



New Mexico Association of Counties 2018 Legislative Priorities

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**Revenue Stabilization and Tax Policy Committee
November 21, 2017**



2018 NMAC LEGISLATIVE PRIORITIES

- **Tax Reform**

Support legislation that protects county revenue and does not have a negative impact on county government. NMAC strongly believes that counties must be at the table for and fully participate in all tax reform efforts; strives to minimize tax policy that places counties and other local governments in conflict; and opposes any efforts that reduce the state's hold harmless distribution to counties or that reduces county GRT authority.

- **Protecting County Funding of Healthcare**

Support the significant involvement of county policy makers in federal, state, and local healthcare, human services, and Medicaid planning, funding, and service delivery decision-making, and oppose any measure that would further shift federal and state healthcare costs to county government.

- **Extend 2014 HB16 Liquor Tax Distribution Sunset**

Support legislation that would permanently increase the distribution percentage to the local DWI grant fund.

- **Local Election Act**

Support legislation that would enact the Local Election Act, aligning the date for local, non-partisan elections with taxation authority, to the same day in the odd-numbered year.

- **Forfeiture Act Reform**

Support legislation that would correct the unintended consequences of the 2015 amendments to the NM Forfeiture Act to address federal equitable sharing, storage of abandoned property, and expand local authority to seize and dispose of forfeited property while preserving due process protections.

Priority selection process: After an extensive year-long review process involving NMAC affiliates and policy committees, the NMAC Board of Directors selects priorities based on countywide impact and statewide significance.

What the NMAC County Local Option Chart Shows:

Counties currently have statutory authority to impose 16 different gross receipts taxes, in 38 increments.

Orange/gold cells on the chart indicate increments that have been imposed by counties as of July 1, 2017.

Most county local option gross receipts are unused (blue cells on the chart) or unusable, because they are earmarked for a specific purpose or available to a few counties only. The chart shows the increments that are available to just three or fewer counties (green cells).

Nineteen of the 33 counties have imposed at least one of the general purpose hold harmless increments authorized by the Legislature back in 2013 (House Bill 641). The hold harmless increments are placed on the left side of the chart, with the other general purpose increments.

The counties that have imposed hold harmless increments did so to raise revenue for some of the following purposes: various infrastructure projects including road and bridge construction, as well as constructing and remodeling county detention centers and other county buildings; behavioral health and other healthcare program costs; road maintenance; and to finance unfunded mandates from the State, including housing for district judges, district attorneys, and public health offices.

There were just two changes to GRT rates in the period between January 1 and July 2017 (Hidalgo and Taos County imposed emergency communications and medical services tax increments), although most counties experienced a reduction in funding for local programs and services as a result of solvency measures enacted by the Legislature. It should also be noted that, in recent months, voters in both Santa Fe and Eddy Counties voted not to approve proposed gross receipts tax increases and the City of Ruidoso decided not to go forward on enacting three of the hold harmless increments.

Information on the NMAC chart is taken from the Tax Department's Enactment Dates of Local Option Taxes – as of July 1, 2017. The chart will be updated at the end of this year to show changes that become effective on January 1, 2018.

Revised 11/15/17
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NEW MEXICO ASSOCIATION OF COUNTIES

DWI AFFILIATE RESOLUTION #2018-1

*Short Title or Subject: **Extend 2014 HB16 Liquor Tax distribution sunset***

*Affected Affiliates: **DWI***

*Impact on County Revenues/Finances: **Increase in LDWI Funding***

***Legislative Resolution** or Non-Legislative Resolution or Resolution for Congressional Delegation: (circle one)*

*Requested as NMAC Legislative Priority for 2017 Session: **Yes** or No (circle one)*

WHEREAS, a distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be made to the local DWI grant fund in an amount equal to forty-one and fifty hundredths percent of the net receipts exclusive of penalties and interest, attributable to the liquor excise tax; and

WHEREAS, in 2014 HB16 allowed for a distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be made to the local DWI grant fund in an amount equal to forty-six percent of the net receipts exclusive of penalties and interest, attributable to the liquor excise tax and to sunset in fiscal year 2018; and

WHEREAS, the New Mexico DWI Coordinators rely on the annual distribution to the local DWI grant fund to provide services to DWI offenders to eradicate driving under the influence, provide behavior modification for DWI offenders and substance abusers, reduce the incidence of DWI, alcoholism, alcohol abuse and alcohol related domestic violence; and

WHEREAS, the New Mexico DWI Coordinators support legislation permanently setting the percentage of the distribution to forty-six percent of the net receipts to the local DWI grant fund.

NOW THEREFORE BE IT RESOLVED that the New Mexico Association of Counties supports legislation that would permanently increase the ditribution percentage to the local DWI grant fund.

Signed:  _____
Kelly Ford, DWI Affiliate Chair

Date: 6/22/2017

NM DWI Affiliate

33 Counties, 1 Goal

Our goal is to reduce and prevent incidents of alcohol and drug related DWI.



We are in your local communities...

