BILL 102 AND SENATE BILL 253

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14 has had them under consideration and reports same with  
15 recommendation that they DO NOT PASS, but that

16  
17  
18 SENATE WAYS AND MEANS COMMITTEE SUBSTITUTE FOR

19 SENATE BILLS 102 AND 253

20  
21 DO PASS, and thence referred to the FINANCE COMMITTEE.

22  
23 Respectfully submitted,

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25 . 125151. 1

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Carlos R. Cisneros, Chairman

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Adopted \_\_\_\_\_ Not Adopted \_\_\_\_\_  
(Chief Clerk) (Chief Clerk)

Date \_\_\_\_\_

The roll call vote was 8 For 0 Against

Yes: 8

No: 0

Excused: Carraro

Absent: None

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SENATE WAYS AND MEANS COMMITTEE SUBSTITUTE FOR  
SENATE BILLS 102 & 253

44TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1999

AN ACT

RELATING TO MUNICIPALITIES; AMENDING DISTRIBUTIONS FROM THE  
SMALL CITIES ASSISTANCE FUND; INCREASING MINIMUM AND MAXIMUM  
DISTRIBUTIONS.

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 by Laws 1983, Chapter 205,  
Section 1 and also by Laws 1983, Chapter 214, Section 1) is  
amended to read:

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

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

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

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

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

12           E. "municipal per capita average" means the quotient  
13 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 a  
21 one-fourth of one percent municipal gross receipts tax in the  
22 previous fiscal year;

23           H. "qualifying municipality" means a municipality  
24 [~~(1)~~] with a population [~~which is~~] of less than ten thousand  
25 [~~(2)~~ ~~with a municipal per capita average less than the~~



1 ~~statewide per capita average; and (3) which~~ that has enacted  
2 on or before the last day of the preceding fiscal year an  
3 ordinance or ordinances imposing a municipal gross receipts  
4 tax pursuant to ~~[the Municipal Gross Receipts Tax Act]~~ Section  
5 7-19D-9 NMSA 1978 at a rate of one-fourth of one percent or  
6 more; and

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

10 (1) for which no election has been called in  
11 the manner and within the time provided by Section ~~[7-19-4]~~  
12 7-19D-9 NMSA 1978; or

13 (2) which has been approved by a majority of  
14 the registered voters voting on the question pursuant to  
15 Section ~~[7-19-4]~~ 7-19D-9 NMSA 1978. "

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

18 "3-37A-3. SMALL CITIES ASSISTANCE FUND--DISTRIBUTION.--

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

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

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

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-five thousand  
9 dollars (\$55,000) if the qualifying municipality has a  
10 population of five thousand or less and thirty-five thousand  
11 dollars (\$35,000) if the qualifying municipality has a  
12 population of more than five thousand but less than ten  
13 thousand; and provided that for any municipality with a  
14 population of less than ten thousand which does not qualify  
15 for a distribution or [~~any qualifying municipality~~] which  
16 qualifies for a distribution of less than [~~fifteen thousand~~  
17 ~~dollars (\$15,000) shall receive a distribution of fifteen~~  
18 ~~thousand dollars (\$15,000)~~] the minimum amount, the  
19 distribution share shall be the minimum amount; and provided  
20 further that if the balance in the small cities assistance  
21 fund on the preceding May 30 is less than the sum of the  
22 distribution shares [~~then~~] calculated pursuant to Subsection C  
23 of this section, the taxation and revenue department shall  
24 [~~first~~] reduce the distribution share of each municipality  
25 whose distribution share is in excess of [~~fifteen thousand~~

1 ~~dollars (\$15,000)]~~ the minimum amount in an amount calculated  
2 according to the following formula:

3           municipal distribution share in excess  
4           of [~~\$15,000~~] the minimum amount           ~~deficiency in fund~~  
5           sum of municipal distribution shares in  
6  
7           excess of [~~\$15,000~~] the minimum amount

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

24           D. The state treasurer shall distribute from the  
25 small cities assistance fund on or before June 15 of each year

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1 to each qualifying municipality the amount certified by the  
2 taxation and revenue department for each qualifying  
3 municipality for the period ending May 30 of the preceding  
4 year.

5 E. Immediately after distribution to municipalities  
6 from the small cities assistance fund but no later than June  
7 30 of each year, the unexpended or unencumbered balance in the  
8 small cities assistance fund remaining after the distribution  
9 to the qualifying municipalities shall revert to the general  
10 fund.