There is a LDWI Program in all 33 counties. We provide services to offenders convicted of DWI in NM. Each county has the opportunity for funding to provide wrap-around services for DWI offenders. Our programs are tailored to provide the services which are needed for our communities on the local level, filling the gaps and needs for each individual community. Each program evaluates those local gaps and needs and provides services to meet those needs. This means that not all programs are the same but are structured to provide appropriate services to its communities.

We are multifaceted local level programs providing

- Prevention
- Law Enforcement
- Screening
- Treatment
- Probation Supervision
- Coordination Planning & Evaluation
- Domestic Violence Treatment
- Alternative Sentencing

Local DWI Grant Program

The 1993 New Mexico Legislature enacted Laws of 1993, Chapter 65. A portion of the law created the *Local DWI Grant Program Act*, compiled as Sections 11-6A-1 through 11-6A-6, NMSA 1978, as amended.

Program Oversight

The legislation, 11-6A-4 NMSA 1978 as amended, gives oversight of the Program to the DWI Grant Council, which was created under the Local DWI Grant Program Act. Membership of the Council consists of the President of the NM Municipal League or a designee, the President of NMAC or a designee, the Secretary of DOH or their designee, the Secretary of DFA or their designee, Chief of the TSD of the State Highway and Transportation Department, and two representatives of local governing bodies, appointed by the Governor.



We are asking for your support...

The distribution to the LDWI Grant Fund is statutorily set in an amount equal to forty-one and fifty hundredths percent of the net receipts, exclusive of penalties and interest, attributable to the liquor excise tax. These funds are distributed to the local counties quarterly in four distributions per fiscal year.

In the 2016 regular session, the LDWI fund received a \$4 million sweep through HB311. In the special session of 2016, our fund received another \$3.6 million sweep under SB2. This has left our fund over extended causing the counties to be funded with current revenue as it is distributed from Tax and Revenue. This \$7.6 million fund decrease also caused our programs to receive a 40% decrease in their funding the same fiscal year and, as a result, to discontinue and close some services.

The following is a legislative priority that the LDWI Grant Council and the DWI Affiliate are respectfully requesting you to support.

HB16 SUNSET EXTENSION Res. 2018-1

In the 2014 legislative session, HB16 raised the percentage of the distribution to the LDWI Grant Fund from the state liquor excise tax to 46% which carries a three year sunset. In light of the sweeps, the local programs have not been able to actually receive or benefit from the increase passed by HB16.

The DWI Grant Programs rely on the LDWI Distribution and Grant Funds to provide the delivery of locally determined programs, services, and activities to DWI and other offenders convicted of an alcohol offense. These services focus on behavior modification to reduce the incidence of DWI, alcoholism, alcohol abuse and alcohol related Domestic Violence.

NM DOT Alcohol Involved Fatality Summary Report

	2016	2015
11/3/2016		
Bernalillo	40	35
Catron	0	0
Chaves	3	3
Cibola	5	7
Colfax	0	2
Curry	1	2
De Baca	2	0
Dona Ana	10	5
Eddy	1	1
Grant	3	1
Guadalupe	1	1
Harding	0	0
Hidalgo	0	0
Lea	3	5
Lincoln	0	1
Los Alamos	0	0
Luna	6	1
McKinley	6	12
Mora	1	1
Otero	1	2
Quay	2	2
Rio Arriba	6	6
Roosevelt	0	3
San Juan	19	17
San Miguel	4	0
Sandoval	6	2
Santa Fe	7	4
Sierra	0	1
Socorro	2	2
Taos	4	2
Torrance	5	0
Union	0	0
Valencia	0	3



Due to this fact, along with the severe decrease our fund received which caused an over extension, we have passed a resolution and will be working towards a permanent extension of the 2014 HB19 sunset of the percent of liquor excise tax to support the Local DWI Distribution and Grant Fund Program.

DWI is a complex issue which can only be addressed in a multi-pronged manner. Our programs provide services to address DWI issues through prevention, enforcement, compliance monitoring, screening, treatment, alternative sentencing, and alcohol involved domestic violence treatment. There are established positive and healthy working relationships between our local programs and their communities. Each program holds local autonomy to ensure they are addressing the individual needs of each particular county and its communities. Removing locally driven services will negatively affect the array of services available throughout the state.

It is vital to keep our local programs whole. Reducing the funding to programs will have a negative impact and the repercussions will be an increase in both DWI occurrences and recidivism rates.

For these and many more reasons, we are respectfully requesting your support and to join us in our resolution to extend the 2014 HB16 Liquor Tax distribution sunset.

Statewide Goals, Local Efforts

- Each program provides new, innovative or model programs/services
- Local governance ensures that program activities are culturally competent and address community readiness
- Activities must demonstrate effective model approaches
- Community participants, collaboration and planning
- Data informed decisions
- Performance measures & evaluation

EYE ON IT Current DWI Trends

We do not see how a reduction to the LDWI distribution and grant fund corresponds with the Governor's DWI Initiative. If the programs are forced to reduce and/or terminate services, our hands are tied and we can no longer adequately fight DWI through prevention efforts along with treatment and supervision of offenders.

BOTTOM LINE...

**The offender
"goes free"
and
DWI occurrences and
crashes go up and
lives are lost.**

Kelly Ford

**NM Association of Counties DWI Affiliate, Chair
NM LDWI Grant Council, Vice Chair**

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