11 F. Funds distributed under this section shall be  
12 placed in the general fund of the qualifying municipalities  
13 receiving distributions.

14 G. As used in this section, "minimum amount" means:

15 (1) for a municipality with a population of  
16 five thousand or less, thirty-five thousand dollars (\$35,000);  
17 and

18 (2) for a municipality with a population of  
19 more than five thousand but less than ten thousand, twenty-  
20 five thousand dollars (\$25,000). "

21 Section 3. EFFECTIVE DATE. -- The effective date of the  
22 provisions of this act is July 1, 1999.

1 FORTY- FOURTH LEGI SLATURE

SB 102/a

2 FIRST SESSION, 1999

3  
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5  
6 March 8, 1999

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8 Mr. President:

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10 Your FINANCE COMMI TTEE, to whom has been referred

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12 SENATE WAYS AND MEANS COMMI TTEE SUBSTI TUTE FOR

13 SENATE BILLS 102 & 253

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15  
16 has had it under consideration and reports same with

17 recommendation that it DO PASS, amended as follows:

18  
19 1. On page 4, lines 8 and 9, strike "fifty-five thousand  
20 dollars (\$55,000)" and insert in lieu thereof "fifty thousand  
21 dollars (\$50,000)".

22  
23 2. On page 4, lines 10 and 11, strike "thirty-five thousand  
24 dollars (\$35,000)" and insert in lieu thereof "thirty thousand  
25

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SWMC/SB 102 & 253

FORTY-FOURTH LEGISLATURE  
FIRST SESSION, 1999

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SFC/SB 102

Page 16

dollars (\$30,000)".

Respectfully submitted,

\_\_\_\_\_  
Ben D. Altamirano, Chairman

Adopted \_\_\_\_\_ Not Adopted \_\_\_\_\_  
(Chief Clerk) (Chief Clerk)

Date \_\_\_\_\_

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FORTY- FOURTH LEGISLATURE  
FIRST SESSION, 1999

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SFC/SB 102

Page 17

The roll call vote was 7 For 0 Against

Yes: 7

No: 0

Excused: Campos, Carraro, Ingle, McKibben, Tsosie, Wilson

Absent: None

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1 SWMC/SB 102 & 253

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3 FORTY-FOURTH LEGISLATURE  
4 FIRST SESSION  
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6  
7 March 9, 1999  
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10 SENATE FLOOR AMENDMENT number \_\_\_\_\_ to SENATE WAYS AND MEANS  
11 COMMITTEE SUBSTITUTE FOR  
12 SENATE BILLS 102 & 253,  
13 as amended  
14

15 Amendment sponsored by Senator Ben D. Altamirano  
16

17  
18 1. Strike Senate Finance Committee Amendment No. 2.  
19

20 2. On page 6, line 16, strike "thirty-five thousand dollars  
21 (\$35,000) and insert in lieu thereof "thirty thousand dollars  
22 (\$30,000)".  
23

24 128819.1

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FORTY- FOURTH LEGISLATURE  
FIRST SESSION

SF1/SW&M/SB 102 & 253, aa

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Ben D. Altamirano

Adopted \_\_\_\_\_ Not Adopted \_\_\_\_\_  
(Chief Clerk) (Chief Clerk)

Date \_\_\_\_\_

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**SWMC/SB 102 & 253**

**FORTY- FOURTH LEGISLATURE  
FIRST SESSION, 1999**

**March 15, 1999**

**Mr. Speaker:**

**Your TAXATION AND REVENUE COMMITTEE, to whom has  
been referred**

**SENATE WAYS AND MEANS COMMITTEE SUBSTITUTE FOR  
SENATE BILLS 102 & 253, as amended**

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

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FORTY-FOURTH LEGISLATURE  
FIRST SESSION, 1999

HTRC/CS/SB 102a

Page 27

Respectfully submitted,

\_\_\_\_\_  
Jerry W. Sandel, Chairman

Adopted \_\_\_\_\_ Not Adopted \_\_\_\_\_  
(Chief Clerk) (Chief Clerk)

Date \_\_\_\_\_

The roll call vote was 12 For 0 Against

Yes: 12

Excused: Lujan, Russell, Sandoval

Absent: None

J:\99BillSWP\S0102

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